

---

**SUBSTITUTE SENATE BILL 5909**

---

**State of Washington**

**58th Legislature**

**2003 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators Reardon, Rossi, Roach, Poulsen, Hewitt, Shin, Doumit, Zarelli, Eide, Kline, Stevens, Keiser, McCaslin, West, Hale, McAuliffe, Parlette, Rasmussen, Sheahan and Schmidt)

READ FIRST TIME 03/05/03.

1       AN ACT Relating to government accountability; adding a new section  
2 to chapter 43.88 RCW; adding new sections to chapter 43.131 RCW; adding  
3 a new chapter to Title 43 RCW; and creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5       NEW SECTION.   **Sec. 1.**   LEGISLATIVE FINDINGS.   The legislature finds  
6 that:

7       (1) Public confidence in government is essential. Public programs  
8 must continuously improve in quality, efficiency, and effectiveness in  
9 order to increase public trust;

10       (2) Washington state government and other entities that receive tax  
11 dollars must continuously improve the way they operate and deliver  
12 services so citizens receive maximum value for their tax dollars;

13       (3) State government must establish priorities for the delivery of  
14 governmental services and continually reassess the ability of state  
15 agencies, programs, and activities to contribute to those priorities.  
16 The highest priority programs must be evaluated to determine if they  
17 are operating at maximum efficiency, while the lowest priority programs  
18 must be assessed to determine their continued viability;

1 (4) Fair, independent, professional performance audits of state  
2 agencies by the state auditor are essential to improving the efficiency  
3 and effectiveness of government.

4 NEW SECTION. **Sec. 2.** PRIORITIES OF GOVERNMENT. (1) The  
5 legislature finds that the highest priority functions of state  
6 government serve the following objectives:

7 (a) Improve student achievement in elementary, middle, and high  
8 schools;

9 (b) Improve the quality and productivity of the state's work force;

10 (c) Improve the value of a state college or university education;

11 (d) Improve the health of the state's citizens;

12 (e) Improve the security of the state's vulnerable children and  
13 adults;

14 (f) Improve the economic vitality of businesses and individuals;

15 (g) Improve statewide mobility of people, goods, information, and  
16 energy;

17 (h) Improve the safety of people and property;

18 (i) Improve the quality of the state's natural resources; and

19 (j) Improve cultural and recreational opportunities throughout the  
20 state.

21 (2) The ten priority functions of state government identified in  
22 this section shall form the basis of the activity assessment under  
23 section 4 of this act.

24 NEW SECTION. **Sec. 3.** PRIORITIES OF GOVERNMENT OVERSIGHT BOARD.

25 (1) The priorities of government oversight board is established to  
26 oversee performance audits and priority-based activity assessments of  
27 state government agencies, programs, and activities as provided in  
28 sections 4 and 5 of this act.

29 (2) The board shall consist of fifteen members as follows:

30 (a) The director of financial management, who shall serve as chair;

31 (b) The state auditor;

32 (c) The chairs and ranking minority members of the senate committee  
33 on ways and means and the house of representatives committee on  
34 appropriations;

35 (d) The legislative auditor of the joint legislative audit and  
36 review committee;

1 (e) The director of the state institute for public policy;

2 (f) One representative of the private sector with expertise in  
3 organizational improvement strategies, to be appointed by and serve at  
4 the pleasure of the governor;

5 (g) One representative of state employees, to be appointed by and  
6 serve at the pleasure of the governor, in consultation with state  
7 employee organizations; and

8 (h) Five citizens to be selected by the governor as follows: Each  
9 major caucus of the house of representatives and the senate shall  
10 submit a list of three names. The lists shall not include members of  
11 the legislature. The governor shall select one person from each list  
12 provided by each caucus and shall also select a fifth citizen of the  
13 governor's choice. The citizen appointees under this subsection (2)(h)  
14 shall be individuals who have a basic understanding of state government  
15 operations with knowledge and expertise in performance management,  
16 quality management, strategic planning, performance assessments, or  
17 closely related fields. The citizen appointees shall serve for terms  
18 of four years, with the terms expiring on June 30th on the fourth year  
19 of the term. However, in the case of the initial members, two members  
20 shall serve four-year terms, two members shall serve three-year terms,  
21 and one member shall serve a two-year term, with each of the terms  
22 expiring on June 30th of the applicable year. Appointees may be  
23 reappointed to serve more than one term.

24 (3) The office of financial management shall provide lead staff  
25 support to the priorities of government oversight board. Additional  
26 staff support shall be provided by the other public members of the  
27 board.

28 (4) The members of the priorities of government oversight board  
29 shall be reimbursed for travel expenses in accordance with RCW  
30 43.03.050 and 43.03.060. Members of the committee who are not  
31 otherwise employed by the state shall be compensated under RCW  
32 43.03.220.

33 NEW SECTION. **Sec. 4.** PRIORITIES OF GOVERNMENT ACTIVITY  
34 ASSESSMENTS. (1) By January 1st of each year, the priorities of  
35 government oversight board shall select one of the priority functions  
36 of government identified in section 2 of this act. By July 1st of each  
37 year, for all agency programs and activities within this priority

1 function of government, the board shall determine the relative priority  
2 of each program and activity based on the program or activity's  
3 contribution to the overall objectives of the function.

4 (2) Based on the priority list developed under subsection (1) of  
5 this section, the board shall select up to two priority programs or  
6 activities to be the subject of performance audits conducted under  
7 section 5 of this act. One of the programs or activities selected for  
8 a performance audit may be from a different priority objective under  
9 section 2 of this act. The programs or activities shall be selected  
10 for performance audits based on evidence that the program or activity  
11 would likely benefit from the evaluation and review.

12 (3) Based on the priority list developed under subsection (1) of  
13 this section, one or more of the lowest priority programs or activities  
14 shall be the subject of activity assessments as provided in this  
15 subsection. The number and scope of activity assessments conducted  
16 under this subsection shall be determined by the board, subject to the  
17 availability of funds.

18 (a) Each activity assessment shall be conducted by an independent  
19 contractor selected by the board. For each activity assessment, the  
20 contractor shall address the following questions:

21 (i) Does the program or activity continue to serve the purpose for  
22 which it was created?

23 (ii) In comparison to other programs and priorities, does this  
24 purpose continue to merit the use of the state's limited resources?

25 (iii) Does this program or activity continue to contribute to the  
26 priorities of government identified in section 2 of this act?

27 (iv) Are there better alternatives for the use of these resources  
28 or to accomplish the objective of the program or activity?

29 (b) The board shall release the activity assessment to the citizens  
30 of the state, the governor, and the appropriate legislative committees.  
31 The board shall also submit proposed legislation, as appropriate, to  
32 implement the findings of the activity assessment.

33 NEW SECTION. **Sec. 5.** PERFORMANCE AUDITS. (1) The state auditor  
34 shall oversee performance audits of those agencies, programs, and  
35 activities identified by the board under the activity assessment  
36 process in section 4 of this act.

1 (2) The board shall establish criteria for performance audits.  
2 Agencies shall be audited using criteria that include generally  
3 accepted government auditing standards as well as legislative mandates  
4 and performance objectives established by state agencies. Mandates  
5 include, but are not limited to, agency strategies, timelines, program  
6 objectives, and mission and goals as required in RCW 43.88.090.

7 (3) The state auditor shall contract with public and private  
8 organizations to conduct the performance audits under this section.  
9 The audits may include an evaluation of:

10 (a) Programs and services that can be eliminated, reduced,  
11 consolidated, or enhanced;

12 (b) Identification of funding sources of the state agency, program,  
13 or activity that can be eliminated, reduced, consolidated, or enhanced;

14 (c) Analysis of gaps and overlaps in programs and services and  
15 recommendations for improving, eliminating, blending, or separating  
16 functions to correct gaps or overlaps;

17 (d) Evaluation of planning, budgeting, and program evaluation  
18 policies and practices;

19 (e) Evaluation of personnel systems operation and management;

20 (f) Evaluation of state purchasing operations and management  
21 policies and practices; and

22 (g) Evaluation of organizational structure and staffing levels,  
23 particularly in terms of the ratio of managers and supervisors to  
24 nonmanagement personnel.

25 (4) Audit staff shall have access to any state agency records,  
26 data, and other information deemed necessary to carry out the audit.  
27 State agencies shall provide the requested information at no cost and  
28 in a timely manner. In requesting information from state agencies, the  
29 audit staff shall seek to minimize duplication of effort by making  
30 maximum use of existing audit records, accreditation records and  
31 reports, and other existing program documentation.

32 (5) The state auditor shall solicit comments on preliminary  
33 performance audit reports from the audited state agency, the governor,  
34 the office of financial management, the board, and the joint  
35 legislative audit and review committee.

36 (6) The final reports shall be submitted to the board by the state  
37 auditor. The board and the state auditor shall jointly release final  
38 reports to the citizens of the state, the governor, and the appropriate

1 legislative committees. The board and the state auditor shall also  
2 submit proposed legislation, as appropriate, to implement the findings  
3 of the performance audit. Final performance audit reports shall be  
4 available on the internet.

5 NEW SECTION. **Sec. 6.** A new section is added to chapter 43.88 RCW  
6 to read as follows:

7 In addition to the authority given the state auditor in RCW  
8 43.88.160(6), the state auditor is authorized to contract for and  
9 oversee performance audits pursuant to section 5 of this act.

10 NEW SECTION. **Sec. 7.** A new section is added to chapter 43.131 RCW  
11 to read as follows:

12 The priorities of government oversight board created in section 3  
13 of this act and the board's powers and duties shall be terminated June  
14 30, 2010, as provided in section 8 of this act. The joint legislative  
15 audit and review committee shall contract with a private entity for the  
16 review in this chapter.

17 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.131 RCW  
18 to read as follows:

19 The following acts or parts of acts, as now existing or hereafter  
20 amended, are each repealed, effective June 30, 2011:

- 21 (1) Section 1 of this act;
- 22 (2) Section 2 of this act;
- 23 (3) Section 3 of this act;
- 24 (4) Section 4 of this act; and
- 25 (5) Section 5 of this act.

26 NEW SECTION. **Sec. 9.** Sections 1 through 5 of this act constitute  
27 a new chapter in Title 43 RCW.

28 NEW SECTION. **Sec. 10.** Section captions used in this act are not  
29 any part of the law.

30 NEW SECTION. **Sec. 11.** If specific funding for the purposes of  
31 this act, referencing this act by bill or chapter number, is not

1 provided by June 30, 2003, in the omnibus appropriations act, this act  
2 is null and void.

--- END ---