

HOUSE BILL REPORT

HB 3109

As Reported by House Committee On:
State Government Operations & Accountability

Title: An act relating to government performance and accountability.

Brief Description: Addressing government performance and accountability.

Sponsors: Representatives Miloscia, Morrell and O'Brien; by request of Governor Gregoire.

Brief History:

Committee Activity:

State Government Operations & Accountability: 1/27/06, 2/1/06 [DPS].

Brief Summary of Substitute Bill

- Moves the Citizen Advisory Board (Board) under the authority of the Governor, to advise the Governor, and modifies the Board's duties.
- Permits state agencies to support the Washington State Quality Award Program through memberships, by attending workshops and symposiums, and by sponsoring employees to become quality assessment examiners.

HOUSE COMMITTEE ON STATE GOVERNMENT OPERATIONS & ACCOUNTABILITY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Haigh, Chair; Green, Vice Chair; Nixon, Ranking Minority Member; Clements, Assistant Ranking Minority Member; Hunt, McDermott, Miloscia, Schindler and Sump.

Staff: Marsha Reilly (786-7135).

Background:

During the 2005 session, the Legislature passed ESHB 1064, Improving Government Performance and Accountability. The bill created the Citizen Advisory Board (Board) to improve efficiency, effectiveness, and accountability in state government, and to work with the auditor in the conduct of performance audits. In addition to establishing criteria for performance audits, the Board is directed to conduct a statewide performance review as a precursor to a performance audit work plan.

At the last general election, the voters of this state approved Initiative 900. The Initiative authorizes the State Auditor to conduct independent, comprehensive performance audits of state and local governments and each of its agencies, accounts, and programs, as well as the judicial and legislative branches of government.

The Initiative did not repeal any of the provisions of ESHB 1064, so both are considered good law and the provisions of both must be followed to the extent that there are no conflicts.

Summary of Substitute Bill:

Duties and responsibilities of the Board are recodified into chapter 43.41 RCW, the Office of Financial Management (OFM). Membership on the Board is changed from 10 to nine members. The Governor appoints five citizen members, instead of three, and the State Auditor, the legislative auditor, and the director of the OFM no longer serve on the Board. The OFM provides support to the Board.

The Board advises the Governor on all efforts related to performance improvement, including:

- improving state government efficiency and effectiveness;
- ensuring that efforts to improve performance are coordinated and prioritized across state government;
- increasing accountability through effective communication to citizens;
- ensuring performance improvement efforts are fair, independent, and professional; and
- engaging citizens to assist in identifying priorities.

The Board is directed to review and evaluate state agency performance through performance reviews. Performance review is defined as "an objective evaluation of an agency's results and outcomes in light of its mission, availability of resources, and statewide priorities."

Performance reviews may include, but are not limited to:

- identification of those agencies, programs, functions, or activities that warrant further review through the performance review forum, the performance-based budgeting process, or as a potential area to recommend for performance audit;
- reviewing consistency of agency performance standards, measures, efforts, and initiatives;
- recognition of best practices; and
- identification of areas for increased collaboration and consistency in performance improvement efforts by the Governor, Legislature, State Auditor, and state agencies.

Audited agencies are responsible for follow-up and corrective action on all performance reviews. Periodic progress reports may also be required. The Board may request status reports on specific audits, findings, or review recommendations.

The legislative auditor and the State Auditor must report to the Board on an annual basis on the status of their audit work plans to avoid duplication of effort in conducting performance reviews. Representatives from the Governor's performance review process, performance-based budget process, and the state quality assessment process must also report to the Board

annually on the status of the various performance initiatives and to make recommendations for the Board's work plan.

Each year, the Board will made recommendations to the Governor that may include identification of agencies that may benefit from a performance audit, identification of programs and services of state government that may benefit from increased attention through the performance review process, and identification of state budgeting and purchasing decisions requiring increased attention in the performance-based budgeting process.

State agency is defined as "a state agency, department, office, officer, board, commission, bureau, division, institution, or institution of higher education" and includes all offices of executive branch state government elected officials.

By June 30, 2007, and each four years thereafter, the Joint Legislative Audit and Review Committee (JLARC) must contract for a performance audit of the State Auditor's Performance Audit Program.

State agencies are permitted to support the Washington State Quality Award Program through memberships, by sending employees to performance excellence workshops and symposiums, and by sponsoring employees to become quality assessment examiners.

Statutes related to the Board's role in performance audits are repealed.

Substitute Bill Compared to Original Bill:

In the substitute bill, the requirement that the JLARC must contract with a private entity is removed for purposes of contracting for a performance audit of the State Auditor's Performance Review Program. A provision is also added to allow state agencies to support the Washington State Quality Award Program through memberships, by sending employees to performance excellence workshops and symposiums, and by sponsoring employees to become quality assessment examiners.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: Addressing government performance and accountability through the restructured Board attempts to resolve the difference between Initiative 900 and a bill that passed last session on this same issue. The restructured Board shifts its focus from exercising oversight over the State Auditor, to providing advice to the Governor on performance measures. This focus on assisting the Governor in measuring performance does not duplicate or inhibit the independent audits conducted by the State Auditor. The Board encourages citizens to assist the Governor on four important issues: improving government efficiency; ensuring that the efforts to improve efficiency are coordinated across the state; increasing

accountability through effective communication to the people of the state; and ensuring that the efforts to improve efficiency are fair, independent, and professional. The Board is a great work in process. It encourages citizen participation across the state and will help increase trust in government.

Testimony Against: None.

Persons Testifying: (In support) Representative Miloscia, prime sponsor; Brian Sontag, State Auditor; Antonio Ginatta, Office of the Governor; Jason Mercier, Evergreen Freedom Foundation; Tina Podlodarski, Citizens Advisory Board; and Daniel Meed Smit, Washington Policy Center.

Persons Signed In To Testify But Not Testifying: None.