

SENATE BILL REPORT

SB 5124

As of January 14, 2005

Title: An act relating to improving government performance and accountability.

Brief Description: Improving government performance and accountability.

Sponsors: Senators Kastama, Jacobsen, Rasmussen, Weinstein, Haugen, Berkey, McAuliffe, Keiser, Kline, Shin and Brown.

Brief History:

Committee Activity: Government Operations & Elections: 1/18/05.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Staff: Mac Nicholson (786-7445)

Background: A number of programs have been instituted to improve government efficiency and accountability. Legislation was enacted in 1996 establishing a performance based budgeting system for state agencies. Agencies are expected to: (1) establish mission statements and set goals; (2) develop strategies to achieve goals; (3) set outcome based objectives; (4) provide continuous self-assessment of each program; (5) link budget proposals with their mission statements and goals; and (6) objectively determine the success in achieving goals.

Executive Order 97-03, issued in 1997, required all state 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. Executive Order 97-02 established a rules review process for state agencies to periodically review their rules to determine if the rules should be retained, modified, or repealed.

The Joint Legislative Audit and Review Committee (JLARC) is authorized to conduct performance audits. The State Auditor may also conduct performance audits at the direction of JLARC if the Legislature appropriates money for specific performance audits in the state budget.

Summary of Bill: The Citizen Oversight Board (Board) is established to improve efficiency, effectiveness, and accountability in state government. The Board consists of seven members: the state auditor; the chair of JLARC; one member selected by the governor; and four members selected by the governor from lists submitted by each of the four caucuses of the legislature. The appointed members must have a basic understanding of state government and expertise in performance and quality management or closely related fields. JLARC staffs the Board.

Annual Assessment and Performance Grading

The Board must establish a program to conduct annual performance assessments and grade agency performance on a phased-in schedule. Areas to be assessed include quality management, productivity and fiscal efficiency, program effectiveness, customer satisfaction, and statutory and regulatory compliance. The Board, in establishing grading standards, must seek input from elected officials, state employees, and professionals with a background in performance management. In developing program criteria, the Board must consider already developed best practices and audit criteria. Criteria for the assessment and standards for grading must be given to agencies prior to the assessment.

The Board must contract or partner with public or private entities to perform the assessment and grading of all state agencies. Results of the assessment and grading must be submitted to the governor, OFM, the appropriate legislative committees, the public, and posted on the internet.

Performance Audits

The Board and the Auditor must work together regarding performance audits of state government. The Board establishes the criteria for audits based on generally accepted government auditing standards, legislative mandates, and performance objectives established by the agencies.

Using the established audit criteria, the Board and Auditor must complete a statewide performance review, preliminary to a draft performance audit work plan. In development of a draft performance audit work plan, the Board and Auditor must seek input from citizens, state employees, JLARC, and others. The draft work plan may include a list of agencies or programs to be audited and a time line for doing so based on factors such as risk, importance, and citizen concerns. All audits must be designed to be completed in a six month period, and the Board and Auditor must examine a grading system for the audits.

Before the final work plan is adopted, the Board must consult with the legislative auditor and other oversight and audit entities to coordinate work plans and avoid duplication of effort. The Board must defer to JLARC if a similar audit is included on both work plans.

The Auditor contracts out for execution of the performance audits. The audit report may include the agency grade, evaluation of best practices, and findings and recommendations for efficiency and effectiveness of state programs. The Auditor must solicit comments on the preliminary audit reports from the audited agency, governor, OFM, the Board, and JLARC, which must be incorporated into the final report. The final audit report must include the objectives, scope, and methodology; the audit results, including findings and recommendations; conclusions; and identification of best practices. The final report must be jointly released by the Board and Auditor to the citizens of Washington, the governor, the appropriate legislative committee, and posted on the internet.

Audited agencies are responsible for follow-up and corrective action on all audit findings and recommendations. The audited agency must develop a corrective action plan to be included in the final report that provides the action planned by the agency, the anticipated completion date, and a contact person responsible for the action. If the agency disagrees with the audit, it must provide an explanation in the corrective action plan. The Board can request status reports on specific audit findings.

The Board terminates in 2012.

Quality Management Program

Each state agency must develop and implement a quality management program within available funds. The program must identify opportunities to improve services and reduce costs; identify goals and measure progress toward meeting them; evaluate results of the program; and develop a plan for quality improvement. Program results must be reported on a regular basis to the governor or elected official as appropriate.

State agencies must apply at least every three years for the Washington state quality award or an equivalent outside quality assessment for potential recognition. Staggered deadlines are provided for both the implementation of the quality management program and initial application for quality awards.

The legislature must develop and implement a quality management program; the supreme court and local governments are encouraged to develop such programs.

If specific funding is not provided for the bill, it is null and void.

Appropriation: None.

Fiscal Note: Requested on January 13, 2005.

Committee/Commission/Task Force Created: Yes.

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