

SENATE BILL REPORT

SB 6767

As Reported By Senate Committee On:
Government Operations & Elections, February 2, 2006

Title: An act relating to government performance and accountability.

Brief Description: Addressing government performance and accountability.

Sponsors: Senators Regala, Rockefeller and Kastama; by request of Governor Gregoire and State Auditor.

Brief History:

Committee Activity: Government Operations & Elections: 1/30/06, 2/2/06 [DP].
Ways & Means:

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass.

Signed by Senators Kastama, Chair; Berkey, Vice Chair; Roach, Ranking Minority Member; Benton, Fairley, Haugen, Kline, McCaslin, Mulliken and Pridemore.

Staff: Diane Smith (786-7410)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Steve Jones (786-7440)

Background: Legislation in 2005 created the Citizen Oversight Board (Board). It consists of ten members as follows: the State Auditor, the chair of the Joint Legislative Audit and Review Committee (JLARC) and the Director of the Office of Financial Management, who are non-voting members; four citizen members selected by the Governor from a list submitted by each major caucus in the Senate and the House of Representatives; and three citizen members who may not be state employees, selected by the Governor. Appointed members serve staggered terms and must have an understanding of state government operations and knowledge and expertise in performance management, quality management, strategic planning, performance assessments, or closely related fields. Staff support to the Board is provided by the State Auditor.

The Board and the State Auditor collaborate with JLARC regarding performance audits of state government. The Board establishes performance audit criteria consistent with criteria and standards followed by JLARC. Using these criteria, the State Auditor contracts for a statewide performance review as a preliminary step to preparing a draft performance audit plan. The purpose of the reviews is to identify agencies, programs, functions, or activities most likely to benefit from performance audits and to identify likely areas warranting early review. The Board and the State Auditor develop the draft work plan on performance audits

based on input from citizens, state employees, including front-line employees, state managers, chairs and ranking members of appropriate legislative committees, JLARC, public officials, and others. Before adopting a final work plan, the Board and the State Auditor consult with the Legislative Auditor to coordinate work plans and avoid audit duplication.

The State Auditor and the Board must jointly release the audit reports to the Governor, the citizens of Washington, JLARC, and the appropriate standing legislative committees.

Also in 2005, Initiative to the People 900 was enacted. It requires the State Auditor to perform audits of all governmental entities, both state and local, and of all three branches of government. Funding is from 0.16 percent of the state's portion of the retail sales and use tax.

There is no provision for a CAB in the Initiative.

Summary of Bill: The membership of the CAB is reconstituted. It consists of nine voting members. Four are selected by the Governor from lists submitted by the caucuses of the major political parties. Five are citizen-members who represent among other perspectives, those of private business and industry, labor and public interest organizations. None of the members of the CAB may be state employees. Staff assistance is provided by the Office of Financial Management.

The CAB's functions are to advise the Governor on ways to improve government efficiency and effectiveness; ways to ensure that all performance improvement efforts are coordinated and not duplicative; and ways to ensure that performance improvement efforts are fair, independent, and professional. In addition, the CAB advises the Governor on all existing performance improvement initiatives and on engaging citizens in identifying priorities.

The CAB must conduct performance reviews which review and evaluate the performance of state agencies. Annual recommendations based on these performance reviews may identify agencies that may benefit from a performance audit.

The State Auditor and the chair of JLARC must report to the CAB at least annually so as to avoid duplication in conducting performance reviews. Annual reports to the CAB are also required from the Governor's performance review process, the performance-based budgeting process, and the state quality assessment process.

Every four years, JLARC is required to contract with a private entity for a performance audit of the State Auditor's performance audit program.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: Yes.

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

Testimony For: This bill clarified roles and responsibilities of the CAB with the passage of I-900. The CAB is transitioned to become a management tool in the Governor's office where it can be used more strategically. The fiscal note transfers HB 1064 money to the Governor's office. The Governor and the State Auditor are in the same place. We need compatibility.

This is a new way to look at performance reviews: to look at the continuum of performance efforts across state government. It is very valuable to have citizens involved and the CAB does that. The appointments to the CAB will be made with geographical diversity in mind.

Testimony Against: None.

Who Testified: PRO: Senator Regala, prime sponsor; Brian Sontag, the State Auditor; Antonio Ginattata, Office of the Governor.