H-2539.1

SECOND SUBSTITUTE HOUSE BILL 1970

State of Washington 59th Legislature 2005 Regular Session

By House Committee on Appropriations (originally sponsored by Representatives P. Sullivan, Springer, Miloscia, Upthegrove, Morrell, Haigh, O'Brien, Linville and Takko; by request of Governor Gregoire)

READ FIRST TIME 03/07/05.

AN ACT Relating to improving government management, accountability, and performance; adding new sections to chapter 43.17 RCW; adding a new section to chapter 44.04 RCW; adding a new section to chapter 2.04 RCW; and creating new sections.

- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 <u>NEW SECTION.</u> **Sec. 1.** The legislature finds that:
- 7 (1) Citizens demand and deserve accountability of public programs 8 and activities. Public programs must continuously improve 9 accountability and performance reporting in order to increase public
- 10 trust.
- 12 (2) Washington state government agencies must continuously improve 12 their management and performance so citizens receive maximum value for 13 their tax dollars.
- 14 (3) The application of best practices in performance management has 15 improved results and accountability in many Washington state agencies 16 and other jurisdictions.
- 17 (4) All Washington state agencies must develop a performance-based 18 culture that can better demonstrate accountability and achievement.

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NEW SECTION. Sec. 2. A new section is added to chapter 43.17 RCW to read as follows:

As used in sections 3 and 4 of this act:

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- (1) "State agency" or "agency" means a state agency, department, office, officer, board, commission, bureau, division, institution, or institution of higher education, and all offices of executive branch state government-elected officials.
- 8 (2) "Quality management, accountability, and performance system"
 9 means a nationally recognized integrated, interdisciplinary system of
 10 measures, tools, and reports used to improve the performance of a work
 11 unit or organization.
- NEW SECTION. **Sec. 3.** A new section is added to chapter 43.17 RCW to read as follows:
- 14 (1) Each state agency shall, within available funds, develop and 15 implement a quality management, accountability, and performance system 16 to improve the public services it provides.
 - (2) Each agency shall ensure that managers and staff at all levels, including those who directly deliver services, are engaged in the system and shall provide managers and staff with the training necessary for successful implementation.
- 21 (3) Each agency shall, within available funds, ensure that its 22 quality management, accountability, and performance system:
 - (a) Uses strategic business planning to establish goals, objectives, and activities consistent with the priorities of government, as provided in statute;
 - (b) Engages stakeholders and customers in establishing service requirements and improving service delivery systems;
- 28 (c) Includes clear, relevant, and easy-to-understand measures for each activity;
 - (d) Gathers, monitors, and analyzes activity data;
- 31 (e) Uses the data to evaluate the effectiveness of programs to 32 manage process performance, improve efficiency, and reduce costs;
- 33 (f) Establishes performance goals and expectations for employees 34 that reflect the organization's objectives; and provides for regular 35 assessments of employee performance;
- 36 (g) Uses activity measures to report progress toward agency 37 objectives to the agency director at least quarterly;

- (h) Where performance is not meeting intended objectives, holds regular problem-solving sessions to develop and implement a plan for addressing gaps; and
 - (i) Allocates resources based on strategies to improve performance.
 - (4) Each agency shall conduct a yearly assessment of its quality management, accountability, and performance system.
 - (5) State agencies whose chief executives are appointed by the governor shall report to the governor on agency performance at least quarterly. The reports shall be included on the agencies', the governor's, and the office of financial management's web sites.
- 11 (6) The governor shall report annually to citizens on the 12 performance of state agency programs. The governor's report shall 13 include:
- 14 (a) Progress made toward the priorities of government as a result 15 of agency activities; and
- 16 (b) Improvements in agency quality management systems, fiscal 17 efficiency, process efficiency, asset management, personnel management, 18 statutory and regulatory compliance, and management of technology 19 systems.
- 20 (7) Each state agency shall integrate efforts made under this 21 section with other management, accountability, and performance systems 22 undertaken under executive order or other authority.
- NEW SECTION. Sec. 4. A new section is added to chapter 43.17 RCW to read as follows:
- Starting no later than 2008, and at least once every three years 25 26 thereafter, each agency shall apply to the Washington state quality award, or similar organization, for an independent assessment of its 27 quality management, accountability, and performance system. 28 assessment shall evaluate the effectiveness of all elements of its 29 30 management, accountability, and performance system, including: 31 Leadership, strategic planning, customer focus, analysis and information, employee performance management, and process improvement. 32
- 33 The purpose of the assessment is to recognize best practice and
- 34 identify improvement opportunities.

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NEW SECTION. Sec. 5. A new section is added to chapter 44.04 RCW to read as follows:

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The senate and house of representatives shall each develop and implement quality improvement programs as described under section 1 of this act by June 30, 2005, and shall report the results of these efforts to the leadership of each major political party caucus within its respective house.

6 <u>NEW SECTION.</u> **Sec. 6.** A new section is added to chapter 2.04 RCW 7 to read as follows:

The supreme court is encouraged to develop and implement quality improvement programs, as described under section 1 of this act, for the judicial branch of government, by June 30, 2005, and shall report the results of these efforts to the chief justice. The programs may be implemented directly by the supreme court or may be delegated to the administrator for the courts.

NEW SECTION. Sec. 7. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2005, in the omnibus appropriations act, this act is null and void.

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