

CERTIFICATION OF ENROLLMENT  
SECOND SUBSTITUTE HOUSE BILL 1970

59th Legislature  
2005 Regular Session

Passed by the House April 20, 2005  
Yeas 66 Nays 31

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**Speaker of the House of Representatives**

Passed by the Senate April 12, 2005  
Yeas 46 Nays 0

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**President of the Senate**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Richard Nafziger, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SECOND SUBSTITUTE HOUSE BILL 1970** as passed by the House of Representatives and the Senate on the dates hereon set forth.

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**Chief Clerk**

FILED

**Secretary of State  
State of Washington**

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SECOND SUBSTITUTE HOUSE BILL 1970

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AS AMENDED BY THE SENATE

Passed Legislature - 2005 Regular Session

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.

1            AN ACT Relating to improving government management, accountability,  
2 and performance; adding new sections to chapter 43.17 RCW; and creating  
3 new sections.

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

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

6            (1) Citizens demand and deserve accountability of public programs  
7 and activities.            Public programs must continuously improve  
8 accountability and performance reporting in order to increase public  
9 trust.

10           (2) Washington state government agencies must continuously improve  
11 their management and performance so citizens receive maximum value for  
12 their tax dollars.

13           (3) The application of best practices in performance management has  
14 improved results and accountability in many Washington state agencies  
15 and other jurisdictions.

16           (4) All Washington state agencies must develop a performance-based  
17 culture that can better demonstrate accountability and achievement.

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

3        As used in sections 3 and 4 of this act:

4        (1) "State agency" or "agency" means a state agency, department,  
5 office, officer, board, commission, bureau, division, institution, or  
6 institution of higher education, and all offices of executive branch  
7 state government-elected officials, except agricultural commissions  
8 under Title 15 RCW.

9        (2) "Quality management, accountability, and performance system"  
10 means a nationally recognized integrated, interdisciplinary system of  
11 measures, tools, and reports used to improve the performance of a work  
12 unit or organization.

13        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 43.17 RCW  
14 to read as follows:

15        (1) Each state agency shall, within available funds, develop and  
16 implement a quality management, accountability, and performance system  
17 to improve the public services it provides.

18        (2) Each agency shall ensure that managers and staff at all levels,  
19 including those who directly deliver services, are engaged in the  
20 system and shall provide managers and staff with the training necessary  
21 for successful implementation.

22        (3) Each agency shall, within available funds, ensure that its  
23 quality management, accountability, and performance system:

24        (a) Uses strategic business planning to establish goals,  
25 objectives, and activities consistent with the priorities of  
26 government, as provided in statute;

27        (b) Engages stakeholders and customers in establishing service  
28 requirements and improving service delivery systems;

29        (c) Includes clear, relevant, and easy-to-understand measures for  
30 each activity;

31        (d) Gathers, monitors, and analyzes activity data;

32        (e) Uses the data to evaluate the effectiveness of programs to  
33 manage process performance, improve efficiency, and reduce costs;

34        (f) Establishes performance goals and expectations for employees  
35 that reflect the organization's objectives; and provides for regular  
36 assessments of employee performance;

1 (g) Uses activity measures to report progress toward agency  
2 objectives to the agency director at least quarterly;

3 (h) Where performance is not meeting intended objectives, holds  
4 regular problem-solving sessions to develop and implement a plan for  
5 addressing gaps; and

6 (i) Allocates resources based on strategies to improve performance.

7 (4) Each agency shall conduct a yearly assessment of its quality  
8 management, accountability, and performance system.

9 (5) State agencies whose chief executives are appointed by the  
10 governor shall report to the governor on agency performance at least  
11 quarterly. The reports shall be included on the agencies', the  
12 governor's, and the office of financial management's web sites.

13 (6) The governor shall report annually to citizens on the  
14 performance of state agency programs. The governor's report shall  
15 include:

16 (a) Progress made toward the priorities of government as a result  
17 of agency activities; and

18 (b) Improvements in agency quality management systems, fiscal  
19 efficiency, process efficiency, asset management, personnel management,  
20 statutory and regulatory compliance, and management of technology  
21 systems.

22 (7) Each state agency shall integrate efforts made under this  
23 section with other management, accountability, and performance systems  
24 undertaken under executive order or other authority.

25 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.17 RCW  
26 to read as follows:

27 Starting no later than 2008, and at least once every three years  
28 thereafter, each agency shall apply to the Washington state quality  
29 award, or similar organization, for an independent assessment of its  
30 quality management, accountability, and performance system. The  
31 assessment shall evaluate the effectiveness of all elements of its  
32 management, accountability, and performance system, including:  
33 Leadership, strategic planning, customer focus, analysis and  
34 information, employee performance management, and process improvement.  
35 The purpose of the assessment is to recognize best practice and  
36 identify improvement opportunities.

1        NEW SECTION.   **Sec. 5.**   If specific funding for the purposes of this  
2   act, referencing this act by bill or chapter number, is not provided by  
3   June 30, 2005, in the omnibus appropriations act, this act is null and  
4   void.

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