
**General Government & Information
Technology Committee**

SSB 6583

Brief Description: Requiring the establishment of performance management systems at the state department of corrections.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Miloscia, Padden, O'Ban, Pearson and Sheldon).

Brief Summary of Substitute Bill

- Requires the Department of Corrections (DOC) to develop a performance management plan in accordance with the Baldrige Excellence Framework and Lean management standards.
- Mandates the DOC undergo a Baldrige Assessment every two years and subsequently apply for a Malcolm Baldrige National Quality Award or alternative within seven years of the first Baldrige assessment.
- Directs the State Auditor to conduct a performance audit of the DOC management systems immediately and one year after the DOC's implementation of required management systems and metrics.

Hearing Date: 2/24/16

Staff: Dawn Eychaner (786-7135).

Background:

Department of Corrections.

The Department of Corrections (DOC) manages adult prison facilities and supervises adult offenders living in the community. The Secretary of DOC is appointed by the Governor and oversees a staff of approximately 8,100 employees operating 12 prison facilities, 16 work release facilities, and 89 field offices across the state. As of September 2015, the DOC was responsible

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

for more than 18,000 offenders in confinement and more than 17,000 offenders under community supervision.

State Performance Management Systems.

Washington State Quality Award.

Established as a nonprofit organization in state statute in 1994, the Washington State Quality Award (WSQA) conducts assessments following a Baldrige performance assessment model for applicant organizations. Beginning in 2012 and every subsequent three years, state agencies are required to apply to the WSQA or a similar organization for an assessment of the agency's quality management, accountability, and performance system.

Results Washington.

In 2013, Governor Inslee established Results Washington as a performance management initiative for state agencies. Results Washington uses Lean management principles focused on reducing waste, better use of resources, and improving services. Agencies must participate in the initiative and report on progress toward identified priorities and goals.

State Auditor.

The State Auditor (Auditor) is authorized to conduct performance audits of any state agency, local government, or public education agency/institution to evaluate the effectiveness or efficiency of a government program. Performance audits must include identification of cost savings; services that can be reduced, eliminated or transferred to the private sector; recommendations for statutory or regulatory changes; and an analysis of performance data, performance measures, and self-assessment systems among other criteria.

Baldrige Performance Excellence Program.

The Baldrige Performance Excellence Program (Baldrige) is a national public-private partnership focused on performance management and organizational assessment. The program is housed in the National Institute of Standards and Technology and issues the Malcolm Baldrige National Quality Awards (Baldrige Award) in partnership with the American Society for Quality (ASQ).

The Baldrige Award was created by Congress in 1987 with the intent of improving the quality and productivity of United States (U.S.) companies. Any organization headquartered in the U.S. may apply and awards are issued in six categories annually. Award categories include manufacturing, service, small business, education, health care, and nonprofit. Government organizations, including state agencies, are eligible to apply in the nonprofit category.

Baldrige issues guidance for organizations in the form of the Baldrige Excellence Framework, which includes Baldrige criteria, core values and concepts, and guidelines for evaluating an organization's processes and results.

ISO 9001.

ISO 9001 is a quality management standard established by the International Organization for Standardization, a non-governmental membership based organization. The American National Standards Institute (ANSI) is the member representing the United States. ANSI provides accreditation of management systems through the ANSI-ASQ National Accreditation Board.

Summary of Bill:

Subject to funds appropriated, the DOC must develop a Lean performance management plan (plan) to coordinate performance management activities between correctional facilities which allows the comparison of performance between facilities and standardization where appropriate. The plan must conform to the Baldrige Excellence Framework and to the statutory objectives already in place for the DOC.

Within 60 days, the DOC must provide Results Washington and the Legislature with timelines and strategies for the development of the plan.

Every two years, the DOC must undergo a Baldrige assessment of its operations until such time as the DOC reaches a 60 percent assessment score, with the goal of achieving a 60 percent score within seven years of the first assessment. Once a 60 percent score is achieved, the DOC must apply for a Malcolm Baldrige National Quality Award. If the DOC is unable to score 60 percent, the DOC must attempt certification under an internationally recognized quality management system, such as ISO 9001, within seven years of the DOC's first assessment.

The DOC must report on progress periodically to the Legislature and the Office of Financial Management and work toward implementation of real-time online reporting of performance management activities. In addition, the DOC must report on the application of the Baldrige Quality Management Framework or an equivalent performance management system to the Legislature and Governor by December 1, 2016.

The Auditor must conduct an immediate performance audit of the DOC's current management system and report those findings to the Legislature and Governor. A subsequent performance audit must be conducted by the Auditor one year after the DOC's implementation of required management systems and metrics.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill contains an emergency clause and takes effect immediately.