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**State Government & Tribal Affairs**  
**Committee**

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**HB 2699**

**Brief Description:** Regarding an annual assessment and performance grading program.

**Sponsors:** Representatives Miloscia and Green.

**Brief Summary of Bill**

- Directs the State Auditor to develop and conduct an assessment and performance grading program of all state agencies.

**Hearing Date:** 1/26/10

**Staff:** Pam Madson (786-7111).

**Background:**

A number of programs have been established to improve government efficiency and accountability.

As part of the Budget and Accounting Act, agencies must determine activities that meet the Governor's statewide priorities, evaluate those activities, and include in an agency's budget proposal ways to remedy or improve programs that are underachieving or inefficient. The biennial document must describe performance indicators that demonstrate measurable progress towards priority results and identify any activities that are not addressing the statewide priorities.

Agencies are required to establish a quality management, accountability, and performance system that includes strategic business planning involving stakeholders and customers, clear and relevant performance measures, evaluating and improving program performance, and setting goals for employees. Agencies are to assess their performance annually and the Governor must report to citizens annually.

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*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.*

State agencies are required to apply once every three years to the Washington State Quality Award or similar organization for an assessment of the agency's quality management, accountability, and performance system. This requirement is suspended until 2012.

By executive order, the Governor has directed agencies to develop clear, relevant, and easy-to-understand measures that show whether or not programs are successful. Agencies are to gather, monitor and analyze program data and evaluate the effectiveness of programs. This activity is known as Government Management, Accountability, and Performance or GMAP.

In 2005, voters approved Initiative 900 authorizing the State Auditor (Auditor) to conduct performance audits of any state agency, local government, or public education agency or institution. Funding for these audits is provided through a dedicated portion of the existing state sales and use tax (0.16%). The Joint Legislative Audit and Review Committee (JLARC) must hold public hearings before audits are released and must report on the implementation of any State Auditor recommendations for legislative action.

The JLARC conducts performance audits, program evaluations, sunset reviews, and other analyses of state agencies and agency programs.

**Summary of Bill:**

The Auditor must establish and conduct an assessment and performance grading program of all state agencies. Areas to be assessed include quality management, productivity and fiscal efficiency, program effectiveness, contract management and oversight, internal audit, internal and external customer satisfaction, statutory and regulatory compliance, and technology systems and on-line services.

In establishing the grading system, the Auditor must consult with elected officials and front line agency employees, and professionals with background in performance management.

The results of the assessment and grading program will be submitted to the Governor, the Office of Financial Management, the appropriate legislative committees, and the public by December 15 of each year. Results will be posted on the internet.

The program is funded from the dedicated portion of the sales and use tax directed for use by the Auditor to conduct performance audits.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.