

2 ESHB 2462 - S COMM AMD

3 By Committee on Governmental Operations

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5 Strike everything after the enacting clause and insert the
6 following:

7 "NEW SECTION. Sec. 1. The legislature finds that demand is
8 growing for a new level of accountability in government. The public is
9 asking its government whether desired results are actually
10 accomplished, not just what volume of services is provided. Taxpayers
11 want to know what value they are receiving for their money.
12 Policymakers need more accurate information for setting policy and
13 allocating scarce resources. Agency directors need better information
14 on whether new and existing programs are effective. Mid-level managers
15 must be able to determine how efficiently they administer programs.
16 Front-line employees must be given the necessary data and opportunity
17 to suggest creative ways to improve program operations.

18 The legislature finds that ensuring accountability in government is
19 a long-term process that will require a sustained and collaborative
20 effort directed at developing an integrated, comprehensive
21 accountability system that incorporates an ongoing cycle of policy
22 planning, quality management, and program evaluation. It is the intent
23 of the legislature that the state auditor, the legislative budget
24 committee, and the commission for efficiency and accountability in
25 government continue to perform responsibilities as currently defined in
26 state law, except as amended by this act. However, establishing an
27 integrated accountability system will require a collaborative effort
28 between these existing evaluative entities and the public, the

1 legislature, the governor, the office of financial management, and
2 state agencies."

3 "NEW SECTION. Sec. 2. For the purposes of this chapter, the
4 following terms shall have the following meanings:

5 (1) "Performance audit" means an audit that determines the
6 following: (a) Whether a government entity is acquiring, protecting,
7 and using its resources economically and efficiently; (b) the causes of
8 inefficiencies or uneconomical practices; (c) whether the entity has
9 complied with laws and rules applicable to the program; (d) the extent
10 to which the desired results or benefits established by the legislature
11 are being achieved; and (e) the effectiveness of organizations,
12 programs, activities, or functions.

13 (2) "Program evaluation" means the use of scientific research
14 methods to determine the extent to which a program is achieving its
15 legislative intent in terms of producing the effects expected. Program
16 evaluation seeks to make an objective judgment of the efficiency and
17 effectiveness of programs in the context of their goals and objectives,
18 with respect to their implementation, outcomes, and net impact. It
19 includes the application of systematic methods to estimate the extent
20 to which observed results, intended or unintended, are caused by
21 program activities.

22 (3) "Success measures" means at least each of the following three
23 different categories of indicators: (a) Indicators of service efforts,
24 which include dollar cost inputs and nonmonetary resource inputs
25 expended on a service during a particular period; (b) indicators of
26 service accomplishments, which include outputs such as the amount of
27 workload accomplished, and outcomes, including numeric indicators of
28 program results and indicators of service quality; and (c) indicators
29 that relate service efforts to service accomplishments, such as inputs

1 divided by outputs or outcomes, and indexes of productivity or
2 efficiency."

3 "Sec. 3. 1987 c 480 s 3 (uncodified) is amended to read as
4 follows:

5 To carry out the provisions of section 2, chapter 480, Laws of
6 1987, the commission shall:

7 (1) (~~Prepare a list of~~) Identify selected programs funded by the
8 state that will be subject to review by the commission(~~(. The list~~
9 ~~shall include)~~) including programs that have a major fiscal impact on
10 the state and where the commission determines that operational and
11 organizational improvements are feasible. The reviews shall concentrate
12 on identifying improvements that will result in increased program
13 efficiency and effectiveness and reduced costs, greater accountability
14 to the general public, increased information and data relative to
15 governmental expenditures, and increased managerial competence and
16 workforce productivity.

17 (2) (~~Develop a four year plan for the orderly review of each~~
18 ~~program identified under subsection (1) of this section. The plan~~
19 ~~shall contain a timetable for the completion of each program review and~~
20 ~~an estimate of the resources needed to carry out the reviews. The plan~~
21 ~~shall be updated annually.~~

22 (3) ~~Secure private sector financial and other support for the~~
23 ~~conduct of the reviews.~~

24 (4)) Establish the scope of program reviews, select review teams
25 and direct those teams to conduct the program reviews identified by the
26 commission. The review teams shall report to the commission their
27 findings and recommendations for organizational and operational
28 improvements.

1 ~~((5))~~ (3) Decide upon recommendations for executive action or
2 legislation necessary to implement the operational or organizational
3 improvements developed by program review teams.

4 ~~((6) Submit the following reports to the legislature:~~

5 ~~(a) By December 31, 1987, a four-year plan required by subsection~~
6 ~~(2) of this section;~~

7 ~~(b))~~ (4) Provide to the legislature, upon completion of each
8 program review, its recommendations for operational and organizational
9 improvements for the program reviewed. The report shall include
10 estimates of savings which may result from recommended legislative or
11 executive action.

12 ~~((c) By December 31, 1988, a report summarizing recommendations of~~
13 ~~the commission for legislative and executive actions to accomplish~~
14 ~~operational and organizational improvements identified in completed~~
15 ~~program reviews and any executive action initiated as a result of~~
16 ~~findings of a program review. Thereafter,))~~ The commission shall
17 report to the legislature annually, no later than December 31, on its
18 progress ~~((toward completing the four-year review plan))~~ and on its
19 recommendations for operational and organizational improvements in
20 state government."

21 "NEW SECTION. Sec. 4. There is created a government
22 accountability task force to advise the legislature on establishing an
23 integrated accountability system. The composition of the task force
24 shall be as follows:

25 (1) Four members to be appointed by the governor, with at least one
26 representative each from private sector business and industry, state
27 employee labor unions, and public interest organizations;

1 (2) One representative from each of the four legislative caucuses,
2 to be appointed by the president of the senate and the speaker of the
3 house of representatives;

4 (3) The state auditor;

5 (4) The chair of the legislative budget committee;

6 (5) The director of the office of financial management;

7 (6) The superintendent of public instruction;

8 (7) The chair of the higher education coordinating board;

9 (8) The commissioner of public lands; and

10 (9) The chair of the transportation commission.

11 The chair of the task force shall be selected by its members. Staffing
12 for the task force shall be provided by the office of financial
13 management. The task force shall expire on June 30, 1998.

14 The major responsibility of the task force is to work toward
15 development of an integrated, comprehensive program accountability
16 system. Toward this end, the task force shall at a minimum:

17 (a) Recommend, by January 1995, strategies to support four broad
18 categories of program accountability: (i) Compliance with the law in
19 the use of resources; (ii) efficiency in the use of resources; (iii)
20 effectiveness in meeting program goals and objectives; and (iv)
21 appropriateness of program activity in fulfilling the identified public
22 need;

23 (b) Develop a state reporting process on program accountability
24 that includes information on agency success measures in relation to the
25 results-oriented goals and objectives set forth in the strategic
26 planning process described in section 6 of this act and the budget
27 process described in RCW 43.88.090. This reporting process should
28 provide information on goals and success measures to the governor and
29 to the legislature by January 1997;

1 (c) Develop a plan for internal and external performance audits of
2 state agencies. This plan shall include identification of the proper
3 roles for state agencies, the state auditor, the legislative budget
4 committee, and the commission for efficiency and accountability in
5 government in conducting these performance audits. The tasks force
6 shall present this plan to the governor and to the legislature by
7 January 1993."

8 "NEW SECTION. **Sec. 5.** The office of financial management shall
9 develop a state-wide program evaluation system. Toward this end, the
10 office of financial management shall at a minimum:

11 (1) Provide technical assistance to agencies in initiating,
12 conducting, and using the results of evaluations to improve programs;

13 (2) Share evaluation information and results;

14 (3) Develop standard definitions of commonly used program
15 evaluation terms;

16 (4) Develop suggested guidelines for conducting program
17 evaluations, including standards of practices and standards for
18 evaluative tools;

19 (5) Assist in developing training programs in evaluation
20 methodologies for state employees;

21 (6) Work toward establishing automated data systems that are
22 readily accessible for evaluation purposes;

23 (7) Establish a clearinghouse for program evaluation results and
24 information from other states and the federal government; and

25 (8) Develop methods of tracking success measures."

26 "NEW SECTION. **Sec. 6.** A new section is added to chapter 43.06 RCW
27 to read as follows:

1 The office of financial management shall prepare a plan for the
2 establishment of a strategic planning process for many of the key
3 functional areas of state government. The key functional areas that
4 must be accounted for in the strategic planning process are general
5 government, health and human services, community and economic
6 development, the environment and natural resources, transportation, K-
7 12 education, and higher education. The strategic planning processes
8 must include (1) the identification of key stakeholders and a means to
9 involve them actively in the planning process; (2) the establishment of
10 results-oriented goals and objectives for the biennium and for a six-
11 year planning cycle; and (3) the development of indicators of success
12 measures based on the identified goals and objectives, for each key
13 functional area of state government. The plan shall provide for
14 implementing the strategic planning process in July 1993, with specific
15 results-oriented goals and objectives for each functional area to be
16 presented to the legislature for its approval in January 1995. The
17 office of financial management shall report to the legislature and to
18 the governor on the status of the strategic planning process in January
19 1994. In developing this plan, the office of financial management
20 shall consult with the commissioner of public lands, the transportation
21 commission, the superintendent of public instruction, and the higher
22 education coordinating board to ensure that the requirements of this
23 section are integrated into existing planning practices and processes
24 of such entities. Therefore, nothing in this section shall be
25 interpreted to supersede or duplicate existing or statutory planning
26 responsibilities of any such entities."

27 "**Sec. 7.** RCW 43.88.010 and 1986 c 215 s 1 are each amended to read
28 as follows:

1 It is the purpose of this chapter to establish an effective state
2 budgeting, accounting, and reporting system for all activities of the
3 state government, including both capital and operating expenditures and
4 state program performance; to prescribe the powers and duties of the
5 governor as these relate to securing such ~~((fiscal))~~ controls as will
6 promote effective program and budget administration; and to prescribe
7 the responsibilities of agencies of the executive branch of the state
8 government.

9 It is the intent of the legislature that the powers conferred by
10 this chapter, as amended, shall be exercised by the executive in
11 cooperation with the legislature and its standing, special, and interim
12 committees in its status as a separate and coequal branch of state
13 government."

14 "**Sec. 8.** RCW 43.88.090 and 1989 c 273 s 26 are each amended to
15 read as follows:

16 (1) For purposes of developing budget proposals to the legislature,
17 the governor shall have the power, and it shall be the governor's duty,
18 to require from proper agency officials such detailed estimates and
19 other information in such form and at such times as the governor shall
20 direct. The estimates for the legislature and the judiciary shall be
21 transmitted to the governor and shall be included in the budget without
22 revision. The estimates for state pension contributions shall be based
23 on the rates provided in chapter 41.45 RCW. Copies of all such
24 estimates shall be transmitted to the standing committees on ways and
25 means of the house and senate at the same time as they are filed with
26 the governor and the office of financial management.

27 ~~(2) ((Estimates from each agency shall include goals and objectives~~
28 ~~for each program administered by the agency. The goals and objectives~~
29 ~~shall, whenever possible, be stated in terms of objective measurable~~

1 ~~results.))~~ For the purpose of assessing program performance, each
2 state agency shall establish results-oriented goals and objectives, and
3 develop success measures based on these goals and objectives, for each
4 major program in its budget. Each agency shall express the success
5 measures in an objective, quantifiable, and measurable form, whenever
6 appropriate, unless permitted by the office of financial management to
7 adopt a different standard.

8 The estimates shall include statements or tables which indicate, by
9 agency, the state funds which are required for the receipt of federal
10 matching revenues. The estimates shall be revised as necessary to
11 reflect legislative enactments and adopted appropriations and shall be
12 included with the initial biennial allotment submitted under RCW
13 43.88.110.

14 (3) In the year of the gubernatorial election, the governor shall
15 invite the governor-elect or the governor-elect's designee to attend
16 all hearings provided in RCW 43.88.100; and the governor shall furnish
17 the governor-elect or the governor-elect's designee with such
18 information as will enable the governor-elect or the governor-elect's
19 designee to gain an understanding of the state's budget requirements.
20 The governor-elect or the governor-elect's designee may ask such
21 questions during the hearings and require such information as the
22 governor-elect or the governor-elect's designee deems necessary and may
23 make recommendations in connection with any item of the budget which,
24 with the governor-elect's reasons therefor, shall be presented to the
25 legislature in writing with the budget document. Copies of all such
26 estimates and other required information shall also be submitted to the
27 standing committees on ways and means of the house and senate."

28 "NEW SECTION. Sec. 9. A new section is added to chapter 43.88 RCW
29 to read as follows:

1 It shall not be in order for either house of the legislature to
2 consider any bill or amendment that provides for the authorization of
3 appropriation of funds unless the bill or amendment specifies results-
4 oriented goals or objectives for the appropriation."

5 "NEW SECTION. **Sec. 10.** This act may be known and cited as the
6 government accountability act of 1992."

7 "NEW SECTION. **Sec. 11.** If specific funding for this act,
8 referencing this act by bill number, is not provided by June 30, 1992,
9 in the supplemental biennial operating appropriations act, this act
10 shall be null and void."

11 "NEW SECTION. **Sec. 12.** Sections 7 through 9 of this act shall
12 take effect July 1, 1993, for the purpose of incorporating these
13 sections into budget planning for the 1995-97 biennium."

14 "NEW SECTION. **Sec. 13.** Sections 1, 2, 4, and 5 of this act
15 shall constitute a new chapter in Title 43 RCW."

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17 By Committee on Governmental Operations

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19 On page 1, line 1 of the title, after "government;" strike the
20 remainder of the title and insert "amending RCW 43.88.010 and
21 43.88.090; amending 1987 c 480 s 3 (uncodified); adding a new section
22 to chapter 43.06 RCW; adding a new section to chapter 43.88 RCW; adding
23 a new chapter to Title 43 RCW; creating new sections; and providing an
24 effective date."