

# HOUSE BILL REPORT

## HB 2618

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### As Reported by House Committee On:

State Government

**Title:** An act relating to public accountability and the reviews of state agencies.

**Brief Description:** Demonstrating accountability through reviews of state agencies.

**Sponsors:** Representatives Romero, Dickerson, Ruderman and Ogden.

### Brief History:

#### Committee Activity:

State Government: 2/1/02, 2/8/02 [DPS].

#### Brief Summary of Substitute Bill

- Requires the Joint Legislative Audit and Review Committee to conduct audits of performance and outcomes measures for all state agencies, beginning with the Department of Ecology, the Office of the Superintendent of Public Instruction, and the Department of Social and Health Services.

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### HOUSE COMMITTEE ON STATE GOVERNMENT

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 4 members: Representatives Romero, Chair; Miloscia, Vice Chair; McDermott and Upthegrove.

**Minority Report:** Without recommendation. Signed by 2 members: Representatives Schindler and Schmidt.

**Staff:** Marsha Reilly (786-7135).

### Background:

The Joint Legislative Audit and Review Committee (JLARC) provides oversight of state funded programs and activities. This committee consists of eight senators and eight representatives equally divided between the two major political parties. The JLARC conducts performance audits, performance reviews, sunset reviews, program evaluations, and other studies as directed by the Legislature. In addition to special studies assigned by

the Legislature, the JLARC develops a biennial work plan that identifies state agency programs for evaluation.

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### **Summary of Substitute Bill:**

The JLARC shall conduct performance reviews of state agencies and programs that have significant fiscal or program impact, represent major policy issues, or compel public interest. In identifying agencies or programs for reviews, the JLARC will consult with appropriate fiscal and policy standing committees of the Legislature. The reviews of performance and outcome measures shall eventually include all agencies of state government.

The JLARC will develop a common methodology for the reviews and, at a minimum, the reviews will:

- Determine the consistency of performance and outcome measures with legislative mandates, strategic plans, mission statements, and goals and objectives;
- Examine how measures are used by management to efficiently and effectively manage resources;
- Assess how benchmarks are established to assess overall performance compared to external standards and benchmarks;
- Examine how an analysis of the measurement data is used to make planning and operational improvements;
- Review how performance data are reported to and used by the Legislature;
- Assess whether the performance measure data are reliable and collected in a uniform and timely manner; and
- Make recommendations as necessary.

By June 30, 2003, the JLARC will conduct reviews of the Department of Ecology, the Office of the Superintendent of Public Instruction (OSPI), and the Department of Social and Health Services, and will present an assessment of the results of the reviews to the policy and fiscal committees of the Legislature. In its assessment, the JLARC shall include recommendations on how the review process might be improved, and options for extending the review process to other agencies and programs.

Completed audits shall be presented to the joint committee and published in the same manner as are other the JLARC audits and reviews. Final reports shall also be submitted to the appropriate policy and fiscal standing committees of the Legislature.

A technical change is made to delete the reference in statute to the "Legislative Office of Performance Review" as it does not exist.

### **Substitute Bill Compared to Original Bill:**

The JLARC will conduct "audits" as opposed to "reviews" and will include in these audits an assessment of how internal and external customer satisfaction are integrated with performance and outcome measures to make operational improvements. The JLARC is required to develop an implementation plan to complete audits of all government agencies and report this plan to the Legislature no later than January 31, 2003.

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**Appropriation:** None.

**Fiscal Note:** Requested on January 27, 2002.

**Effective Date of Substitute Bill:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Solid performance measurement is essential to government accountability. Reviews by a third party makes the process more effective. A review of all the elements listed may detract from a thorough process and a recommendation is made to focus on two key elements: consistency of performance and outcome measures with legislative mandates, strategic plans, mission statements, and goals and objectives; and 2) reliability of performance measure data. Because of federal legislation requiring work on 22 new accountability measures, the OSPI requests the audit be delayed a year.

**Testimony Against:** None.

**Testified:** (In support with suggestions) Fred Hellberg, Governor's Office.

(In support with concerns) Ken Kanikeberg, Office of the Superintendent of Public Instruction; and Gary Smith, Independent Business Association.