
State Government Committee

HB 1367

Brief Description: Authorizing the legislative accountability board to conduct expanded performance reviews.

Sponsors: Representatives Rockefeller, Alexander, Morris, Jarrett, Conway, Murray, Clibborn, Kenney, Wallace, McIntire, Anderson, Upthegrove, Berkey, Campbell, Kagi, McDermott, Darneille, Wood, Hudgins, Simpson and Ruderman.

Brief Summary of Bill

- Changes the name of the Joint Legislative Audit and Review Committee to the Legislative Accountability Board (Board).
- Requires the Board to review the performance measures of state agencies on a five-year cycle.
- Requires the Board to conduct full performance audits where appropriate, after receiving input from the public and from industry experts.

Hearing Date: 1/30/03

Staff: Katie Blinn (786-7114).

Background:

The Joint Legislative Audit and Review Committee (JLARC) has eight senators and eight representatives, with four from each caucus of each chamber. During odd-year regular legislative sessions, the JLARC develops a performance audit work plan for the next 16 to 24 months that includes state agencies and programs that necessitate formal evaluation. The legislative auditor and JLARC staff conduct performance audits and other reviews as required by the JLARC work plan and by other legislation passed by the Legislature. As necessary, the JLARC staff may consult or contract with private or other public experts to conduct the performance audits. The staff must also involve front-line employees and internal auditors as much as possible. A performance audit may involve:

- assessing the efficiency, effectiveness and accountability of agencies, programs, or activities;
- examining the costs and benefits of programs and activities;

- examining viable alternatives to reduce costs or improve service delivery;
- identifying gaps and overlap in service delivery;
- comparing Washington agencies to agencies in other states that perform similar functions; and
- comparing actual costs of new programs with the costs estimated and appropriated.

In addition to performance audits, the JLARC may examine issues, hold hearings, hear complaints, make findings, conduct sunset reviews, make reports to the Legislature, and conduct any other business relating to economy, efficiency and effectiveness in state government.

When the JLARC staff has completed a performance audit, the preliminary report is presented to the agency and to the Office of Financial Management (OFM) for comment. The agency and OFM may provide a response, which is incorporated into the final report. The preliminary report must be submitted to the committee for their review, comments, and final recommendations, which are included as a separate addendum to the final report. The final performance audit report is published to the agency, the OFM, the appropriate standing committees of the Legislature, and the public. Nine months later, the JLARC may produce a preliminary compliance report detailing the agency's compliance with the committee's recommendations. The agency may respond and, three months later, the committee may hold a hearing and receive public testimony. The JLARC must issue a final compliance report within four weeks of the public hearing.

Summary of Bill:

The name of the Joint Legislative Audit and Review Committee is changed to the Legislative Accountability Board (Board). At least every five years, the Board must review the performance and outcome measures of all state agencies that are under the authority of the Governor, a board or commission, the Commissioner of Public Lands, the Insurance Commissioner, the State Treasurer, the Attorney General, the Superintendent of Public Instruction, the State Auditor, and the Secretary of State. This is an outside evaluation of how an agency uses its performance measures to assess the outcomes of those activities authorized by the Legislature. The purpose of reviewing these performance measures is to ensure that the Legislature has means to adequately and accurately assess the performance and outcomes of the agencies. Completed performance reviews must be published to the agency, the OFM, the Board, the appropriate standing committees of the Legislature, and the public.

After reviewing the performance and outcome measures of an agency, the legislative auditor must recommend whether a full performance audit is appropriate, and publicly post those recommendations. The Board must solicit input from the public at a subsequent hearing to decide whether and how to proceed with a full performance audit. If the Board decides that a full performance audit is appropriate, the Board shall add the audit to its biennial performance audit work plan. The Board staff must solicit input from industry representatives and experts regarding the conduct of the performance audits and regarding recommendations and preliminary and final reports. The Board must conduct operations through the use of qualified public and private resources and entities when appropriate and feasible or when staff resources are insufficient in order to minimize costs. Ultimately, the

Board must make recommendations regarding the continuation, abolition, consolidation, or reorganization of each agency, department or program. The Board must identify opportunities to develop government partnerships, and eliminate program redundancies to increase the quality, effectiveness, and efficiency of agencies.

Appropriation: None.

Fiscal Note: Requested on January 23, 2003.

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