

SENATE BILL REPORT

2SHB 1970

As Reported By Senate Committee On:
Government Operations & Elections, March 30, 2005
Ways & Means, April 1, 2005

Title: An act relating to improving government management, accountability, and performance.

Brief Description: Improving government management, accountability, and performance.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives P. Sullivan, Springer, Miloscia, Upthegrove, Morrell, Haigh, O'Brien, Linville and Takko; by request of Governor Gregoire).

Brief History: Passed House: 3/10/05, 75-20.

Committee Activity: Government Operations & Elections: 3/22/05, 3/30/05 [DPA-WM].
Ways & Means: 4/01/05, 4/1/05 [DPA(GO)].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators Kastama, Chair; Berkey, Vice Chair; Roach, Ranking Minority Member; Benton, Fairley, Haugen, Kline, McCaslin, Mulliken and Pridemore.

Staff: Diane Smith (786-7410)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended by Committee on Government Operations & Elections.

Signed by Senators Prentice, Chair; Doumit, Vice Chair; Fraser, Vice Chair; Fairley, Pflug, Pridemore, Rasmussen, Regala, Rockefeller and Thibaudeau.

Staff: Steve Jones (786-7440)

Background: A number of programs has been instituted to improve government efficiency and accountability.

Legislation was enacted in 1996 establishing a performance based budgeting system for state agencies. Agencies are expected to: (1) establish mission statements and set goals; (2) develop strategies to achieve goals; (3) set outcome based objectives; (4) provide continuous self-assessment of each program; (5) link budget proposals with their mission statements and goals; and (6) objectively determine the success in achieving goals.

The Governor issued Executive Order 97-03 in 1997 requiring all state agencies to develop and implement programs to improve the quality, efficiency, and effectiveness of public

services they provide using quality improvement, business process redesign, employee involvement, and other quality improvement techniques.

Executive Order 05-02 was recently issued instituting a government management, accountability and performance system (GMAP). Under GMAP, agencies are required to:

- develop clear, relevant, and easy-to-understand performance measures;
- demonstrate how programs contribute to the priorities important to citizens;
- gather, monitor, and analyze program data;
- evaluate program effectiveness;
- hold regular problem-solving sessions;
- allocate resources based on strategies that work; and
- make regular reports on performance to the Governor.

Agricultural commissions are funded by the farmers and ranchers whose products they market. These commissions are usually staffed by one or two people and have auditing and performance measures in place.

Summary of Amended Bill: State agencies are required to develop and implement a quality management, accountability, and performance system. Managers and staff at all levels, including front-line employees, must be involved and training must be provided.

Agencies must ensure that its system:

- uses strategic business planning for the purpose of establishing goals, objectives, and activities consistent with the priorities of government;
- engages stakeholders and customers in establishing service requirements and improve service delivery systems;
- includes clear, relevant, and understandable measures for each activity;
- gathers, monitors, and analyzes activity data;
- uses data to evaluate program effectiveness;
- establishes performance goals and expectations for employees that reflect the agency's objectives;
- uses activity measures to report progress in reaching agency objectives;
- holds regular problem-solving sessions to develop and implement plans for addressing gaps; and
- allocates resources based on strategies to improve performance.

Agencies are required to report quarterly to the Governor, and the Governor must report performance of state agency programs annually to the citizens of the state. The Governor's report must include progress made toward the priorities of government and improvements in agency management systems, fiscal efficiency, process efficiency, asset management, personnel management, statutory and regulatory compliance, and management of technology systems.

Agencies are directed to integrate all quality management, accountability, and performance systems undertaken through executive order or other authority.

Beginning no later than 2008, agencies must apply at least once every three years to the Washington State quality award, or similar organization, for an independent assessment of its quality management, accountability, and performance system.

For purposes of the bill, "state agency" does not include agricultural commissions and does include a state agency, department, office, officer, board, commission, bureau, division, institution, or institution of higher education, and all offices of executive branch state government-elected officials.

If not funded from the omnibus appropriations act, the bill is null and void.

Amended Bill Compared to Original Bill: The Legislature was directed by June 30, 2005, and the Supreme Court was encouraged to, develop and implement a quality management, accountability, and performance system in the original bill. This is deleted from the amended bill.

Agricultural commissions are removed from the bill.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Testimony For: This is an important part of the management of the accountability architecture of state government. This ties all past accountability measures together. It is imposed on all of state government, is proven and powerful. The governor could exclude commodity commissions because they spend private money to sell and export agricultural commodities. Farmers and ranchers are in charge of those agencies, they have extensive checks and balances already and do report with the same auditing criteria. The commissions are often staffed from one to three people who communicate well. This is a good companion to, but should not replace, independent outside review.

Testimony Against: None.

Who Testified: PRO: Tom Fitzsimmons, Governor's Chief of Staff; Scott Merriman, Office of Financial Management; Dennis Eagle, Washington Federation of State Employees; Heather Hansen, Washington Wheat Growers; Chris Cheney, Washington Hop, Dairy Products, and Fryer Commissions; Charlie Brown, Washington Potato and Onion Association, Washington Asparagus Council.