

SENATE BILL REPORT

ESHB 2462

AS REPORTED BY COMMITTEE ON GOVERNMENTAL OPERATIONS,
FEBRUARY 27, 1992

Brief Description: Enhancing accountability in state government.

SPONSORS: House Committee on State Government (originally sponsored by Representatives Pruitt, Bowman, Anderson, Franklin, Sprenkle, R. Meyers, Moyer, R. Fisher, Chandler, G. Fisher, Riley, Sheldon, Bray, Kremen, Ludwig, Spanel, J. Kohl, Cooper, H. Myers, Prentice, Valle, Basich, Morris, Rayburn, Dorn, Inslee, Horn, Orr, Rasmussen, Dellwo, Jacobsen, Ferguson, Paris, Winsley, Edmondson, Jones, Leonard, Ogden and Roland)

HOUSE COMMITTEE ON STATE GOVERNMENT

HOUSE COMMITTEE ON APPROPRIATIONS

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

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

Signed by Senators McCaslin, Chairman; Roach, Vice Chairman; Madsen, and Sutherland.

Staff: Barbara Howard (786-7410)

Hearing Dates: February 27, 1992

BACKGROUND:

A number of state government entities perform various types of reviews of state agency programs and practices. Examples of entities that perform reviews are the Efficiency Commission, the Legislative Budget Committee (LBC), the State Auditor, and agencies themselves. Each of these entities has its own methods and obligations for determining what kinds of reviews to perform and which agency or program to review.

SUMMARY:

Greater Accountability. The Legislature finds that demand is growing for a new level of accountability in government and that state government needs an integrated, comprehensive accountability system.

Definitions. The terms "performance audit," "program evaluation," and "success measures" are specifically defined.

Government Accountability Task Force. A new Government Accountability Task Force is created. Membership on the task force is as follows: four members appointed by the Governor,

one legislator from each caucus in the Legislature, the State Auditor, the chair of the LBC, the director of the Office of Financial Management (OFM), the Superintendent of Public Instruction, the chair of the Higher Education Coordinating Board, the Commissioner of Public Lands, and the chair of the Transportation Commission. OFM provides staff to the task force. The task force expires on June 30, 1998.

The major task assigned to the task force is development of an integrated, comprehensive program accountability system. Four specific responsibilities are assigned to the task force as part of meeting its major responsibility.

Office of Financial Management. OFM develops a statewide program evaluation system. As part of developing this system, OFM is assigned a number of specific tasks. OFM prepares a plan for the establishment of a strategic planning process for key functional areas of state government. Functional areas which must be accounted for in the plan are general government, health and human services, community and economic development, the environment and natural resources, transportation, K-12 education, and higher education. Timelines are established for development, review, and approval of this plan.

The State Auditor. The State Auditor is authorized to conduct performance audits of state agency programs.

The State Investment Board. The State Investment Board is directed to prepare an investment plan every two years. The board is also directed to develop strategic asset allocation policies, establish investment policies and objectives for various funds, and authorize and review all contracts. The board's reports summarizing investment activities are to include a summary of the performance of the state's investments. The board is to include the Joint Legislative Committee on Pension Policy when distributing board reports.

New Budget Responsibilities. Beginning in July, 1993, state agencies and the Legislature have new budget responsibilities. The concept of program performance is added to the budget and accounting system. As part of their budget preparation process, agencies must develop goals and objectives for each major program in their budgets, and agencies must develop measures in an objective, measurable form to compare the results of programs against the established goals and objectives.

Neither house of the Legislature may consider any bill or amendment authorizing an appropriation unless the bill or amendment specifies goals or objectives for, and the desired outcome of, the appropriation.

Null and Void Provision. This act is null and void unless specifically funded in the supplemental budget.

Appropriation: none

Revenue: none

Fiscal Note: available

SUMMARY OF PROPOSED SENATE AMENDMENTS:

The provisions allowing the State Auditor to conduct performance audits, and the sections relating to the State Investment Board are deleted.

In developing the strategic planning process, existing or statutory planning processes in the various agencies are not to be superseded. Success measures are to be in measurable form whenever appropriate.

TESTIMONY FOR:

This bill is badly needed. In most instances when state program accountability is evaluated, it amounts to little more than monitoring. The tools discussed in this bill are available, and being used in the private sector. Properly applied, success measures result in economies and improved effectiveness.

TESTIMONY AGAINST:

The bill is administratively burdensome, and many forms of program effectiveness are not susceptible to the types of methodology required here. The fiscal note addresses only the costs of supporting the task force, and not the costs to the agencies that must comply.

TESTIFIED: Bob Graham, State Auditor (pro in part); Cliff Finch, Assn. of Washington Business (pro); Terry Teale, Michael Stewart, Council of Presidents (con)