
HOUSE BILL 2462

State of Washington

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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

Read first time 01/17/92. Referred to Committee on State Government.

1 AN ACT Relating to accountability in state government; amending RCW
2 43.09.050, 44.28.085, 43.88.010, 43.88.020, and 43.88.090; amending
3 1987 c 480 s 1 (uncodified); amending 1987 c 480 s 3 (uncodified);
4 adding a new section to chapter 43.06 RCW; adding a new section to
5 chapter 43.88 RCW; adding a new chapter to Title 43 RCW; creating a new
6 section; repealing 1991 c 53 s 1 (uncodified); and repealing 1987 c 480
7 s 6 (uncodified).

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 NEW SECTION. **Sec. 1.** The legislature finds that demand is
10 growing for a new level of accountability in government. The public is
11 asking its government whether desired results are actually
12 accomplished, not just what volume of services is provided. Taxpayers
13 want to know what value they are receiving for their money.
14 Policymakers need more accurate information for setting policy and

1 allocating scarce resources. Agency directors need better information
2 on whether new and existing programs are effective. Mid-level managers
3 must be able to determine how efficiently they administer programs.
4 Front-line employees must be given the necessary data and opportunity
5 to suggest creative ways to improve program operations.

6 The legislature finds that state government needs an integrated,
7 comprehensive accountability system that incorporates an ongoing cycle
8 of policy planning, quality management, and program evaluation. The
9 legislature further finds that establishing an integrated
10 accountability system requires direct involvement and commitment from
11 the public, the legislature, the governor, the office of financial
12 management, and state agencies.

13 Establishing an integrated accountability system is a long-term
14 process that will require a sustained effort.

15 **Sec. 2.** 1987 c 480 s 1 (uncodified) is amended to read as follows:

16 (1) There is hereby created a (~~temporary~~) commission to be known
17 as the Washington state commission for efficiency and accountability in
18 government, hereafter referred to as the commission.

19 (2) The commission shall consist of (~~fourteen~~) fifteen members as
20 follows:

21 (a) (~~Six~~) Four members appointed by the governor including but
22 not limited to representatives from private sector business and
23 industry, labor unions, and public interest organizations;

24 (b) (~~Three~~) Two members appointed jointly by the president of the
25 senate and speaker of the house (~~including but not limited to~~
26 ~~representatives~~) from private sector business and industry, labor
27 unions, (~~and~~) or public interest organizations;

1 (c) 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; ((and))

4 (d) The state auditor or the state auditor's designee;

5 (e) The chair of the legislative budget committee, or the chair's
6 designee;

7 (f) The director of the office of financial management, or the
8 director's designee;

9 (g) One member appointed for a one-year term from one of the
10 following agencies: The office of the superintendent of public
11 instruction, the office of the higher education coordinating board, the
12 department of natural resources, and the department of transportation.
13 The responsibility to appoint a member to the commission shall rotate
14 on a yearly basis among these four agencies, beginning with the office
15 of the superintendent of public instruction. Appointments shall be
16 made by the respective agency heads of these agencies; and

17 (h) The governor shall be a member and the chair of the commission.
18 The vice-chair shall be selected by the commission.

19 (3) Nonlegislative members shall be reimbursed for travel expenses
20 for attending meetings of the commission as provided for in RCW
21 43.03.050 and 43.03.060. Legislative members shall be reimbursed for
22 travel expenses for attending meetings of the commission as provided
23 for in RCW 44.04.120.

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

25 To carry out the provisions of section 2, chapter 480, Laws of 1987
26 (RCW 43.---.---) as codified pursuant to section 5 of this act, the
27 commission shall:

28 (1) ~~((Prepare a list of))~~ Identify selected programs funded by the
29 state that will be subject to review by the commission(~~(. The list~~

1 ~~shall include~~) including programs that have a major fiscal impact on
2 the state and where the commission determines that operational and
3 organizational improvements are feasible. The reviews shall concentrate
4 on identifying improvements that will result in increased program
5 efficiency and effectiveness and reduced costs, greater accountability
6 to the general public, increased information and data relative to
7 governmental expenditures, and increased managerial competence and
8 workforce productivity.

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

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

16 ~~(4))~~ Establish the scope of program reviews, select review teams
17 and direct those teams to conduct the program reviews identified by the
18 commission. The review teams shall report to the commission their
19 findings and recommendations for organizational and operational
20 improvements.

21 ~~((5))~~ (3) Decide upon recommendations for executive action or
22 legislation necessary to implement the operational or organizational
23 improvements developed by program review teams.

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

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

27 ~~(b))~~ (4) Provide to the legislature, upon completion of each
28 program review, its recommendations for operational and organizational
29 improvements for the program reviewed. The report shall include

1 estimates of savings which may result from recommended legislative or
2 executive action.

3 ~~((c) By December 31, 1988, a report summarizing recommendations of~~
4 ~~the commission for legislative and executive actions to accomplish~~
5 ~~operational and organizational improvements identified in completed~~
6 ~~program reviews and any executive action initiated as a result of~~
7 ~~findings of a program review. Thereafter,))~~ The commission shall
8 report to the legislature annually, no later than December 31, on its
9 progress ~~((toward completing the four year review plan))~~ and on its
10 recommendations for operational and organizational improvements in
11 state government.

12 (5) Facilitate and coordinate the development of a state-wide
13 program evaluation system. Toward this end, the commission shall at a
14 minimum:

15 (a) Provide technical assistance to agencies in initiating,
16 conducting, and using the results of evaluations to improve program
17 efficiency and effectiveness;

18 (b) Share evaluation information and results;

19 (c) Develop standard definitions of commonly used program
20 evaluation terms;

21 (d) Develop suggested guidelines for conducting program
22 evaluations;

23 (e) Assist in developing training programs in evaluation
24 methodologies for state employees;

25 (f) Work toward establishing a common basic set of data elements
26 that describe key aspects of program implementation, program
27 interventions, and outcomes;

28 (g) Establish a clearinghouse for program evaluation results and
29 information from other states and the federal government;

1 (h) Develop standards of evaluation practice and evaluation tools
2 that support four broad categories of public accountability: (i)
3 Compliance with the law in the use of resources; (ii) efficiency in
4 the use of resources; (iii) effectiveness in meeting program goals
5 and objectives; and (iv) appropriateness of program activity in
6 fulfilling the identified public need; and

7 (i) Develop a state "report card" on program effectiveness in
8 relation to the outcomes agreed upon in the strategic planning process.
9 The commission shall present this report card to the governor and to
10 the legislature each biennium, beginning in January, 1997.

11 (6) Provide a biennial report to the governor and to the
12 legislature on the adoption and success of management practices in
13 state government that improve productivity. The commission shall
14 provide its first report by January, 1993.

15 (7) Develop a plan for internal and external auditing of agencies'
16 operational performances in meeting established goals and objectives.

17 NEW SECTION. Sec. 4. The following acts or parts of acts are each
18 repealed:

19 (1) 1991 c 53 s 1 (uncodified); and

20 (2) 1987 c 480 s 6 (uncodified).

21 NEW SECTION. Sec. 5. Sections 1 through 3 of this act and
22 sections 2, 4, and 5, chapter 480, Laws of 1987 shall constitute a new
23 chapter in Title 43 RCW.

24 NEW SECTION. Sec. 6. A new section is added to chapter 43.06 RCW
25 to read as follows:

26 (1) The governor shall prepare a plan for the establishment of a
27 strategic planning process for many of the key functional areas of

1 state government. The key functional areas that must be accounted for
2 in the governor's strategic planning process are general government,
3 health and human services, community and economic development, and the
4 environment. The commissioner of public lands shall prepare a similar
5 plan for the key functional area of natural resources; the
6 transportation commission, for the key functional area of
7 transportation; the superintendent of public instruction, for the key
8 functional area of K-12 education; and the higher education
9 coordinating board, for the key functional area of higher education.
10 Each of the strategic planning processes must include (a) the
11 establishment of goals and objectives for the biennium and for a six-
12 year planning cycle, and (b) the development of measures or indicators
13 of the outcomes desired based on the identified goals and objectives,
14 for each key functional area of state government. These executives
15 shall begin implementation of their strategic planning processes in
16 July 1993, with specific goals and objectives for each functional area
17 to be adopted by January 1995. These executives shall report to the
18 legislature on the status of their strategic planning processes in
19 January 1994.

20 (2) By January 1, 1994, the governor shall develop a plan for
21 adoption of management practices that improve productivity. The
22 governor shall report to the legislature on the status of this plan by
23 January 1994.

24 (3) By January 1, 1994, the governor shall develop a restructuring
25 plan for state government that will facilitate strategic planning and
26 a state-wide program evaluation system. The governor shall report to
27 the legislature on the status of this report by January 1994.

28 **Sec. 7.** RCW 43.09.050 and 1979 c 151 s 91 are each amended to read
29 as follows:

1 The auditor shall:

2 (1) Except as otherwise specifically provided by law, audit the
3 accounts of all collectors of the revenue and other holders of public
4 money required by law to pay the same into the treasury;

5 (2) In his or her discretion, inspect the books of any person
6 charged with the receipt, safekeeping, and disbursement of public
7 moneys;

8 (3) Inform the attorney general in writing of the necessity for
9 (~~him~~) the attorney general to direct prosecutions in the name of the
10 state for all official delinquencies in relation to the assessment,
11 collection, and payment of the revenue, against all persons who, by any
12 means, become possessed of public money or property, and fail to pay
13 over or deliver the same, and against all debtors of the state;

14 (4) Give information in writing to the legislature, whenever
15 required, upon any subject relating to the financial affairs of the
16 state, or touching any duties of his or her office;

17 (5) Report to the director of financial management in writing the
18 names of all persons who have received any moneys belonging to the
19 state, and have not accounted therefor;

20 (6) Authenticate with his or her official seal papers issued from
21 his or her office;

22 (7) Make his or her official report annually on or before the 31st
23 of December((-))i

24 (8) Conduct performance evaluations of state agency programs
25 according to the plan developed by the commission for efficiency and
26 accountability in government as required by RCW 43.--.--- (section 3 of
27 this act).

28 **Sec. 8.** RCW 44.28.085 and 1975 1st ex.s. c 293 s 15 are each
29 amended to read as follows:

1 The legislative budget committee shall make management surveys and
2 program reviews as to every public body, officer or employee subject to
3 the provisions of RCW 43.09.290 through 43.09.340. The legislative
4 budget committee may also make management surveys and program reviews
5 of local school districts, intermediate school districts, and other
6 units of local government receiving state funds as grants-in-aid or as
7 shared revenues. Management surveys for the purposes of this section
8 shall be an independent examination for the purpose of providing the
9 legislature with an evaluation and report of the manner in which any
10 public agency, officer, administrator, or employee has discharged the
11 responsibility to faithfully, efficiently, and effectively administer
12 any legislative purpose of the state. Program reviews for the purpose
13 of this section shall be an examination of state or local government
14 programs to ascertain whether or not such programs continue to serve
15 their intended purposes, are conducted in an efficient and effective
16 manner, or require modification or elimination: PROVIDED, That nothing
17 in this section shall limit the power or duty of the state auditor to
18 report to the legislature as directed by subsection (3) of RCW
19 43.88.160 (~~as now or hereafter amended. The authority in this section~~
20 ~~conferred excludes a like authority in the state auditor~~)).

21 The legislative budget committee shall receive a copy of each
22 report of examination issued by the state auditor under RCW 43.09.310,
23 shall review all such reports, and shall make such recommendations to
24 the legislature and to the state auditor as it deems appropriate.

25 **Sec. 9.** RCW 43.88.010 and 1986 c 215 s 1 are each amended to read
26 as follows:

27 It is the purpose of this chapter to establish an effective state
28 budgeting, accounting, and reporting system for all activities of the
29 state government, including both capital and operating expenditures and

1 state program effectiveness; to prescribe the powers and duties of the
2 governor as these relate to securing such (~~fiscal~~) controls as will
3 promote effective program and budget administration; and to prescribe
4 the responsibilities of agencies of the executive branch of the state
5 government.

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

11 **Sec. 10.** RCW 43.88.020 and 1991 c 358 s 6 are each amended to read
12 as follows:

13 (1) "Budget" means a proposed plan of expenditures for a given
14 period or purpose and the proposed means for financing these
15 expenditures.

16 (2) "Budget document" means a formal, written statement offered by
17 the governor to the legislature, as provided in RCW 43.88.030.

18 (3) "Director of financial management" means the official appointed
19 by the governor to serve at the governor's pleasure and to whom the
20 governor may delegate necessary authority to carry out the governor's
21 duties as provided in this chapter. The director of financial
22 management shall be head of the office of financial management which
23 shall be in the office of the governor.

24 (4) "Agency" means and includes every state office, officer, each
25 institution, whether educational, correctional or other, and every
26 department, division, board and commission, except as otherwise
27 provided in this chapter.

28 (5) "Public funds", for purposes of this chapter, means all moneys,
29 including cash, checks, bills, notes, drafts, stocks, and bonds,

1 whether held in trust, for operating purposes, or for capital purposes,
2 and collected or disbursed under law, whether or not such funds are
3 otherwise subject to legislative appropriation, including funds
4 maintained outside the state treasury.

5 (6) "Regulations" means the policies, standards, and requirements,
6 stated in writing, designed to carry out the purposes of this chapter,
7 as issued by the governor or the governor's designated agent, and which
8 shall have the force and effect of law.

9 (7) "Ensuing biennium" means the fiscal biennium beginning on July
10 1st of the same year in which a regular session of the legislature is
11 held during an odd-numbered year pursuant to Article II, section 12 of
12 the Constitution and which biennium next succeeds the current biennium.

13 (8) "Dedicated fund" means a fund in the state treasury, or a
14 separate account or fund in the general fund in the state treasury,
15 that by law is dedicated, appropriated or set aside for a limited
16 object or purpose; but "dedicated fund" does not include a revolving
17 fund or a trust fund.

18 (9) "Revolving fund" means a fund in the state treasury,
19 established by law, from which is paid the cost of goods or services
20 furnished to or by a state agency, and which is replenished through
21 charges made for such goods or services or through transfers from other
22 accounts or funds.

23 (10) "Trust fund" means a fund in the state treasury in which
24 designated persons or classes of persons have a vested beneficial
25 interest or equitable ownership, or which was created or established by
26 a gift, grant, contribution, devise, or bequest that limits the use of
27 the fund to designated objects or purposes.

28 (11) "Administrative expenses" means expenditures for: (a)
29 Salaries, wages, and related costs of personnel and (b) operations and

1 maintenance including but not limited to costs of supplies, materials,
2 services, and equipment.

3 (12) "Fiscal year" means the year beginning July 1st and ending the
4 following June 30th.

5 (13) "Lapse" means the termination of authority to expend an
6 appropriation.

7 (14) "Legislative fiscal committees" means the legislative budget
8 committee, the legislative evaluation and accountability program
9 committee, the ways and means committees of the senate and house of
10 representatives, and, where appropriate, the legislative transportation
11 committee.

12 (15) "Fiscal period" means the period for which an appropriation is
13 made as specified within the act making the appropriation.

14 (16) "Primary budget driver" means the primary determinant of a
15 budget level, other than a price variable, which causes or is
16 associated with the major expenditure of an agency or budget unit
17 within an agency, such as a caseload, enrollment, workload, or
18 population statistic.

19 (17) "Stabilization account" means the budget stabilization account
20 created under RCW 43.88.525 as an account in the general fund of the
21 state treasury.

22 (18) "State tax revenue limit" means the limitation created by
23 chapter 43.135 RCW.

24 (19) "General state revenues" means the revenues defined by Article
25 VIII, section 1(c) of the state Constitution.

26 (20) "Annual growth rate in real personal income" means the
27 estimated percentage growth in personal income for the state during the
28 current fiscal year, expressed in constant value dollars, as published
29 by the office of financial management or its successor agency.

1 (21) "Estimated revenues" means estimates of revenue in the most
2 recent official economic and revenue forecast prepared under RCW
3 82.33.020, and prepared by the office of financial management for those
4 funds, accounts, and sources for which the office of the economic and
5 revenue forecast council does not prepare an official forecast
6 including estimates of revenues to support financial plans under RCW
7 44.40.070, that are prepared by the office of financial management in
8 consultation with the interagency task force.

9 (22) "Estimated receipts" means the estimated receipt of cash in
10 the most recent official economic and revenue forecast prepared under
11 RCW 82.33.020, and prepared by the office of financial management for
12 those funds, accounts, and sources for which the office of the economic
13 and revenue forecast council does not prepare an official forecast.

14 (23) "State budgeting, accounting, and reporting system" means a
15 system that gathers, maintains, and communicates fiscal and program
16 performance information. The system links fiscal and performance
17 information beginning with development of agency budget requests
18 through adoption of legislative appropriations to tracking actual
19 receipts ((and)), expenditures, and performance against approved plans.

20 (24) "Allotment of appropriation" means the agency's statement of
21 proposed expenditures, the director of financial management's review of
22 that statement, and the placement of the approved statement into the
23 state budgeting, accounting, and reporting system.

24 (25) "Statement of proposed expenditures" means a plan prepared by
25 each agency that breaks each appropriation out into monthly detail
26 representing the best estimate of how the appropriation will be
27 expended.

28 (26) "Undesignated fund balance (or deficit)" means unreserved and
29 undesignated current assets or other resources available for

1 expenditure over and above any current liabilities which are expected
2 to be incurred by the close of the fiscal period.

3 **Sec. 11.** RCW 43.88.090 and 1989 c 273 s 26 are each amended to
4 read as follows:

5 (1) For purposes of developing budget proposals to the legislature,
6 the governor shall have the power, and it shall be the governor's duty,
7 to require from proper agency officials such detailed estimates and
8 other information in such form and at such times as the governor shall
9 direct. The estimates for the legislature and the judiciary shall be
10 transmitted to the governor and shall be included in the budget without
11 revision. The estimates for state pension contributions shall be based
12 on the rates provided in chapter 41.45 RCW. Copies of all such
13 estimates shall be transmitted to the standing committees on ways and
14 means of the house and senate at the same time as they are filed with
15 the governor and the office of financial management.

16 (2) (~~Estimates from each agency shall include goals and objectives~~
17 ~~for each program administered by the agency. The goals and objectives~~
18 ~~shall, whenever possible, be stated in terms of objective measurable~~
19 ~~results.)) Each state agency shall establish goals and objectives, and
20 develop measures or indicators of the outcomes desired based on these
21 goals, for each major program in its budget. In establishing such
22 goals and measures, each agency shall:~~

23 (a) Develop general measures for describing (i) outputs, or
24 organizational effort and activities, (ii) interventions or services,
25 and (iii) desired results or outcomes regarding each major program;

26 (b) Express such measures or indicators in an objective,
27 quantifiable, and measurable form unless permitted by the office of
28 financial management to adopt a different standard; and

1 (c) Compare results against goals and desired outcomes, in the
2 context of cost, to suggest progress in goal achievement and trends in
3 costs per units of effort, interventions, or outcomes.

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

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

24 NEW SECTION. Sec. 12. A new section is added to chapter 43.88 RCW
25 to read as follows:

26 It shall not be in order for either house of the legislature to
27 consider any bill or amendment that provides for the authorization of
28 appropriation of funds unless the bill or amendment specifies goals or
29 objectives, and desired outcomes, for the appropriation.

1 NEW SECTION. **Sec. 13.** This act may be known and cited as the
2 government accountability act of 1992.