

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 1372**

Chapter 406, Laws of 1993

53rd Legislature  
1993 Regular Session

PERFORMANCE-BASED GOVERNMENT ACT OF 1993

EFFECTIVE DATE: 7/25/93

Passed by the House April 25, 1993  
Yeas 98 Nays 0

BRIAN EBERSOLE  
**Speaker of the  
House of Representatives**

Passed by the Senate April 25, 1993  
Yeas 43 Nays 0

R. LORRAINE WOJAHN  
**President of the Senate**

Approved May 15, 1993

MIKE LOWRY  
**Governor of the State of Washington**

CERTIFICATE

I, Alan Thompson, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1372** as passed by the House of Representatives and the Senate on the dates hereon set forth.

ALAN THOMPSON  
**Chief Clerk**

FILED

May 15, 1993 - 1:21 p.m.

**Secretary of State  
State of Washington**

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**ENGROSSED SUBSTITUTE HOUSE BILL 1372**

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AS RECOMMENDED BY THE CONFERENCE COMMITTEE

Passed Legislature - 1993 Regular Session

**State of Washington                      53rd Legislature                      1993 Regular Session**

**By** House Committee on State Government (originally sponsored by Representatives Pruitt, R. Fisher, Mielke, Sheldon, Dorn, Long, Veloria, Roland, Romero, Shin, R. Meyers, Finkbeiner, Jones, Dunshee, Jacobsen, Riley, Holm, Mastin, Kessler, Linville, Springer, Wolfe, Franklin, Kremen, Johanson, Karahalios, Flemming, Tate, L. Johnson, J. Kohl, Dellwo, G. Cole and Anderson; by request of State Auditor)

Read first time 03/03/93.

1            AN ACT Relating to accountability in state government; amending RCW  
2 43.88.020, 43.88.090, 43.88.160, and 44.28.085; adding a new section to  
3 chapter 44.28 RCW; and creating new sections.

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

5            NEW SECTION.    **Sec. 1.**    The legislature finds that many of the  
6 systems currently in place for assuring accountability in state  
7 government programs are not operated comprehensively, do not take  
8 advantage of modern management techniques, and do not contribute  
9 adequately to the optimum use of scarce resources. Critical variables  
10 that are not always taken into account include whether stated goals and  
11 objectives are being achieved, and whether desired results are being  
12 accomplished.

13            Agency executives need more accurate information for setting  
14 policy, determining whether new or existing programs are effective, and  
15 improving internal controls for agency management. These needs must be  
16 met at all levels of operation, and must be clearly communicated to the  
17 legislature and all interested parties.

18            Ensuring accountability in government involves a long-term  
19 commitment to policy planning, quality management, and results-oriented

1 evaluation. It is the intent of the legislature to facilitate program  
2 evaluations and performance audits of selected state agencies and  
3 programs through the coordinated resources of the executive and  
4 legislative branches of state government.

5 **Sec. 2.** RCW 43.88.020 and 1991 c 358 s 6 are each amended to read  
6 as follows:

7 (1) "Budget" means a proposed plan of expenditures for a given  
8 period or purpose and the proposed means for financing these  
9 expenditures.

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

12 (3) "Director of financial management" means the official appointed  
13 by the governor to serve at the governor's pleasure and to whom the  
14 governor may delegate necessary authority to carry out the governor's  
15 duties as provided in this chapter. The director of financial  
16 management shall be head of the office of financial management which  
17 shall be in the office of the governor.

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

22 (5) "Public funds", for purposes of this chapter, means all moneys,  
23 including cash, checks, bills, notes, drafts, stocks, and bonds,  
24 whether held in trust, for operating purposes, or for capital purposes,  
25 and collected or disbursed under law, whether or not such funds are  
26 otherwise subject to legislative appropriation, including funds  
27 maintained outside the state treasury.

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

32 (7) "Ensuing biennium" means the fiscal biennium beginning on July  
33 1st of the same year in which a regular session of the legislature is  
34 held during an odd-numbered year pursuant to Article II, section 12 of  
35 the Constitution and which biennium next succeeds the current biennium.

36 (8) "Dedicated fund" means a fund in the state treasury, or a  
37 separate account or fund in the general fund in the state treasury,  
38 that by law is dedicated, appropriated or set aside for a limited

1 object or purpose; but "dedicated fund" does not include a revolving  
2 fund or a trust fund.

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

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

13 (11) "Administrative expenses" means expenditures for: (a)  
14 Salaries, wages, and related costs of personnel and (b) operations and  
15 maintenance including but not limited to costs of supplies, materials,  
16 services, and equipment.

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

19 (13) "Lapse" means the termination of authority to expend an  
20 appropriation.

21 (14) "Legislative fiscal committees" means the legislative budget  
22 committee, the legislative evaluation and accountability program  
23 committee, the ways and means committees of the senate and house of  
24 representatives, and, where appropriate, the legislative transportation  
25 committee.

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

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

33 (17) "Stabilization account" means the budget stabilization account  
34 created under RCW 43.88.525 as an account in the general fund of the  
35 state treasury.

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

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

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

5 (21) "Estimated revenues" means estimates of revenue in the most  
6 recent official economic and revenue forecast prepared under RCW  
7 82.33.020, and prepared by the office of financial management for those  
8 funds, accounts, and sources for which the office of the economic and  
9 revenue forecast council does not prepare an official forecast  
10 including estimates of revenues to support financial plans under RCW  
11 44.40.070, that are prepared by the office of financial management in  
12 consultation with the interagency task force.

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

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

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

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

31 (26) "Undesignated fund balance (or deficit)" means unreserved and  
32 undesignated current assets or other resources available for  
33 expenditure over and above any current liabilities which are expected  
34 to be incurred by the close of the fiscal period.

35 (27) "Internal audit" means an independent appraisal activity  
36 within an agency for the review of operations as a service to  
37 management, including a systematic examination of accounting and fiscal  
38 controls to assure that human and material resources are guarded  
39 against waste, loss, or misuse; and that reliable data are gathered,

1 maintained, and fairly disclosed in a written report of the audit  
2 findings.

3 (28) "Performance audit" means an audit that determines the  
4 following: (a) Whether a government entity is acquiring, protecting,  
5 and using its resources economically and efficiently; (b) the causes of  
6 inefficiencies or uneconomical practices; (c) whether the entity has  
7 complied with laws and rules applicable to the program; (d) the extent  
8 to which the desired results or benefits established by the legislature  
9 are being achieved; and (e) the effectiveness of organizations,  
10 programs, activities, or functions.

11 (29) "Program evaluation" means the use of a variety of policy and  
12 fiscal research methods to (a) determine the extent to which a program  
13 is achieving its legislative intent in terms of producing the effects  
14 expected, and (b) make an objective judgment of the implementation,  
15 outcomes, and net cost or benefit impact of programs in the context of  
16 their goals and objectives. It includes the application of systematic  
17 methods to measure the results, intended or unintended, of program  
18 activities.

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

21 (1) For purposes of developing budget proposals to the legislature,  
22 the governor shall have the power, and it shall be the governor's duty,  
23 to require from proper agency officials such detailed estimates and  
24 other information in such form and at such times as the governor shall  
25 direct. The estimates for the legislature and the judiciary shall be  
26 transmitted to the governor and shall be included in the budget without  
27 revision. The estimates for state pension contributions shall be based  
28 on the rates provided in chapter 41.45 RCW. Copies of all such  
29 estimates shall be transmitted to the standing committees on ways and  
30 means of the house and senate at the same time as they are filed with  
31 the governor and the office of financial management.

32 ~~((2) Estimates from each agency shall include goals and objectives~~  
33 ~~for each program administered by the agency. The goals and objectives~~  
34 ~~shall, whenever possible, be stated in terms of objective measurable~~  
35 ~~results.))~~

36 The estimates shall include statements or tables which indicate, by  
37 agency, the state funds which are required for the receipt of federal  
38 matching revenues. The estimates shall be revised as necessary to

1 reflect legislative enactments and adopted appropriations and shall be  
2 included with the initial biennial allotment submitted under RCW  
3 43.88.110.

4 ~~((3))~~ (2) It is the policy of the state that each state agency  
5 define its mission and establish measurable goals for achieving  
6 desirable results for those who receive its services. This section  
7 shall not be construed to require an agency to develop a new mission or  
8 goals in place of identifiable missions or goals that meet the intent  
9 of this section. State agencies should involve affected groups and  
10 individuals in developing their missions and goals.

11 (3) For the purpose of assessing program performance, each state  
12 agency shall establish program objectives for each major program in its  
13 budget. The objectives shall be consistent with the missions and goals  
14 developed under this section. The objectives shall be expressed to the  
15 extent practicable in outcome-based, objective, and measurable form  
16 unless permitted by the office of financial management to adopt a  
17 different standard.

18 (4) In concert with legislative and executive agencies, the office  
19 of financial management shall develop a plan for using these outcome-  
20 based objectives in the evaluation of agency performance for improved  
21 accountability of state government. Any elements of the plan requiring  
22 legislation shall be submitted to the legislature no later than  
23 November 30, 1994.

24 (5) In the year of the gubernatorial election, the governor shall  
25 invite the governor-elect or the governor-elect's designee to attend  
26 all hearings provided in RCW 43.88.100; and the governor shall furnish  
27 the governor-elect or the governor-elect's designee with such  
28 information as will enable the governor-elect or the governor-elect's  
29 designee to gain an understanding of the state's budget requirements.  
30 The governor-elect or the governor-elect's designee may ask such  
31 questions during the hearings and require such information as the  
32 governor-elect or the governor-elect's designee deems necessary and may  
33 make recommendations in connection with any item of the budget which,  
34 with the governor-elect's reasons therefor, shall be presented to the  
35 legislature in writing with the budget document. Copies of all such  
36 estimates and other required information shall also be submitted to the  
37 standing committees on ways and means of the house and senate.

1       **Sec. 4.** RCW 43.88.160 and 1992 c 118 s 8 are each amended to read  
2 as follows:

3       This section sets forth the major fiscal duties and  
4 responsibilities of officers and agencies of the executive branch. The  
5 regulations issued by the governor pursuant to this chapter shall  
6 provide for a comprehensive, orderly basis for fiscal management and  
7 control, including efficient accounting and reporting therefor, for the  
8 executive branch of the state government and may include, in addition,  
9 such requirements as will generally promote more efficient public  
10 management in the state.

11       (1) Governor; director of financial management. The governor,  
12 through the director of financial management, shall devise and  
13 supervise a modern and complete accounting system for each agency to  
14 the end that all revenues, expenditures, receipts, disbursements,  
15 resources, and obligations of the state shall be properly and  
16 systematically accounted for. The accounting system shall include the  
17 development of accurate, timely records and reports of all financial  
18 affairs of the state. The system shall also provide for central  
19 accounts in the office of financial management at the level of detail  
20 deemed necessary by the director to perform central financial  
21 management. The director of financial management shall adopt and  
22 periodically update an accounting procedures manual. Any agency  
23 maintaining its own accounting and reporting system shall comply with  
24 the updated accounting procedures manual and the rules of the director  
25 adopted under this chapter. An agency may receive a waiver from  
26 complying with this requirement if the waiver is approved by the  
27 director. Waivers expire at the end of the fiscal biennium for which  
28 they are granted. The director shall forward notice of waivers granted  
29 to the appropriate legislative fiscal committees. The director of  
30 financial management may require such financial, statistical, and other  
31 reports as the director deems necessary from all agencies covering any  
32 period.

33       (2) The director of financial management is responsible for  
34 quarterly reporting of primary operating budget drivers such as  
35 applicable workloads, caseload estimates, and appropriate unit cost  
36 data. These reports shall be transmitted to the legislative fiscal  
37 committees or by electronic means to the legislative evaluation and  
38 accountability program committee. Quarterly reports shall include  
39 actual monthly data and the variance between actual and estimated data



1 to date. The reports shall also include estimates of these items for  
2 the remainder of the budget period.

3 (3) The director of financial management shall report at least  
4 annually to the appropriate legislative committees regarding the status  
5 of all appropriated capital projects, including transportation  
6 projects, showing significant cost overruns or underruns. If funds are  
7 shifted from one project to another, the office of financial management  
8 shall also reflect this in the annual variance report. Once a project  
9 is complete, the report shall provide a final summary showing estimated  
10 start and completion dates of each project phase compared to actual  
11 dates, estimated costs of each project phase compared to actual costs,  
12 and whether or not there are any outstanding liabilities or unsettled  
13 claims at the time of completion.

14 (4) In addition, the director of financial management, as agent of  
15 the governor, shall:

16 (a) Develop and maintain a system of internal controls and internal  
17 audits comprising methods and procedures to be adopted by each agency  
18 that will safeguard its assets, check the accuracy and reliability of  
19 its accounting data, promote operational efficiency, and encourage  
20 adherence to prescribed managerial policies for accounting and  
21 financial controls. The system developed by the director shall include  
22 criteria for determining the scope and comprehensiveness of internal  
23 controls required by classes of agencies, depending on the level of  
24 resources at risk.

25 Each agency head or authorized designee shall be assigned the  
26 responsibility and authority for establishing and maintaining internal  
27 audits following the standards of internal auditing of the institute of  
28 internal auditors;

29 (b) Make surveys and analyses of agencies with the object of  
30 determining better methods and increased effectiveness in the use of  
31 manpower and materials; and the director shall authorize expenditures  
32 for employee training to the end that the state may benefit from  
33 training facilities made available to state employees;

34 (~~(b)~~) (c) Report to the governor with regard to duplication of  
35 effort or lack of coordination among agencies;

36 (~~(e)~~) (d) Review any pay and classification plans, and changes  
37 thereunder, developed by any agency for their fiscal impact: PROVIDED,  
38 That none of the provisions of this subsection shall affect merit  
39 systems of personnel management now existing or hereafter established

1 by statute relating to the fixing of qualifications requirements for  
2 recruitment, appointment, or promotion of employees of any agency. The  
3 director shall advise and confer with agencies including appropriate  
4 standing committees of the legislature as may be designated by the  
5 speaker of the house and the president of the senate regarding the  
6 fiscal impact of such plans and may amend or alter said plans, except  
7 that for the following agencies no amendment or alteration of said  
8 plans may be made without the approval of the agency concerned:  
9 Agencies headed by elective officials;

10 ~~((d))~~ (e) Fix the number and classes of positions or authorized  
11 man years of employment for each agency and during the fiscal period  
12 amend the determinations previously fixed by the director except that  
13 the director shall not be empowered to fix said number or said classes  
14 for the following: Agencies headed by elective officials;

15 ~~((e))~~ (f) Provide for transfers and repayments between the budget  
16 stabilization account and the general fund as directed by appropriation  
17 and RCW 43.88.525 through 43.88.540;

18 ~~((f) Promulgate regulations)~~ (g) Adopt rules to effectuate  
19 provisions contained in (a) through ~~((e))~~ (f) of this subsection.

20 (5) The treasurer shall:

21 (a) Receive, keep, and disburse all public funds of the state not  
22 expressly required by law to be received, kept, and disbursed by some  
23 other persons: PROVIDED, That this subsection shall not apply to those  
24 public funds of the institutions of higher learning which are not  
25 subject to appropriation;

26 (b) Disburse public funds under the treasurer's supervision or  
27 custody by warrant or check;

28 (c) Keep a correct and current account of all moneys received and  
29 disbursed by the treasurer, classified by fund or account;

30 (d) Perform such other duties as may be required by law or by  
31 regulations issued pursuant to this law.

32 It shall be unlawful for the treasurer to issue any warrant or  
33 check for public funds in the treasury except upon forms duly  
34 prescribed by the director of financial management. Said forms shall  
35 provide for authentication and certification by the agency head or the  
36 agency head's designee that the services have been rendered or the  
37 materials have been furnished; or, in the case of loans or grants, that  
38 the loans or grants are authorized by law; or, in the case of payments  
39 for periodic maintenance services to be performed on state owned

1 equipment, that a written contract for such periodic maintenance  
2 services is currently in effect and copies thereof are on file with the  
3 office of financial management; and the treasurer shall not be liable  
4 under the treasurer's surety bond for erroneous or improper payments so  
5 made: PROVIDED, That when services are lawfully paid for in advance of  
6 full performance by any private individual or business entity other  
7 than as provided for by RCW 42.24.035, such individual or entity other  
8 than central stores rendering such services shall make a cash deposit  
9 or furnish surety bond coverage to the state as shall be fixed in an  
10 amount by law, or if not fixed by law, then in such amounts as shall be  
11 fixed by the director of the department of general administration but  
12 in no case shall such required cash deposit or surety bond be less than  
13 an amount which will fully indemnify the state against any and all  
14 losses on account of breach of promise to fully perform such services:  
15 AND PROVIDED FURTHER, That no payments shall be made in advance for any  
16 equipment maintenance services to be performed more than three months  
17 after such payment. Any such bond so furnished shall be conditioned  
18 that the person, firm or corporation receiving the advance payment will  
19 apply it toward performance of the contract. The responsibility for  
20 recovery of erroneous or improper payments made under this section  
21 shall lie with the agency head or the agency head's designee in  
22 accordance with regulations issued pursuant to this chapter. Nothing  
23 in this section shall be construed to permit a public body to advance  
24 funds to a private service provider pursuant to a grant or loan before  
25 services have been rendered or material furnished.

26 (6) The state auditor shall:

27 (a) Report to the legislature the results of current post audits  
28 that have been made of the financial transactions of each agency; to  
29 this end the auditor may, in the auditor's discretion, examine the  
30 books and accounts of any agency, official or employee charged with the  
31 receipt, custody or safekeeping of public funds. Where feasible in  
32 conducting examinations, the auditor shall utilize data and findings  
33 from the internal control system prescribed by the office of financial  
34 management. The current post audit of each agency may include a  
35 section on recommendations to the legislature as provided in (c) of  
36 this subsection.

37 (b) Give information to the legislature, whenever required, upon  
38 any subject relating to the financial affairs of the state.

1 (c) Make the auditor's official report on or before the thirty-  
2 first of December which precedes the meeting of the legislature. The  
3 report shall be for the last complete fiscal period and shall include  
4 ~~((at least the following:))~~ determinations as to whether agencies, in  
5 making expenditures, complied with the laws of this state~~((: PROVIDED,~~  
6 ~~That nothing in this section may be construed to grant))~~. The state  
7 auditor ~~((the right))~~ is authorized to perform or participate in  
8 performance audits only as expressly authorized by the legislature in  
9 the omnibus biennial appropriations acts. A performance audit for the  
10 purpose of this section is the examination of the effectiveness of the  
11 administration, its efficiency, and its adequacy in terms of the  
12 programs of departments or agencies as previously approved by the  
13 legislature. ~~((The authority and responsibility to conduct such an~~  
14 ~~examination shall be vested in the legislative budget committee as~~  
15 ~~prescribed in RCW 44.28.085.))~~ The state auditor, upon completing an  
16 audit for legal and financial compliance under chapter 43.09 RCW, may  
17 report to the legislative budget committee or other appropriate  
18 committees of the legislature, in a manner prescribed by the  
19 legislative budget committee, on facts relating to the management or  
20 performance of governmental programs where such facts are discovered  
21 incidental to the legal and financial audit. The auditor may make such  
22 a report to a legislative committee only if the auditor has determined  
23 that the agency has been given an opportunity and has failed to resolve  
24 the management or performance issues raised by the auditor. If the  
25 auditor makes a report to a legislative committee, the agency may  
26 submit to the committee a response to the report. This subsection (6)  
27 shall not be construed to authorize the auditor to allocate other than  
28 de minimis resources to performance audits except as expressly  
29 authorized in the appropriations acts.

30 (d) Be empowered to take exception to specific expenditures that  
31 have been incurred by any agency or to take exception to other  
32 practices related in any way to the agency's financial transactions and  
33 to cause such exceptions to be made a matter of public record,  
34 including disclosure to the agency concerned and to the director of  
35 financial management. It shall be the duty of the director of  
36 financial management to cause corrective action to be taken promptly,  
37 such action to include, as appropriate, the withholding of funds as  
38 provided in RCW 43.88.110.

39 (e) Promptly report any irregularities to the attorney general.

1 (f) Investigate improper governmental activity under chapter 42.40  
2 RCW.

3 (7) The legislative budget committee may:

4 (a) Make post audits of the financial transactions of any agency  
5 and management surveys and program reviews as provided for in RCW  
6 44.28.085 as well as performance audits and program evaluations. To  
7 this end the committee may in its discretion examine the books,  
8 accounts, and other records of any agency, official, or employee.

9 (b) Give information to the legislature or any legislative  
10 committee whenever required upon any subject relating to the  
11 performance and management of state agencies.

12 (c) Make a report to the legislature which shall include at least  
13 the following:

14 (i) Determinations as to the extent to which agencies in making  
15 expenditures have complied with the will of the legislature and in this  
16 connection, may take exception to specific expenditures or financial  
17 practices of any agencies; and

18 (ii) Such plans as it deems expedient for the support of the  
19 state's credit, for lessening expenditures, for promoting frugality and  
20 economy in agency affairs and generally for an improved level of fiscal  
21 management.

22 NEW SECTION. **Sec. 5.** A new section is added to chapter 44.28 RCW  
23 to read as follows:

24 (1) In conducting program evaluations as defined in RCW 43.88.020,  
25 the legislative budget committee may establish a biennial work plan  
26 that identifies state agency programs for which formal evaluation  
27 appears necessary. Among the factors to be considered in preparing the  
28 work plan are:

29 (a) Whether a program newly created or significantly altered by the  
30 legislature warrants continued oversight because (i) the fiscal impact  
31 of the program is significant, or (ii) the program represents a  
32 relatively high degree of risk in terms of reaching the stated goals  
33 and objectives for that program;

34 (b) Whether implementation of an existing program has failed to  
35 meet its goals and objectives by any significant degree.

36 (2) The project description for each program evaluation shall  
37 include start and completion dates, the proposed research approach, and  
38 cost estimates.

1 (3) The overall plan may include proposals to employ contract  
2 evaluators. As conditions warrant, the program evaluation work plan  
3 may be amended from time to time. All biennial work plans shall be  
4 transmitted to the appropriate fiscal and policy committees of the  
5 senate and the house of representatives.

6 **Sec. 6.** RCW 44.28.085 and 1975 1st ex.s. c 293 s 15 are each  
7 amended to read as follows:

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

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

33 NEW SECTION. **Sec. 7.** This act may be known and cited as the  
34 performance-based government act of 1993.

35 NEW SECTION. **Sec. 8.** If specific funding for the purposes of this  
36 act, referencing this act by bill number, is not provided by June 30,

1 1993, in the omnibus appropriations act, this act shall be null and  
2 void.

Passed the House April 25, 1993.

Passed the Senate April 25, 1993.

Approved by the Governor May 15, 1993.

Filed in Office of Secretary of State May 15, 1993.