
HOUSE BILL 1185

State of Washington

58th Legislature

2003 Regular Session

By Representatives Rockefeller, Jarrett, Morris, Alexander, Ruderman, Berkey, Haigh, Wallace, Linville, Wood, Lantz, Conway, Kessler, Morrell, Kenney, Simpson, Upthegrove and Chase

Read first time 01/20/2003. Referred to Committee on State Government.

1 AN ACT Relating to performance reviews; amending RCW 44.28.005;
2 adding a new section to chapter 44.28 RCW; and creating a new section.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that the use of
5 performance reviews, as well as outcome and performance measures, is
6 necessary for demonstrating the accountability of state government to
7 the public. The legislature also finds that performance measurement is
8 integral to the efficient and effective management and operation of
9 state agencies and programs, essential to the achievement of effective
10 interagency cooperation and management, and integral to identifying
11 priorities of government for purposes of funding biennial budgets.
12 Thus, the legislature intends to expand its performance reviews to
13 provide greater accountability to the public and to ensure that state
14 government has effective measures for assessing and continuously
15 improving performance. It is the intent of the legislature that
16 outcome and performance measures used by state agencies and programs
17 become a tool for the governor and the legislature in establishing
18 priorities of government and developing biennial budgets.

1 **Sec. 2.** RCW 44.28.005 and 1996 c 288 s 2 are each amended to read
2 as follows:

3 Unless the context clearly requires otherwise, the definitions in
4 this section apply throughout this chapter.

5 (1) "Legislative auditor" means the executive officer of the joint
6 legislative audit and review committee.

7 (2) "Economy and efficiency audits" means performance audits that
8 establish: (a) Whether a state agency or unit of local government
9 receiving state funds is acquiring, protecting, and using its resources
10 such as personnel, property, and space economically and efficiently;
11 (b) the causes of inefficiencies or uneconomical practices; and (c)
12 whether the state agency or local government has complied with
13 significant laws and rules in acquiring, protecting, and using its
14 resources.

15 (3) "Final compliance report" means a written document, as approved
16 by the joint committee, that states the specific actions a state agency
17 or unit of local government receiving state funds has taken to
18 implement recommendations contained in the final performance audit
19 report and the preliminary compliance report. Any recommendations,
20 including proposed legislation and changes in the agency's rules and
21 practices or the local government's practices, based on testimony
22 received, must be included in the final compliance report.

23 (4) "Final performance audit report" means a written document
24 adopted by the joint legislative audit and review committee that
25 contains the findings and proposed recommendations made in the
26 preliminary performance audit report, the final recommendations adopted
27 by the joint committee, any comments to the preliminary performance
28 audit report by the joint committee, and any comments to the
29 preliminary performance audit report by the state agency or local
30 government that was audited.

31 (5) "Joint committee" means the joint legislative audit and review
32 committee.

33 (6) "Local government" means a city, town, county, special purpose
34 district, political subdivision, municipal corporation, or quasi-
35 municipal corporation, including a public corporation created by such
36 an entity.

37 (7) "Performance audit" means an objective and systematic
38 assessment of a state agency or any of its programs, functions, or

1 activities, or a unit of local government receiving state funds, by an
2 independent evaluator in order to help public officials improve
3 efficiency, effectiveness, and accountability. Performance audits
4 include economy and efficiency audits and program audits. A
5 performance audit of a local government may only be made to determine
6 whether the local government is using state funds for their intended
7 purpose in an efficient and effective manner.

8 (8) "Performance measures" are a composite of key indicators of a
9 program's or activity's inputs, outputs, outcomes, productivity,
10 timeliness, and/or quality. They are means of evaluating policies and
11 programs by measuring results against agreed upon program goals or
12 standards.

13 (9) "Performance review" means an outside evaluation of how a state
14 agency uses its performance measures to assess the outcomes of its
15 legislatively authorized activities.

16 (10) "Preliminary compliance report" means a written document that
17 states the specific actions a state agency or unit of local government
18 receiving state funds has taken to implement any recommendations
19 contained in the final performance audit report.

20 ((+10+)) (11) "Preliminary performance audit report" means a
21 written document prepared for review and comment by the joint
22 legislative audit and review committee after the completion of a
23 performance audit. The preliminary performance audit report must
24 contain the audit findings and any proposed recommendations to improve
25 the efficiency, effectiveness, or accountability of the state agency or
26 local government audited.

27 ((+11+)) (12) "Program audits" means performance audits that
28 determine: (a) The extent to which desired outcomes or results are
29 being achieved; (b) the causes for not achieving intended outcomes or
30 results; and (c) compliance with significant laws and rules applicable
31 to the program.

32 ((+12+)) (13) "State agency" or "agency" means a state agency,
33 department, office, officer, board, commission, bureau, division,
34 institution, or institution of higher education. "State agency"
35 includes all elective offices in the executive branch of state
36 government.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 44.28 RCW
2 to read as follows:

3 (1) The joint committee shall review the performance and outcome
4 measures of state agencies and departments that are under the authority
5 of the governor, or under the authority of a board or commission. The
6 purpose of these reviews is to ensure that the legislature has the
7 means to adequately and accurately assess the performance and outcomes
8 of those agencies and departments. Where two or more agencies have
9 shared responsibility for functions or priorities of government, these
10 reviews can also ensure that effective interagency cooperation and
11 collaboration occurs in areas such as program coordination,
12 administrative structures, information systems, and administration of
13 grants and loans.

14 (2) In conducting these reviews, the joint committee shall work in
15 cooperation with the office of financial management and state agency
16 personnel. The legislative auditor may contract with and consult with
17 public and private independent professional and technical experts as
18 necessary in conducting the reviews.

19 (3) The joint committee shall develop a schedule and common
20 methodology for conducting these reviews. The performance and outcome
21 measures of each agency or department shall be reviewed not less than
22 every five years. In setting the schedule and the extent of these
23 performance reviews, the joint committee shall consider the timing and
24 results of other recent reviews and audits conducted by the joint
25 committee, the seriousness of past findings, any inadequate remedial
26 action taken by an agency or department, whether an agency or
27 department lacks performance and outcome measures, and the desirability
28 to include a diverse range of agencies each year. The reviews shall
29 include, but not be limited to, the following:

30 (a) A determination of whether the performance and outcome measures
31 are consistent with legislative mandates, strategic plans, mission
32 statements, and goals and objectives, and whether the legislature has
33 established clear mandates, strategic plans, mission statements, and
34 goals and objectives that lend themselves to performance and outcome
35 measurement;

36 (b) An examination of how agency management uses the measures to
37 manage resources in an efficient and effective manner;

1 (c) An assessment of how performance benchmarks are established for
2 the purpose of assessing overall performance compared to external
3 standards and benchmarks;

4 (d) An examination of how an analysis of the measurement data is
5 used to make planning and operational improvements;

6 (e) A determination of how performance and outcome measures are
7 used in the budget planning, development, and allotment processes and
8 the extent to which the agency is in compliance with its
9 responsibilities under RCW 43.88.090;

10 (f) A review of how performance data are reported to and used by
11 the legislature both in policy development and resource allocation;

12 (g) An assessment of whether the performance measure data are
13 reliable and collected in a uniform and timely manner; and

14 (h) Recommendations as necessary or appropriate.

15 (4) Completed performance measure reviews shall be presented to the
16 joint committee and published in the same manner as prescribed for
17 performance audits in RCW 44.28.088. Final reports must also be
18 transmitted to the appropriate policy and fiscal standing committees of
19 the legislature.

20 (5) If, after reviewing an agency's or department's performance or
21 outcome measures, the joint committee decides by a majority vote that
22 a full performance audit of the agency or department or multiple
23 agencies or a specific program within an agency or department would be
24 appropriate, the joint committee shall add that audit to its biennial
25 performance audit work plan pursuant to RCW 44.28.080 and 44.28.083.

26 (6) When conducting a full performance audit of an agency or
27 department, or a specific program within an agency or department, or
28 multiple agencies, in accordance with subsection (5) of this section,
29 the joint committee shall also make recommendations regarding the
30 continuation, abolition, consolidation, or reorganization of each
31 affected agency, department, or program.

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