## (DIGEST AS ENACTED)

Provides that: (1) Each state agency shall, within available funds, develop and implement a quality management, accountability, and performance system to improve the public services it provides.

- (2) Each agency shall ensure that managers and staff at all levels are engaged in the system and shall provide managers and staff with the training necessary for successful implementation.
- (3) Each agency shall, within available funds, ensure that its management, accountability, and performance system: (a) Uses strategic business planning to establish goals, objectives, and activities consistent with the priorities of government, as provided in statute;
- (b) Engages stakeholders and customers in establishing service requirements and improving service delivery systems;
- (c) Includes clear, relevant, and easy-to-understand measures for each activity;
  - (d) Gathers, monitors, and analyzes activity data;
- (e) Uses the data to evaluate the effectiveness of programs to manage process performance, improve efficiency, and reduce costs;
- (f) Establishes performance goals and expectations for employees that reflect the organization's objectives; and provides for regular assessments of employee performance;
- (g) Uses activity measures to report progress toward agency objectives to the agency director at least quarterly;
- (h) Where performance is not meeting intended objectives, holds regular problem-solving sessions to develop and implement a plan for addressing gaps; and
- (i) Allocates resources based on strategies to improve performance.

Requires state agencies whose chief executives are appointed by the governor to report to the governor on agency performance at least quarterly.

Provides that the governor shall report annually to citizens on the performance of state agency programs. The governor's report shall include: (1) Progress made toward the priorities of government as a result of agency activities; and

(2) Improvements in agency management systems, fiscal efficiency, process efficiency, asset management, personnel management, statutory and regulatory compliance, and management of technology systems.

Provides that, starting no later than 2008, and at least once every three years thereafter, each agency shall apply to the Washington state quality award, or similar organization, for an independent assessment of its quality management, accountability, and performance system. The assessment shall evaluate the effectiveness of all elements of its management, accountability, and performance system, including: Leadership, strategic planning, customer focus, analysis and information, employee performance management, and process improvement. The purpose of the assessment is to recognize best practice and identify improvement

opportunities.

Provides that the act shall be null and void if appropriations are not approved.