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SENATE BILL 5639

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State of Washington                      63rd Legislature                      2013 Regular Session

By Senators Bailey, Dammeier, and Padden

Read first time 02/06/13. Referred to Committee on Ways & Means.

1            AN ACT Relating to the identification and review of new programs;  
2 amending RCW 43.88.090; and adding new sections to chapter 43.09 RCW.

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

4            NEW SECTION.    **Sec. 1.** For the purposes of section 2 and 3 of this  
5 act and RCW 43.88.090, "new program" means:

- 6            (1) A newly created agency;
- 7            (2) Services not supported in the previous biennium by the state;
- 8            (3) Services to a population or other entity not served by the  
9 state in the previous biennium; or
- 10           (4) Any activity not undertaken by the state in the previous  
11 biennium. "Activity" means a discrete work element carried out by  
12 state government agencies.

13           NEW SECTION.    **Sec. 2.** (1) On July 1st of each calendar year, the  
14 state auditor shall publish a draft list on its web site of all new  
15 programs funded by any appropriation or allotment of state funds during  
16 the previous fiscal year. The state auditor shall provide written  
17 notice of publication to the appropriate fiscal committees of the house

1 of representatives and senate and to the office of financial  
2 management.

3 (2) The list shall include:

4 (a) The name of the program;

5 (b) A brief description of the program and the expected result;

6 (c) The name of the agencies receiving the funding; and

7 (d) The amounts appropriated, by fund or account.

8 (3) Within thirty days of the publication of the draft list of new  
9 programs, the legislature and the office of financial management may  
10 provide any comments it may have on the draft list to the state  
11 auditor's office.

12 (4) Within sixty days after the publication of the draft list, the  
13 state auditor shall publish a final list of new programs on its web  
14 site. The state auditor shall provide written notice of the final  
15 publication to the appropriate fiscal committees of the house of  
16 representatives and the senate and to the office of financial  
17 management.

18 NEW SECTION. **Sec. 3.** (1) Three years after the initial funding of  
19 any new program, as defined in section 1 of this act, the state auditor  
20 shall conduct a fiscal and performance audit of each new program.

21 (2) The audit shall:

22 (a) Identify the original objective or objectives of the new  
23 program;

24 (b) Identify the data collected by the program and the performance  
25 measures;

26 (c) Assess how effective the program was at meeting the objective  
27 or objectives;

28 (d) Determine how efficiently the resources were used; and

29 (e) Suggest changes to the program to increase effectiveness and  
30 efficiency, including alternative approaches or termination of the  
31 program.

32 (3) The state auditor shall provide a final copy of the audit to  
33 the appropriate fiscal committees of the house of representatives and  
34 the senate and to the office of financial management by December 31st  
35 of the calendar year for that audit period.

1           **Sec. 4.** RCW 43.88.090 and 2012 c 229 s 587 are each amended to  
2 read as follows:

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

17           The estimates shall include statements or tables which indicate, by  
18 agency, the state funds which are required for the receipt of federal  
19 matching revenues. The budget document must also include a listing of  
20 all new programs funded in the previous two years. For each new  
21 program, the list shall include: Program name; program objective; a  
22 brief description of the program; performance measures; current annual  
23 funding levels by agency; and the funding level proposed in the  
24 governor's biennial budget request. The list shall include all new  
25 programs funded in the previous two years regardless of whether the  
26 governor proposes funding those programs for the ensuing biennium. The  
27 estimates shall be revised as necessary to reflect legislative  
28 enactments and adopted appropriations and shall be included with the  
29 initial biennial allotment submitted under RCW 43.88.110. The  
30 estimates must reflect that the agency considered any alternatives to  
31 reduce costs or improve service delivery identified in the findings of  
32 a performance audit of the agency by the joint legislative audit and  
33 review committee. Nothing in this subsection requires performance  
34 audit findings to be published as part of the budget.

35           (2) Each state agency shall define its mission and establish  
36 measurable goals for achieving desirable results for those who receive  
37 its services and the taxpayers who pay for those services. Each agency  
38 shall also develop clear strategies and timelines to achieve its goals.

1 This section does not require an agency to develop a new mission or  
2 goals in place of identifiable missions or goals that meet the intent  
3 of this section. The mission and goals of each agency must conform to  
4 statutory direction and limitations.

5 (3) For the purpose of assessing activity performance, each state  
6 agency shall establish quality and productivity objectives for each  
7 major activity in its budget. The objectives must be consistent with  
8 the missions and goals developed under this section. The objectives  
9 must be expressed to the extent practicable in outcome-based,  
10 objective, and measurable form unless an exception to adopt a different  
11 standard is granted by the office of financial management and approved  
12 by the legislative committee on performance review. Objectives must  
13 specifically address the statutory purpose or intent of the program or  
14 activity and focus on data that measure whether the agency is achieving  
15 or making progress toward the purpose of the activity and toward  
16 statewide priorities. The office of financial management shall provide  
17 necessary professional and technical assistance to assist state  
18 agencies in the development of strategic plans that include the mission  
19 of the agency and its programs, measurable goals, strategies, and  
20 performance measurement systems.

21 (4) Each state agency shall adopt procedures for and perform  
22 continuous self-assessment of each activity, using the mission, goals,  
23 objectives, and measurements required under subsections (2) and (3) of  
24 this section. The assessment of the activity must also include an  
25 evaluation of major information technology systems or projects that may  
26 assist the agency in achieving or making progress toward the activity  
27 purpose and statewide priorities. The evaluation of proposed major  
28 information technology systems or projects shall be in accordance with  
29 the standards and policies established by the (~~information services~~  
30 ~~board~~) chief information officer. Agencies' progress toward the  
31 mission, goals, objectives, and measurements required by subsections  
32 (2) and (3) of this section is subject to review as set forth in this  
33 subsection.

34 (a) The office of financial management shall regularly conduct  
35 reviews of selected activities to analyze whether the objectives and  
36 measurements submitted by agencies demonstrate progress toward  
37 statewide results.

1 (b) The office of financial management shall consult with: (i) The  
2 four-year institutions of higher education in those reviews that  
3 involve four-year institutions of higher education; and (ii) the state  
4 board for community and technical colleges in those reviews that  
5 involve two-year institutions of higher education.

6 (c) The goal is for all major activities to receive at least one  
7 review each year.

8 (d) The office of financial management shall consult with the  
9 (~~information services board~~) chief information officer when  
10 conducting reviews of major information technology systems in use by  
11 state agencies. The goal is that reviews of these information  
12 technology systems occur periodically.

13 (5) It is the policy of the legislature that each agency's budget  
14 recommendations must be directly linked to the agency's stated mission  
15 and program, quality, and productivity goals and objectives.  
16 Consistent with this policy, agency budget proposals must include  
17 integration of performance measures that allow objective determination  
18 of an activity's success in achieving its goals. When a review under  
19 subsection (4) of this section or other analysis determines that the  
20 agency's objectives demonstrate that the agency is making insufficient  
21 progress toward the goals of any particular program or is otherwise  
22 underachieving or inefficient, the agency's budget request shall  
23 contain proposals to remedy or improve the selected programs. The  
24 office of financial management shall develop a plan to merge the budget  
25 development process with agency performance assessment procedures. The  
26 plan must include a schedule to integrate agency strategic plans and  
27 performance measures into agency budget requests and the governor's  
28 budget proposal over three fiscal biennia. The plan must identify  
29 those agencies that will implement the revised budget process in the  
30 1997-1999 biennium, the 1999-2001 biennium, and the 2001-2003 biennium.  
31 In consultation with the legislative fiscal committees, the office of  
32 financial management shall recommend statutory and procedural  
33 modifications to the state's budget, accounting, and reporting systems  
34 to facilitate the performance assessment procedures and the merger of  
35 those procedures with the state budget process. The plan and  
36 recommended statutory and procedural modifications must be submitted to  
37 the legislative fiscal committees by September 30, 1996.

1 (6) In reviewing agency budget requests in order to prepare the  
2 governor's biennial budget request, the office of financial management  
3 shall consider the extent to which the agency's activities demonstrate  
4 progress toward the statewide budgeting priorities, along with any  
5 specific review conducted under subsection (4) of this section.

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

20 NEW SECTION. **Sec. 5.** Sections 1 through 3 of this act are each  
21 added to chapter 43.09 RCW.

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