

B+ Washington

Washington's Gary Locke left the statehouse last month after eight years as governor. For most of his time in office, he was pushing not only a political agenda, which is expected of any administration, but a management agenda, which is unusual. Locke ignored the common wisdom that such seemingly bloodless issues as strategic planning and performance measurement would only put voters to sleep. But what he did was very much in character. "When Locke was in the legislature," recalls Richard Davis, president of the Washington Research Council, "it was said that this was a guy whose idea of a nice weekend was fixing the plumbing in a friend's house. To a certain extent, his eight years in office were fixing the plumbing."

It's hard to know how many Washingtonians really did get excited about Locke's efforts to measure performance, reform human resources and reinvent the state's budgeting system. But officials in other states are certainly paying close attention. And Locke leaves behind a legacy of positive change.

Washington's budget process is perhaps

"We tore up the budgeting rule book," says the deputy finance director.

the prime example. "We just tore up the rule book and changed the way we do budgeting here," says Wolfgang Opitz, deputy director of the Office of Financial Management. The new process, dubbed "priorities of government," is a kind of managerial triage. It begins with a top-down approach, establishing the key results that leaders and citizens would like to see their state achieve. Then, agencies with similar goals are grouped to determine which of their activities are most closely aligned with the results desired.

All of this turns into a list of governmental activities ranked in priority order. The state funds the most important and moves down the list until it runs out of cash. For example, a program by the Department of Ecology designed to make

the air clearer (although not healthier) was pretty low on the list. It was eliminated.

The overall effort, led by the Office of Financial Management, had a successful beginning in 2003. It didn't really drive the budget process as much as supporters hope it will in the future, but it is being used again for the current biennial budget, which takes effect this coming July. Iowa, South Carolina and Michigan are now trying to pursue the same approach.

States that attempt to recreate the Washington program, however, would be well advised to consider that its success is contingent on sufficiently strong managerial capacity. "It's damn hard making one of these things up," says Opitz, "if you don't have an agency-level strategic planning process in place and measurements that have been collected at the program level." Opitz isn't boasting. Washington has those things. Its efforts in performance measurement have made it a national leader for some time. Not only does it collect a great deal of valuable data, but agencies and legislators make good use of it.

Another effort is about to change the face of human resources management in Washington. At the heart of it is a potent and unprecedented trade-off. The state is giving collective-bargaining rights to its employees to negotiate for future salaries and benefits. In exchange, the employees will be held accountable for the quality of their work in a way never before imagined. Although seniority will continue to be considered, when it comes to layoffs, the decisions about who gets cut will also be tied to rigorous performance evaluations. The idea is that lazy workers will be canned, while their industrious counterparts keep their jobs. This may seem like common sense, but it's big news in a civil service arena.

In addition, Washington will for the first time be outsourcing a number of jobs currently held by state workers, but only after state employees are given the opportunity to bid competitively for the work. All of this goes into full effect next July; the state is ready with a cadre of performance measures—including rates of turnover, absenteeism and grievances—to provide the necessary data.

For additional data and analysis, go to:
<http://results.gpponline.org/washington>

● Strength ○ Mid-level ● Weakness

Money A-

Long-Term Outlook	●
Budget Process	●
Structural Balance	○
Contracting/Purchasing	○
Financial Controls/Reporting	●

People B+

Strategic Workforce Planning	○
Hiring	●
Retaining Employees	○
Training and Development	●
Managing Employee Performance	○

Infrastructure B

Capital Planning	○
Project Monitoring	○
Maintenance	○
Internal Coordination	○
Intergovernmental Coordination	●

Information A-

Strategic Direction	●
Budgeting for Performance	●
Managing for Performance	○
Program Evaluation	○
Electronic Government	●

Population (rank): 5,894,121 (15)

Average per capita income (rank): \$33,332 (13)

Total state spending (rank): \$30,378,008,000 (12)

Spending per capita (rank): \$5,007 (15)

Governor: Christine Gregoire (D)

First elected: 11/2004

Senate: 49 members: 26 D, 23 R

Term limits: None

House: 98 members: 55 D, 43 R

Term limits: None