

ALASKA STATE LEGISLATURE

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SENATOR JAMES KAUFMAN

Sponsor Statement for SB 37 – Bill Version A

An Act relating to the Executive Budget Act; relating to strategic plans, mission statements, performance plans, and financial plans for executive branch agencies; and providing for an effective date.

SB 37 reorganizes the Executive Budget Act (EBA) to better integrate the planning and budgeting processes of the executive and legislative branches.

The State of Alaska is a complex multi-billion-dollar enterprise. Yet we lack a well-developed, fully integrated performance management system—instead managing a wide range of programs and services using fragments of a system appropriate for our scale. Unfortunately, but perhaps unsurprisingly, we consistently sit near (or at) the bottom of national performance rankings in critical areas like education, health and public safety. Broad improvements, spurred by both executive and legislative efforts, seem largely elusive.

How can we start to drive a higher level of performance in our state agencies? How can we rise to meet our many challenges while successfully improving the cost to benefit ratio of our programs?

SB 37 adapts successful systems implemented by high-performing public and private sector organizations and applies them to the state's Executive Budget Act. Under the system proposed by SB 37, each state department and the University of Alaska will create a four-year, high-level strategic plan that correspond to a Governor's four-year term. Each of those plans will then be updated every two years. Yearly, in conjunction with the legislative budgeting process, departments will put forward performance management & execution plans that fit into the four year plan. These performance and execution plans will include goals, objectives, and key performance metrics written by the people who are actually doing the work. These plans will allow the governor during his budgeting process (and later the legislature through ours) to evaluate each department's progress toward their goals and make the necessary funding decisions.

Transitioning to this form of planning, budgeting, and performance management will put us on a path towards a more efficient and stronger future. SB 37 will allow the legislature will consider department budgets that are aligned with strategic and performance plans and be able to look to defined metrics when trying to evaluate a department's performance.

SB 37 does not provide an instant cure for all of our state's problems. But by reforming the EBA—the foundation of how we plan, manage, measure, and fund our programs—we will be able to pursue other, more comprehensive continuous improvement processes that will lead to better, more effective future for Alaska.