

ALASKA STATE LEGISLATURE

SESSION:
Alaska State Capitol
Juneau, AK 99801
(907) 465-4949



INTERIM
1500 W Benson Blvd
Anchorage, AK 99503
(907) 269-0244

SENATOR JAMES KAUFMAN

Sectional Analysis 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.

Section 1:

Amends existing Executive Budget Act reference in AS 16.05.110(b) to the newly created AS 37.07.085

Section 2:

Amends AS 37.07.010 to include reference to strategic plans, associated strategies, and the shift to multiple planning periods.

Section 3. Responsibilities of the legislature:

Amends AS 37.07.014(a) to change the role of the legislature from issuing mission statements for agencies and subunits to reviewing and analyzing mission statements and performance plans issued by the governor for each agency. Further it removes the issuance of desired results and replaces with reference to the performance plan.

While some missions are set in statute, for those that do not have a mission statement in statute, there is not a clear mechanism for the legislature to change mission statements of agencies. Providing agencies with the ability to write and communicate their mission statements will increase the likelihood that agencies make progress toward their statewide priorities.

Section 4. Responsibilities of the legislature:

Amends AS 37.07.014(b) to remove language directing the legislature to adopt a method of measuring results. There is not a clear way of adopting these 'methods of measuring results' so they do not often change.

Replaces the semi-annual reporting requirement with a reference to AS 37.07.014(f) which requires quarterly performance reports to be made available on a public-facing website. (See section 7).
Adds a reference to a strategic plan.

Section 5. Responsibilities of the legislature:

Amends AS 37.07.014(c) by replacing ‘operating program’ with strategic plans and financial plans.

Section 6. Responsibilities of the legislature:

Amends AS 37.07.014(d) by clarifying that the legislature’s role is to authorize the capital program and financial plans necessary to implement agency performance plans, reinforcing that the legislature is to (1) review and analyze strategic plans and mission statements, (2) assess how annual plans contribute to multi-year plans. (3) review and integrate financial plans into performance plans, (4) maintain all plans on a publicly available website

Section 7. Responsibilities of the legislature:

Amends AS 37.07.014(f) clarifying that, in order to help fulfill the legislature’s responsibilities, **each agency shall:**

1. Allocate resources to implement multi-year plans.
2. Express program results in measurable terms
3. Measure progress towards multi-year plans and other results
4. Promote activities consistent with multi-year plans that reduce future costs.
5. Plan for both the short- and long-term
6. Require accountability at all levels for meeting multi-year plans.
7. Adds a reference to strategic planning.
8. Requires quarterly reporting to OMB on progress towards the performance plan.

Section 8. Responsibilities of the legislature:

Creates new subsection AS 37.07.014(g) defining “state entity” as each department in the executive branch and the University of Alaska.

Section 9. Responsibilities of the governor:

Amends AS 37.07.016 by adding a reference to strategic plans and performance plans in title of section. Further it directs the Governor’s to review strategic plans, mission statements, and performance plans. After review, the Governor shall approve, or require OMB to revise, the strategic plans, mission statements, and performance plans. Requires that strategic plans and mission statements be used to implement and execute the law and that performance plans shall be used to achieve the desired results of the strategic plans and mission statements.

Section 10. Responsibilities of the governor:

Amends AS 37.07.020 by adding references to two new sections. The additional references ensure that agency strategic, performance, and financial plans as well as boards and commissions operations and financial plans will be submitted along with the budget.

Section 11. Responsibilities of the Office of Management and Budget:

Amends AS 37.07.040 by adding new plan names to the list of plans in which OMB must assist in coordination, analysis, development, and updates. It further removes OMB’s responsibility for the administration of a state agency program performance management system.

It clarifies that OMB’s role in the hierarchy of planning and reporting is to

1. Compile strategic plans and submit to the governor
2. Compile performance plans and submit to the governor
3. Compile quarterly reports and submit to the legislature

Section 12. Responsibility of each agency & OMB:

Repeals and Reenacts AS 37.07.050:

Requires each agency to develop 4-year strategic plans that are consistent with the agency’s authority and the governor’s statewide priorities. These plans must be updated and submitted to OMB at the beginning of each gubernatorial term and updated at least once every two years.

Strategic plans must:

1. Include a description of strategic plan and mission statement that (1) states the public purpose of agency and programs, (2) describes services provided and activities conducted, and (3) includes explanation of why and for whom services and activities are provided or conducted.
2. Identify three to six goals for the agency
3. Identify specific, measurable, realistic, and timely objectives related to each goal.
4. Describe methods of gathering user group opinions
5. Describe population served by the agency and trends affecting that population.
6. Identify key external factors that could affect progress.
7. Identify legislation and regulatory changes required.

This section further defines OMB’s role in development of the hierarchy of plans, requiring them to (1) review the strategic plan and ensure consistency with statewide priorities and other provisions, (2) approve or require agencies to revise the strategic plans, (3) review each performance plan, ensuring consistency with statewide priorities and strategic plans, and (4) approve or require agencies to revise the performance plans.

If an agency fails to transmit information by a date specified by OMB, OMB may prepare strategic plans on behalf of that agency consistent with statewide priorities.

Clarifies that all documents submitted to the office under this section are public information.

Defines “state agency” as the meaning created AS 37.07.014(g). (See section 8).

Section 13. Boards and commissions & OMB:

Adds a new section AS 37.07.055 requiring that each boards and commissions submit a financial plan by December 15th to OMB, Legislative Finance, and the legislature that includes budget, expenditure and receipt information for the previous, current and upcoming years. The plan should include relevant explanations, full-time and temporary employed positions, and identification of any needed legislation.

Each board and commission shall also submit an operations plan as prescribed OMB to the governor and legislature. This section further outlines what information should be included in a budget request made by a board or commission.

Requires that OMB assist in preparation of financial plan or prepare one if a board or commission fails to do so and transmit it by December 15th to a governor-elect. Requires that OMB report quarterly to the governor and legislature on operations of the boards and commissions.

Clarifies that all information from a board or commission to OMB is public information.

Section 14. Responsibility of the governor:

Amends AS 37.07.060(a) to require the governor to identify three to five statewide priorities to guide strategic and annual planning. Includes references to the new planning statutes and new plan structure. Removes reference to the previously used mission and desired results.

Section 15. Responsibility of the governor:

Adds a new section to AS 37.07.060 requiring the governor to present the strategic plans and mission statements in a joint session at the same time as the governor’s budget message.

Section 16. Responsibility of the legislature:

Amends section AS 37.07.070 by adding the new, cohesive structure of planning to the legislative review list.

Section 17:

Amends section AS 37.07.080(a) by adding a reference to strategic plans. Removes “desired results” as an exception to the agencies’ authority to execute their programs.

Section 18:

Amends section AS 37.07.080(d) to clarify that salary increases must be in accordance with strategic and performance plans as well as any annual operations plan.

Section 19. Responsibility of each agency & OMB:

Adds a new section AS 37.07.085 requiring each agency (developed with employee participation) to develop annual performance and financial consistent with the strategic plan. Requires that the plans must be submitted to Legislative Finance, the Senate, and the House by December 15th of each year.

The performance plan must:

1. Describe the agency’s program structure and any proposed changes
2. Identify each program, its constitutional and/or statutory authority, and state a program purpose statement which describes the services provided, the customers served by the program, the benefit or intended outcome of the program.
3. Identify performance measures which contribute to progress towards the agency’s strategic plan.
4. Identify results for each performance measure over the past four fiscal years.
5. Identify performance targets for each performance measure for the succeeding fiscal year.

The financial plan must include:

1. Revenue and expenditures for each program for the prior four fiscal years
2. Breakdowns of revenue and expenditures for each program
3. Estimates of revenue and expenditures for current and next fiscal year
4. Budget requested to carry out proposed plans of the agency in succeeding fiscal year.
5. Expenditures authorized for current fiscal year.
6. Expenditures proposed for succeeding fiscal year.
7. Number or positions employed or under contract.
8. Cost of services provided by each program.
9. Report of receipts of agency for expenditures made during prior year, estimate for current year, and estimate for next year.
10. Identification of legislation required to implement the proposed financial plan.
11. Other information as necessary

Requires OMB to assist in preparation of performance and financial plans or create them if an agency fails to.

Requires each agency to prepare and present a performance report once each calendar quarter, identifying (1) performance measures and related goals and objectives and (2) results for each performance measure and progress towards target.

Clarifies that all performance and financial plan documents and reports are public information once forwarded to OMB and must be published on a publicly available website.

Section 20 Definitions:

Amends AS 37.07.120 with the following definitions:

Goal: A broad statement generally describing a desired outcome for an agency or a program of the agency”

Objective: A measurable target that describes the end result that a service or program is expected to accomplish in a given amount of time

Performance Measure: A quantifiable and enduring measure of an outcome, output, efficiency, or effectiveness

Strategic plan: A strategic plan developed under AS 37.07.050

Section 21:

Amends Section AS 44.66.050(a) to update the new reference to the budget of boards and commissions.

Section 22:

Amends Section AS 37.07.080(b) and (c) to remove reference to previous plans based around the mission and measures method of planning.

Section 23:

Sets a July 1, 2025 effective date.