

Alaska State Legislature

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Sponsor Statement for HB 376 – Bill Version B

Alaska is often in the news for the wrong reasons. When it comes to national rankings of states by performance metrics in key societal areas, we often come close to the bottom. This includes critical areas such as education, health, and public safety.

We spend billions (with a “B”) to serve a relatively small population, but somehow improvement seems elusive, and sometimes impossible to achieve. We live in a beautiful and truly amazing state, but the performance of our state programs has not done justice to our unbounded potential.

A main reason for this is that the State of Alaska is a vast and complex multi-billion-dollar enterprise that does not have a well-developed and fully integrated Operations Management System and Quality Management System (OMS/QMS). We have fragments of what an appropriate enterprise-scale performance management system might look like, but not something of the order that would be expected in other endeavors of our magnitude.

So, the question is: How can we start to drive a higher level of performance, rising to meet our many challenges while successfully improving the cost/benefit ratio of our programs?

Fortunately, the answer to that question is available, and has been successfully implemented by high-performing organizations in both the public and private sector. We have referenced and adapted those systems in the creation of HB 376.

So, what is HB 376, and how could it drive a beneficial transformation?

HB 376 revises the Executive Budget Act (EBA). Under the new system, every annual budgeting cycle will occur within the framework of a 4-year strategic plan, biennial strategic plan updates, and 1 year performance management/execution plans. The people managing and doing the work will set goals, objectives, and key performance metrics to meet legislative intent that is confirmed with every budget cycle. The legislature will fund budgets that are aligned with strategic and performance management plans.

Switching to this form of planning, budgeting and performance management will put us on a much better path towards a leaner and stronger future. Our OMS will guide how our enterprise runs, while the QMS will address how we continually improve, and how improvements are sustained.

To be clear, HB 376 does not provide an instant cure for all problems, but by reforming the EBA, which is 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 outcomes.