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House of Representatives DISTRICT 8

House Bill 194

CONSENSUS ESTIMATING CONFERENCES; BUDGET

Sectional Analysis

Section 1

Amends Fiscal Note statute to allow the sponsor for a bill or a committee to request a special impact estimating conference to evaluate a fiscal note.

Section 2

Adds a new section to Fiscal Note statute that allows a special impact estimating conference to prepare a new fiscal note to replace the existing fiscal note for a bill.

Section 3

Adds to the duties to the Legislative Budget and Audit Committee to adopt a method of measuring results for state agencies and to provide the measures to the Governor's Office of Management and Budget (OMB).

Section 4

Amends the statement of policy for the Executive Budget Act to include setting and measuring program and financial goals.

Section 5

Adds to requirements for the legislature under the Executive Budget Act to review the budget by service and program area and to include the service or program cost and the desired measurements for each.

Section 6

Requires the Legislative Budget and Audit Committee to provide the measures it has set for each agency to the OMB by August 1st each year.

Section 7

Amends requirements of the legislature for results-based government to clearly identify service, program, and financial goals and desired results.

Section 8

To fulfill the legislature's responsibilities to achieve results-based-government, each agency shall formulate its budget by allocating resources to achieve the service, program, and financial goals and desired results established by the legislature, and to measure progress toward those goals.

Section 9

Amends the requirements of the Governor under Article III Sections 1 (Executive Power) and 16 (Executive Authority: responsibility for faithful execution of the laws) of the Constitution to use the financial goals and desired results to implement and execute the law. The Governor shall ensure that each agency complies with the service and program measurements and achieves the desired results identified by the legislature.

Section 10

Amends the requirements of the Governor in preparing the Governor's budget. Requires the budget be organized by program or service of each agency and include service and program cost and desired results for each. Each service and program expenditure request must include detailed unit cost and performance of the service or program expenditure.

Changes the Governor's budget submission deadline for a newly elected governor from December 15 to January 15.

Section 11

Requires the Governor's budget to include projections for three succeeding fiscal years rather than ten succeeding years.

Section 12

Requires the proposed expenditures in the budget not to exceed estimated revenues for the succeeding fiscal year. Additionally, operating expenditures may not exceed official estimates of recurring revenue.

Section 13

Adds a new section of the Executive Budget Act to require the Governor to submit an alternative budget plan for the next fiscal year, and projections for the next three succeeding fiscal years, based on the average price per barrel for Alaska North Slope crude oil for sale on the United States West Coast over the preceding ten years.

Requires the Governor to submit an alternate budget plan based on \$70 per barrel for Alaska North Slope crude oil.

Section 14

Adds a new section of law that creates a consensus estimating process. Consensus estimating conferences are created in the legislature for economic and demographic forecasts, revenue estimates, and expenditure estimates for education, criminal justice, social services, and retirement costs.

The membership of each conference consists of principals and participants. Principals of the conference are the director of the legislative finance division or the director's designee. Participants include staff of the house and senate designated by the Speaker and President, and participants appointed by the governor.

Each conference shall develop "official information" within its area of responsibility that the conference determines, by consensus, is needed for the purpose of preparing the state budget.

Provides for the procedures of the estimating conferences, including public meetings.

Conferences develop "official information" based on current law. Following the regular session of the legislature, each conference shall convene in a final session to revise the official information of the conference to reflect changes made in law.

Adds special impact estimating conferences that can be requested by the Speaker of the House or the President of the Senate to evaluate a legislative proposal. The "official information" from a special impact conference will serve as a fiscal note.

Section 15

The Office of Management and Budget is required to provide electronic data used in building its budget to the legislature at least seven days before the legislative session.

OMB is required to submit to the legislature by December 15 each year an annually updated five-year capital improvements program, which must include the estimated cost of construction and maintenance, the estimated project timeline, potential funding sources, and justification for each project.

Section 16

Requires state agencies to report semi-annually the results of the measures set by the legislature and achievement of program, service, and financial goals. Lays of the required content of the reports.

Section 17

Conforming language to add service, program, and financial goals to the capital improvement program.

Section 18

Conforming language to include service, program, and financial goals to agency programs execution requirements.

Section 19

Conforming language to include service, program, and financial goals to agency operational plans.

Section 20

Effective date for Section 6 (LB&A to set program measures) is July 1, 2025.

Section 20

Provides an effective date of July 1, 2024, for the remainder of this Act.