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● 2015 Alaska Statutes

Title 37 - PUBLIC FINANCE

Chapter 37.07 - EXECUTIVE BUDGET ACT

Sec. 37.07.010 Statement of policy.

Universal Citation: AK Stat § 37.07.010 (2015)

It is the purpose of this chapter to establish a comprehensive system for state program and financial management that furthers the capacity of the governor and legislature to plan and finance the services that they determine the state will provide for its citizens. The system must include procedures for

(1) the orderly establishment, continuing review, and periodic revision of the program goals and policies of state agencies and financial goals and policies of the state;

● (2) the development, coordination, and review of long-range program and financial plans that will implement established state goals and policies;

(3) the preparation, coordination, analysis, and enactment of a budget that is organized to focus on the services provided by state agencies and on the cost of those services and that provides for implementation of policies and plans, in the succeeding budget period;

(4) the evaluation of alternatives to existing policies, plans, and procedures that offer potential for more efficient state services;

(5) the regular appraisal and reporting of program performance;

(6) public participation in the development of the annual budget, including opportunity for the public to review and comment upon the plans and programs of the Office of the Governor and all state agencies in the executive branch, the legislature, the judicial system, the University of Alaska, and the public corporations of the state.

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(3) assigning accountability; and

(4) using methods for measuring, reporting, and evaluating results.

(e) The legislature shall

(1) provide for a post-audit function to cover financial transactions, program accomplishment, and compliance with legislative intent;

(2) adopt or revise the estimate of receipts required to balance the succeeding fiscal year's budget in order that proposed expenditures do not exceed estimated receipts for that fiscal year;

(3) adopt, revise, or initiate revenue measures in order to balance the succeeding fiscal year's budget and the capital improvements section of the budget for the succeeding six years.

(f) To help fulfill the legislature's responsibilities under this section and achieve results-based government, each agency shall

(1) allocate resources to achieve the mission and desired results established by the legislature;

(2) express desired results established by the legislature and other program results in measurable terms;

(3) measure progress towards mission statements and desired results established by the legislature and other results;

(4) promote activities consistent with mission statements and desired results established by the legislature that reduce or avoid future costs;

(5) plan for the short-term and the long-term using consistent assumptions for major demographic and other trends; and

(6) require accountability at all levels for meeting program mission statements and desired results established by the legislature.

2015 Alaska Statutes

Title 37 - PUBLIC FINANCE

Chapter 37.07 - EXECUTIVE BUDGET ACT

Sec. 37.07.040 Office of management and budget.

Universal Citation: AK Stat § 37.07.040 (2015)

The Alaska office of management and budget shall

(1) assist the governor in meeting the requirements of AS 37.07.020 , including the coordination and analysis of state agency goals and objectives, plans, and budget requests;

(2) prepare for submission to the governor an annually updated six-year capital improvements program and the proposed capital improvements budget for the coming fiscal year, the latter to include individual project justification with documentation of estimated project cost;

(3) develop procedures to produce the information needed for effective policy decision making, including procedures to provide for the dissemination of information about plans, programs, and budget requests to be included in the annual budget and opportunity for public review and comment during the period of budget preparation;

(4) assist state agencies in their statement of goals and objectives to achieve, among other things, the legislature's mission and desired results, preparation of plans, assessments of the extent to which missions and desired results have been achieved, budget requests, and reporting of program performance; all documents forwarded by the office to a state agency containing instructions for the preparation of program plans and budget requests and the reporting of program performance are public information after the date they are forwarded;

2015 Alaska Statutes

Title 37 - PUBLIC FINANCE

Chapter 37.07 - EXECUTIVE BUDGET ACT

Sec. 37.07.050 Agency program and financial plans; mission statements.

Universal Citation: AK Stat § 37.07.050 (2015)

(a) The agencies shall assure the development of a statewide system of results-based government designed to increase efficiency and effectiveness of state programs and services. Toward that end, each state agency shall, on a semi-annual basis, identify results-based measures that have been used to work toward achievement of the mission statement and desired results issued by the legislature and of other goals of the agency, and set out the results as measured. Each state agency shall also prepare information that shall be compiled and submitted on December 15 each year to the office, the legislature, and the legislative finance division; this information must

(1) identify the agency mission and desired results established by the legislature;

(2) identify the goals and objectives the agency will use to achieve the legislature's mission and desired results;

(3) set out the results of any user group surveys and, if the results do not agree with the mission and desired results, goals, and objectives, explain why;

(4) include written, defined methods of measuring results that apply to the responsibilities, products, and services of the agency;

(5) identify results-based measures that have been used to work toward achievement of the mission statement and desired results issued by the legislature and other goals of the agency and set out the results as measured;

(6) identify surveys or other methods of gathering user group opinions that have been used by the agency to identify ways to improve its programs;

necessary for efficient agency management and effective decision-making by the governor and the legislature.

(d) If any state agency fails to transmit the program and financial information provided under (a) of this section on the specified date, the office may prepare the information.

(e) The office shall compile and submit to the governor-elect in any year when a new governor has been elected, not later than November 20, a summary of the program and financial information prepared by state agencies.

(f) Budget requests for boards and commissions and for those agency programs for the fiscal year following termination under AS 44.66 shall be prepared and submitted. The recommended appropriation request must include

(1) an identification of the objectives intended for the program and the problem or need that the activities and operations of the board, commission, or program is intended to address;

(2) an assessment of the degree to which the original objectives of the program have been achieved expressed in terms of performance, effects, or accomplishments of the program and of the program or need that it was intended to address;

(3) a statement of the performance and accomplishments of the program in each of the last four completed fiscal years and of the costs incurred in the operation of the program;

(4) a statement of the number and types of persons affected by operation of the program;

(5) a summary statement, for each of the last three completed fiscal years, of the number of personnel employed in carrying out the program and a summary of the cost of personnel employed under contract in carrying out the program;

(6) an assessment of the effect of the program on the economy of the state;

(7) an assessment of the degree to which the overall policies of the program, as expressed in regulations adopted by the agency, board, or commission and its decisions, meet the objectives of the legislature in establishing the program;

2015 Alaska Statutes

Title 37 - PUBLIC FINANCE

Chapter 37.07 - EXECUTIVE BUDGET ACT

Sec. 37.07.060 Governor's recommendation.

Universal Citation: AK Stat § 37.07.060 (2015)

(a) The governor shall formulate the operating and capital budget, capital improvements program, and fiscal plan required to be recommended to the legislature by AS 37.07.020 after considering the state agency proposed program and financial plans prepared in accordance with AS 37.07.050 , and other programs and alternatives that the governor considers appropriate. The plans must include the governor's recommended missions and results, recommended strategies to implement the missions and results, recommended measures for determining whether the missions and desired results are achieved, including an assessment of whether prior year missions and desired results have been achieved, recommended operating program for the succeeding fiscal year, recommended capital improvements program for the succeeding six fiscal years, recommended programs for the upgrading of public buildings and facilities prepared in accordance with AS 35.10.015, and recommended revenue measures to support the programs.

(b) The governor shall present the proposed comprehensive operating and capital improvements programs, and fiscal plan if it is required under AS 37.07.020 (b), in a message to a joint session of the legislature before the fourth legislative day following the convening of the legislature in regular session. The message must be accompanied by an explanatory report that summarizes recommended goals, plans, and appropriations. The report must contain

(1) the coordinated program goals and objectives that the governor recommends to guide the decisions on the proposed program plans and budget appropriations;

(2) the governor's operating program and budget recommendations for the succeeding fiscal year organized by agency as required by AS 37.07.020(a);

2015 Alaska Statutes

Title 37 - PUBLIC FINANCE

Chapter 37.07 - EXECUTIVE BUDGET ACT

Sec. 37.07.070 Legislative review.

Universal Citation: AK Stat § 37.07.070 (2015)

The legislature shall consider the governor's proposed comprehensive operating and capital improvements programs, and fiscal plan if it is required under AS 37.07.020 (b), evaluate alternatives to the plans, make program selections among the various alternatives, and determine, subject to available revenues, the level of funding required to support authorized state services. The presiding officer of each house may refer the fiscal plan to one or more committees. If the fiscal plan is referred, the first committee of referral shall hold at least one hearing on it. The operating and capital budgets of each agency shall be separately reviewed. During each regular session of the legislature, legislative review of the governor's supplemental appropriation bills and the governor's budget amendments are governed by the following time limits:

- (1) requests by the governor for supplemental appropriations for state agency operating and capital budgets for the current fiscal year may be introduced by the rules committee only through the 15th legislative day;
- (2) requests by the governor for budget amendments to state agency budgets for the budget fiscal year may be received and reviewed by the finance committees only through the 30th legislative day.