



# LAWS OF ALASKA

1970

Source

HCSSB 430

Chapter No.

188

## AN ACT

To provide for a comprehensive system for state program budgeting and financial management; and providing for an effective date.

### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

\* Section 1. AS 37 is amended by adding a new chapter to read:

#### CHAPTER 35. EXECUTIVE BUDGET ACT.

Sec. 37.35.010. STATEMENT OF POLICY. It is the purpose of this chapter to establish a comprehensive system for state program and financial management which furthers the capacity of the governor and legislature to plan and finance the services which they determine the state will provide for its citizens. The system shall include procedures for

(1) the orderly establishment, continuing review and periodic revision of the program 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 and analysis, and enactment of a budget organized to focus on state services and their costs, that authorizes the 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.

Sec. 37.35.020. RESPONSIBILITIES OF THE GOVERNOR. The governor shall direct the preparation and administration of the state budget. He shall evaluate the long-range program plans, requested budgets and alternatives to state agency policies and programs, and formulate, and recommend for consideration by the legislature, a proposed comprehensive program and financial plan which shall cover all estimated receipts and expenditures of the state government, including all grants, loans, and money received from the federal government. Proposed expenditures may not exceed estimated receipts and surpluses.

Sec. 37.35.030. RESPONSIBILITIES OF THE LEGISLATURE. The legislature shall

- (1) provide for a budget review function;
- (2) analyze the comprehensive program and financial plan recommended by the governor;
- (3) adopt legislation to authorize implementation of the governor's comprehensive program and financial plan or appropriate alternatives to that plan;
- (4) provide for a post-audit function, to cover financial transactions, program accomplishment and compliance with legislative intent.

Sec. 37.35.040. DIVISION OF BUDGET AND MANAGEMENT. The budget and management division shall

- (1) assist the governor in the preparation and explanation of the proposed comprehensive program and financial plan, including the coordination and analysis of state agency program goals and objectives, program plans and program budget requests;
- (2) develop procedures to produce the information needed for effective policy decision-making;
- (3) assist state agencies in their statement of goals and objectives, preparation of program plans, program budget requests and reporting of program performance;
- (4) administer its responsibilities under the program execution provisions of this chapter so that the policy decisions and budget determinations of the governor and the legislature are implemented;
- (5) provide the Legislative Affairs Agency with the budget information it may request.

Sec. 37.35.050. AGENCY PROGRAM AND FINANCIAL PLANS. (a) Each state agency, on the date and in the form and content prescribed by the division, shall prepare and forward to the division and the Legislative Affairs Agency

- (1) the goals and objectives of the agency programs, together with proposed supplements, deletions and revisions;
- (2) its proposed plans to implement the goals

and objectives, including estimates of future service needs, planned methods of administration, proposed modification of existing program services and establishment of new program services, and the estimated resources needed to carry out the proposed plan;

(3) the budget requested to carry out its proposed plans in the succeeding fiscal year, including information reflecting the expenditures during the last fiscal year, those authorized for the current fiscal year, those proposed for the succeeding fiscal year, an explanation of the services to be provided, the need for the services, the cost of the services, and any other information requested by the division;

(4) a report of the receipts during the last fiscal year, an estimate of the receipts during the current fiscal year, and an estimate for the succeeding fiscal year;

(5) a statement of legislation required to implement the proposed programs and financial plans;

(6) an evaluation of the advantages and disadvantages of specific alternatives to existing or proposed program policies or administrative methods.

(b) The state agency proposals prepared under (a) of this section shall describe the relationships of their program services to those of other agencies, of other governments, and of nongovernmental bodies.

(c) The division shall assist agencies in the preparation of their proposals under (a) of this section. This assistance may include technical assistance, organization of materials, centrally collected accounting, budgeting and personnel information, standards and guidelines formulation, population and other required data, and any other assistance that will help the state agencies produce the information 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 division may prepare such information.

(e) The division 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.

Sec. 37.35.060. GOVERNOR'S RECOMMENDATION. (a) The governor shall formulate the program and financial plan to be recommended to the legislature after considering the state agency proposed program and financial plans, and other programs and alternatives that he considers appropriate. The plan shall include his recommended goals and policies, recommended plans to implement the goals and policies, recommended budget for the succeeding fiscal year, and recommended revenue measures to support the

budget.

(b) The governor shall present the proposed comprehensive program and financial plan 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 shall be accompanied by an explanatory report which summarizes recommended goals, plans, and appropriations. The report shall contain

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

(2) his program and budget recommendations for the succeeding fiscal year;

(3) a summary of state receipts in the last fiscal year, a revised estimate for the current fiscal year, and an estimate for the succeeding fiscal year;

(4) a summary of expenditures during the last fiscal year, those authorized for the current fiscal year, and those recommended by the governor for the succeeding fiscal year; and

(5) any additional information which will facilitate understanding of the governor's proposed program and financial plan by the legislature and the public.

(c) The governor, at the time of his presentation of the proposed comprehensive program and financial plan in the message to the joint session of the legislature under (b) of this section, shall also submit a general appropriation bill to authorize the proposed expenditures, and a bill or bills covering recommendations in the budget for new or additional revenues.

Sec. 37.35.070. LEGISLATIVE REVIEW. The legislature shall consider the governor's proposed comprehensive program and financial plan, evaluate alternatives to the plan, make program selections among the various alternatives and determine, subject to available revenues, the level of funding required to support authorized state services.

Sec. 37.35.080. PROGRAM EXECUTION. (a) Except as limited by policy decisions of the governor, appropriations by the legislature, and other provisions of law, the several state agencies shall have full authority for administering their program service assignments and shall be responsible for their proper management.

(b) Each state agency shall prepare an annual plan for the operation of each of its assigned programs except for programs that are exempted from this requirement by the division. The operations plan shall be prepared in the form and content and be transmitted on the date prescribed by the division.

(c) The division shall

(1) review each operations plan to determine that it is consistent with the policy decisions of the governor and appropriations by the legislature, that it reflects proper planning and efficient management methods, that appropriations have been made for the planned purpose and will not be exhausted before the end of the fiscal year;

(2) approve the operations plan if satisfied that it meets the requirements under (1) of this subsection; otherwise, the division shall require revision of the operations plan in whole or in part;

(3) modify or withhold the planned expenditures at any time during the appropriation period if the division finds that such expenditures are greater than those necessary to execute the program at the level authorized by the governor and the legislature, or that the receipts and surpluses will be insufficient to meet the authorized expenditure levels.

(d) No state agency may increase the salaries of its employees, employ additional employees, or expend money or incur obligations except in accordance with law and properly approved operations plan.

(e) Appropriation transfers or changes as between objects of expenditures or activity areas within a program may be made by the head of a state agency upon approval of the division. Appropriation transfers or changes between programs within an agency may be made upon review by the division and approval of the governor, and shall be reported to the legislature quarterly. No transfers may be made between agencies:

(f) The division shall report quarterly to the governor and the legislature on the operations of each state agency, relating actual accomplishments to those planned, and modifying, if necessary, the operations plan of any agency for the balance of the fiscal year.

Sec. 37.35.090. PERFORMANCE REPORTING. (a) Each state agency shall submit a performance report to the division on or before September 1 for the preceding fiscal year. These reports shall be in the form prescribed by the division after consultation with the Legislative Affairs Agency, and shall include statements concerning

(1) the work accomplished and the services provided in the preceding fiscal year or other meaningful work period, relating actual accomplishments to those planned under sec. 80(b) of this chapter;

(2) the relationship of accomplishments and services to the policy decisions and budget determinations of the governor and the legislature;

(3) the costs of accomplishing the work and providing the services, and, to the extent feasible, citing meaningful measures of program effectiveness and cost;

(4) the administrative improvements made in the preceding year, potential improvements in future years, and

suggested changes in legislation or administrative procedures to make further improvements.

(b) The division shall summarize the performance reports and forward copies to each member of the legislature.

Sec. 37.35.100. PROPOSED SUPPLEMENTAL OR DEFICIENCY APPROPRIATIONS. The governor from time to time may transmit to the legislature such proposed supplemental or deficiency appropriations as in his judgment are necessary on account of laws enacted after the transmission of the budget, or are otherwise in the public interest. He shall accompany such proposals with a statement of the reasons therefor, including the reasons for their omission from the budget.

Sec. 37.35.110. INTERPRETATION OF CHAPTER. This chapter shall be construed as supplemental to all other state laws not in conflict with it. If a section or part of a section of this chapter is in conflict with federal requirements for a program for which federal grant-in-aid funds are available, the section or part, to the extent of the conflict, is inoperative.

Sec. 37.35.120. DEFINITIONS. In this chapter

(1) "agency" means a department, officer, institution, board, commission, bureau, division, or other administrative unit forming the state government and includes the Alaska Pioneers Home, but does not include the legislature or the judiciary;

(2) "division" means the division of budget and management, Department of Administration;

(3) "fiscal year" means a year beginning on July 1 of one calendar year and ending on June 30 of the following calendar year.

Sec. 37.35.130. SHORT TITLE. This Act may be cited as the Executive Budget Act.

\* Sec. 2. AS 37.05.290 is amended to read:

Sec. 37.05.290. PURPOSE. The purpose of this chapter is to provide uniform financial procedures for all state agencies with respect to accounting, purchasing, post auditing, and related financial procedures; and to revise financial procedures to obtain economy, efficiency, and integrity in handling public money.

\* Sec. 3. The following laws are repealed: AS 37.05.060 - 37.05.120.

\* Sec. 4. This Act takes effect July 1, 1970.