

**HOUSE CS FOR CS FOR SENATE BILL NO. 76(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTIETH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/6/98**  
**Referred: Rules**

**Sponsor(s): SENATORS PARNELL, Wilken, Donley, Pearce**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to results-based government and the state budget; relating to**  
2 **state agency program and financial plans; relating to the withholding or reduction**  
3 **of appropriations to a state agency; and relating to state agency performance and**  
4 **other reports."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 **\* Section 1.** AS 37.07 is amended by adding new sections to read:

7 **Sec. 37.07.014. Responsibilities of the legislature.** (a) To carry out its  
8 legislative power under art. II, sec. 1, Constitution of the State of Alaska, and to  
9 promote results-based government, the legislature shall issue a mission statement for  
10 each agency and the desired results the agency should achieve. The legislature may  
11 issue a separate mission statement for a subunit of an agency. A mission statement  
12 and desired results should promote the efficient, measured use of the state's resources.  
13 A mission statement and desired results constitute policy under which an agency shall  
14 operate, and, where appropriate, the mission statement may be implemented by statute.

1 (b) The legislature shall provide for a budget review function that promotes  
2 results-based government. The legislature shall adopt a method of measuring results  
3 for each agency, and measurements shall be reported quarterly by each agency to the  
4 legislature. The reports shall be used by the legislature to evaluate whether the  
5 mission and desired results for that agency or subunit of the agency are being  
6 achieved.

7 (c) The legislature shall analyze the comprehensive operating and capital  
8 improvements programs and financial plans recommended by the governor.

9 (d) To foster results-based government, to carry out the mission statements,  
10 and to obtain desired results, the legislature shall authorize the comprehensive  
11 operating and capital improvements programs and financial plans. The legislature shall  
12 allocate the state's resources for effective and efficient delivery of public services by

13 (1) clearly identifying desired results;

14 (2) setting priorities;

15 (3) assigning accountability; and

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

17 (e) The legislature shall

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

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

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

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

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

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

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

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

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

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

9 **Sec. 37.07.016. Governor's primary duty.** To carry out the executive power  
10 under art. III, sec. 1 and sec. 16, Constitution of the State of Alaska, the governor shall  
11 use the mission statements and desired results issued by the legislature as a guide to  
12 implement and execute the law. The governor shall assure that each agency complies  
13 with the mission statement and achieves the desired results identified by the legislature.

14 \* **Sec. 2.** AS 37.07.020(a) is amended to read:

15 (a) The governor shall prepare a budget for the succeeding fiscal year that  
16 must cover all estimated receipts, including all grants, loans, and money received from  
17 the federal government and all proposed expenditures of the state government. The  
18 budget shall be organized so that the proposed expenditures for each agency are  
19 presented separately. The budget must be accompanied by **the information required**  
20 **under AS 37.07.050 and by** the following separate bills: (1) an appropriation bill  
21 authorizing the operating and capital expenditures of the state's integrated  
22 comprehensive mental health program under AS 37.14.003(a); (2) an appropriation bill  
23 authorizing state operating expenditures other than those included in the state's  
24 integrated comprehensive mental health program; (3) an appropriation bill authorizing  
25 capital expenditures other than those included in the state's integrated comprehensive  
26 mental health program; and (4) a bill or bills covering recommendations, if any, in the  
27 budget for new or additional revenue. The budget for the succeeding fiscal year and  
28 each of the bills shall become public information on December 15 at which time the  
29 governor shall submit copies to the legislature and make copies available to the public.  
30 The bills, identical in content to the copies released on December 15, shall be  
31 delivered to the rules committee of each house before the fourth legislative day of the

1 next regular session for introduction.

2 \* **Sec. 3.** AS 37.07.040(4) is amended to read:

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

10 \* **Sec. 4.** AS 37.07.050(a) is repealed and reenacted to read:

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

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

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

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

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

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

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

1 (7) identify methods of measuring performance when the mission  
2 statement and desired results issued by the legislature involves more than one agency  
3 and make recommendations to eliminate duplication of government functions and  
4 waste;

5 (8) identify ways in which the agency has involved its employees in  
6 the development of methods of measuring results, including opportunities for employee  
7 representatives to participate in committees established to develop methods of  
8 measuring results;

9 (9) include the budget requested to carry out the agency's proposed  
10 plans in the succeeding fiscal year, including information reflecting the expenditures  
11 during the last fiscal year, the expenditures authorized for the current fiscal year, the  
12 expenditures proposed for the succeeding fiscal year, an explanation of the services to  
13 be provided, the number of total positions for all persons employed or under contract  
14 by the agency for personal services including those rendered for capital improvement  
15 projects, the need for the services, the cost of the services, and other information  
16 requested by the office;

17 (10) include a report of agency receipts during the last fiscal year, an  
18 estimate of receipts during the current fiscal year, and an estimate of receipts for the  
19 succeeding fiscal year;

20 (11) identify legislation required to implement the proposed programs  
21 and financial plans;

22 (12) include an evaluation of the advantages and disadvantages of  
23 specific alternatives to existing or proposed agency activities or administrative  
24 methods.

25 \* **Sec. 5.** AS 37.07.050 is amended by adding a new subsection to read:

26 (h) Each agency shall, with participation of its employees, develop methods  
27 for measuring agency results. A group or committee established by an agency to  
28 develop methods of measuring results shall include a representative of each of the  
29 bargaining units that represents employees of the agency.

30 \* **Sec. 6.** AS 37.07.060(a) is amended to read:

31 (a) The governor shall formulate the operating and capital improvements

1 programs and financial plans required to be recommended to the legislature by  
 2 AS 37.07.020 after considering the state agency proposed program and financial plans,  
 3 and other programs and alternatives that the governor considers appropriate. The plans  
 4 must include the governor's recommended missions [GOALS] and results  
 5 [POLICIES], recommended strategies [PLANS] to implement the missions [GOALS]  
 6 and results, recommended measures for determining whether the missions and  
 7 desired results are achieved, including an assessment of whether prior year  
 8 missions and desired results have been achieved [POLICIES], recommended  
 9 operating program for the succeeding fiscal year, recommended capital improvements  
 10 program for the succeeding six fiscal years, recommended programs for the upgrading  
 11 of public buildings and facilities prepared in accordance with AS 35.10.015, and  
 12 recommended revenue measures to support the programs.

13 \* **Sec. 7.** AS 37.07.080(a) is amended to read:

14 (a) Except as limited by executive [POLICY] decisions of the governor, the  
 15 mission statements and desired results issued by the legislature, appropriations by  
 16 the legislature, and other provisions of law, the several state agencies have full  
 17 authority for administering their program service assignments and are responsible for  
 18 their proper management.

19 \* **Sec. 8.** AS 37.07.080(c) is amended to read:

20 (c) The office shall

21 (1) review each operations plan to determine that it is consistent with  
 22 the executive [POLICY] decisions of the governor, the mission statement and  
 23 desired results issued by the legislature, [AND] appropriations by the legislature,  
 24 and other provisions of law, that it reflects proper planning and efficient management  
 25 methods, and that appropriations have been made for the legislatively established  
 26 [PLANNED] purpose and will not be exhausted before the end of the fiscal year;

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

30 \* **Sec. 9.** AS 37.07.030, 37.07.080(g)(2), and 37.07.090 are repealed.