

HOUSE BILL NO. 412

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES CISSNA, Croft, Kemplen

Introduced: 2/16/00

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to optional performance-based budgeting for agencies in the**
2 **executive branch of state government."**

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

4 *** Section 1.** AS 37.07 is amended by adding a new section to read:

5 **Sec. 37.07.018. Optional performance-based budgeting.** (a) A department
6 may request to participate in performance-based budgeting under this section for the
7 following fiscal year for some or all of the programs within the department. A
8 department that wishes to have some or all of its programs funded through
9 performance-based budget plans shall notify the governor, no later than September 1,
10 of the department's request. The notification must include a performance-based
11 program budget request and a list of programs and performance measures proposed for
12 participation in the budget plans. If legislation is needed to implement the proposed
13 budget plans, the department shall include a request for the necessary changes.

14 (b) The governor shall review the department's budget plans and performance

1 measures and may request the department to make changes to them. The governor
2 shall include those proposals that are approved in the appropriation bill authorizing the
3 operating expenditures for state government submitted to the legislature under
4 AS 37.07.020(a).

5 (c) A plan submitted to the legislature under this section must include
6 explanations and justification, expressed in terms of program-effectiveness measures,
7 program-efficiency measures, workload, productivity adjustments, staffing standards,
8 and other criteria needed to evaluate the delivery of governmental services.

9 (d) If the legislature adopts a performance-based budget plan for a department
10 or departmental program, the legislature shall also adopt explanations and justification
11 to be used to measure the performance of the program or department at the end of the
12 fiscal year.

13 (e) No later than August 15 of the fiscal year following participation in a
14 performance-based budget plan, the department shall evaluate its performance for the
15 previous fiscal year, based on the program measures adopted by the legislature under
16 this section for that fiscal year and submit the evaluation to the governor for review.
17 The governor may approve or disapprove the evaluation. No later than September 15,
18 the governor shall notify the legislature of the programs that met or exceeded their
19 performance measures and of those that did not do so. A program or department that
20 participated in performance-based budgeting but that is not included in the governor's
21 notification to the legislature is considered to have failed to meet its measures for that
22 fiscal year.

23 (f) Appropriations in the operating budget for the operating expenses of a
24 program that met or exceeded its performance measures are subject to lapsing under
25 AS 37.25.010(f). The program may use the unexpended balance that it retains under
26 AS 37.25.010(f) for employee training, employee productivity enhancements,
27 acquisition of improved technology, and other employee-performance-related goods and
28 services.

29 (g) A performance-based budget plan and performance measures adopted under
30 this section are considered to be a mission statement and desired results issued by the
31 legislature for purposes of this chapter.

1 * **Sec. 2.** AS 37.25.010(a) is amended to read:

2 (a) **Except as provided in (f) of this section, the** [THE] unexpended balance
3 of a one-year appropriation authorized in an appropriation bill lapses on June 30 of the
4 fiscal year for which appropriated. However, a valid obligation (encumbrance) existing
5 on June 30 is automatically reappropriated for the fiscal year beginning on the
6 succeeding July 1 if it is recorded with the Department of Administration by
7 August 31 of the succeeding fiscal year.

8 * **Sec. 3.** AS 37.25.010 is amended by adding a new subsection to read:

9 (f) For a departmental program that participated in performance-based
10 budgeting under AS 37.07.018 for a fiscal year and that was determined to have met
11 or exceeded its performance measures under AS 37.07.018(e), one-half of the
12 unexpended balance of the one-year appropriations authorized for the program in the
13 operating budget lapses on June 30 of the fiscal year following the fiscal year for
14 which it was appropriated.