

HOUSE BILL NO. 193

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE CISSNA

Introduced: 3/14/03

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

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

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

4 *** Section 1.** AS 37.07 is amended 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, not 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) Not 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. Not 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 department may use the unexpended balance that it retains
26 under AS 37.25.010(f) for employee training, employee productivity enhancements,
27 acquisition of improved technology, and other employee-performance-related goods
28 and services.

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

1 * **Sec. 2.** AS 37.25.010 is amended by adding a new subsection to read:

2 (f) For a departmental program that participated in performance-based
3 budgeting under AS 37.07.018 for a fiscal year and that was determined to have met or
4 exceeded its performance measures under AS 37.07.018(e), notwithstanding (a) of this
5 section, one-half of the unexpended balance of the one-year appropriations authorized
6 for the program in the operating budget lapses on June 30 of the fiscal year following
7 the fiscal year for which it was initially appropriated and, during that following fiscal
8 year, may be expended as provided in AS 37.07.018(f).