

HOUSE BILL NO. 194

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES CARPENTER, Tomaszewski

Introduced: 5/8/23

Referred: House Special Committee on Ways and Means, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the duties of the Legislative Budget and Audit Committee; relating
2 to the Executive Budget Act; establishing consensus estimating conferences; relating to
3 the development of official information for use in preparing the state budget; and
4 providing for an effective date."

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

6 * **Section 1.** AS 24.20.206 is amended to read:

7 **Sec. 24.20.206. Duties.** The Legislative Budget and Audit Committee shall

8 (1) annually review the long-range operating plans of all agencies of
9 the state that perform lending or investment functions;

10 (2) review periodic reports from all agencies of the state that perform
11 lending or investment functions;

12 (3) prepare a complete report of investment programs, plans,
13 performance, and policies of all agencies of the state that perform lending or
14 investment functions and notify the legislature on or before the first day of each

1 regular session that the report is available;

2 (4) in conjunction with the finance committee of each house,
3 recommend annually to the legislature the investment policy for the general fund
4 surplus and for the income from the permanent fund;

5 (5) provide for an annual post audit and annual operational and
6 performance evaluation of the Alaska Permanent Fund Corporation investments and
7 investment programs;

8 (6) provide for an annual operational and performance evaluation of
9 the Alaska Housing Finance Corporation and the Alaska Industrial Development and
10 Export Authority; the performance evaluation must include, but is not limited to, a
11 comparison of the effect on various sectors of the economy by public and private
12 lending, the effect on resident and nonresident employment, the effect on real wages,
13 and the effect on state and local operating and capital budgets of the programs of the
14 Alaska Housing Finance Corporation and the Alaska Industrial Development and
15 Export Authority;

16 (7) provide assistance to the trustees of the trust established in
17 AS 37.14.400 - 37.14.450 in carrying out their duties under AS 37.14.415; **and**

18 **(8) adopt a method of measuring results for state agencies and**
19 **provide the measures to the Office of the Governor in accordance with**
20 **AS 37.07.014(b).**

21 * **Sec. 2.** AS 37.07.010 is amended to read:

22 **Sec. 37.07.010. Statement of policy.** It is the purpose of this chapter to
23 establish a comprehensive system for state program and financial management that
24 furthers the capacity of the governor and legislature to plan and finance the services
25 that they determine the state will provide for its citizens. The system must include
26 procedures for

27 (1) the orderly establishment, continuing review, and periodic revision
28 of the program goals [AND POLICIES OF STATE AGENCIES] and financial goals
29 and policies of the state;

30 (2) the development, coordination, and review of long-range program
31 and financial plans that will **measure the extent to which program and financial**

1 **goals have been met** [IMPLEMENT ESTABLISHED STATE GOALS AND
2 POLICIES];

3 (3) the preparation, coordination, analysis, and enactment of a budget
4 that is organized **by the programs and** [TO FOCUS ON THE] services provided by
5 state agencies, [AND ON] the cost of those services, and **the desired results of those**
6 **services** [THAT PROVIDES FOR IMPLEMENTATION OF POLICIES AND
7 PLANS, IN THE SUCCEEDING BUDGET PERIOD];

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

10 (5) **annual** [THE REGULAR] appraisal and reporting of program
11 performance;

12 (6) public participation in the development of the annual budget,
13 including opportunity for the public to review and comment **on** [UPON] the **services,**
14 [PLANS AND] programs, **and financial goals** of the Office of the Governor and all
15 state agencies in the executive branch, the legislature, the judicial system, the
16 University of Alaska, and the public corporations of the state.

17 * **Sec. 3.** AS 37.07.014(a) is amended to read:

18 (a) To carry out its legislative power under art. II, sec. 1, Constitution of the
19 State of Alaska, and to promote results-based government, the legislature shall **adopt**
20 **a method of measuring service, program, and financial results** [ISSUE A
21 MISSION STATEMENT] for each agency **to assist in the preparation of the annual**
22 **budget** and **to measure** the desired results the agency should achieve. [THE
23 LEGISLATURE MAY ISSUE A SEPARATE MISSION STATEMENT FOR A
24 SUBUNIT OF AN AGENCY. A MISSION STATEMENT AND DESIRED
25 RESULTS SHOULD PROMOTE THE EFFICIENT, MEASURED USE OF THE
26 STATE'S RESOURCES. A MISSION STATEMENT AND DESIRED RESULTS
27 CONSTITUTE POLICY UNDER WHICH AN AGENCY SHALL OPERATE, AND,
28 WHERE APPROPRIATE, THE MISSION STATEMENT MAY BE
29 IMPLEMENTED BY STATUTE.]

30 * **Sec. 4.** AS 37.07.014(b) is amended to read:

31 (b) The legislature shall provide for a budget review function that promotes

1 results-based government. The **Legislative Budget and Audit Committee**
 2 [LEGISLATURE] shall adopt a method of measuring results for each agency. **The**
 3 **Legislative Budget and Audit Committee shall provide the measures to the Office**
 4 **of the Governor not later than August 1 each year. Measurements** [, AND
 5 MEASUREMENTS] shall be reported semi-annually by each agency to the
 6 legislature. The reports shall be used by the legislature to evaluate whether the
 7 [MISSION AND] desired results for that agency or subunit of the agency are being
 8 achieved.

9 * **Sec. 5.** AS 37.07.014(d) is amended to read:

10 (d) To foster results-based government [, TO CARRY OUT THE MISSION
 11 STATEMENTS,] and to obtain desired results, the legislature shall authorize the
 12 comprehensive operating and capital improvements programs and financial plans. The
 13 legislature shall allocate the state's resources for effective and efficient delivery of
 14 public services by

15 (1) clearly identifying **service, program, and financial goals and**
 16 desired results;

17 (2) setting priorities;

18 (3) assigning **service or program measurements and financial**
 19 **measurements** [ACCOUNTABILITY]; and

20 (4) **assigning** [USING] methods for measuring, reporting, and
 21 evaluating results.

22 * **Sec. 6.** AS 37.07.014(f) is amended to read:

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

25 (1) allocate resources to achieve the **service, program, and financial**
 26 **goals** [MISSION] and desired results established by the legislature;

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

29 (3) measure progress **toward service, program, and financial goals,**
 30 [TOWARDS MISSION STATEMENTS AND] desired results established by the
 31 legislature, and other results;

1 (4) promote activities consistent with **service, program, and financial**
 2 **goals** [MISSION STATEMENTS] and desired results established by the legislature
 3 that reduce or avoid future costs;

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

6 (6) require accountability at all levels for meeting **service, program,**
 7 **and financial goals** [MISSION STATEMENTS] and desired results established by
 8 the legislature.

9 * **Sec. 7.** AS 37.07.016 is amended to read:

10 **Sec. 37.07.016. Governor's use of service, program, and financial goals**
 11 **[MISSION STATEMENTS].** To carry out the executive power under art. III, sec. 1
 12 and sec. 16, Constitution of the State of Alaska, the governor shall use the **financial**
 13 **goals** [MISSION STATEMENTS] and desired results issued by the legislature as a
 14 guide to implement and execute the law. The governor shall **ensure** [ASSURE] that
 15 each agency complies with the **service or program measurement requirements**
 16 **[MISSION STATEMENT]** and achieves the desired results identified by the
 17 legislature.

18 * **Sec. 8.** AS 37.07.020(a) is amended to read:

19 (a) The governor shall prepare a budget for the succeeding fiscal year that
 20 must cover all estimated receipts, including all grants, loans, and money received from
 21 the federal government and all proposed expenditures of the state government. The
 22 budget shall be organized **by service or program and include service and program**
 23 **cost and desired measurements for each service and program. Each service and**
 24 **program expenditure request must include details on the unit cost and**
 25 **performance cost of the service or program expenditure** [SO THAT THE
 26 PROPOSED EXPENDITURES FOR EACH AGENCY ARE PRESENTED
 27 SEPARATELY]. The budget must be accompanied by the information required under
 28 AS 37.07.050 and by the following separate bills: (1) an appropriation bill authorizing
 29 the operating and capital expenditures of the state's integrated comprehensive mental
 30 health program under AS 37.14.003(a); (2) an appropriation bill authorizing state
 31 operating expenditures other than those included in the state's integrated

1 comprehensive mental health program; (3) an appropriation bill authorizing capital
 2 expenditures other than those included in the state's integrated comprehensive mental
 3 health program; and (4) a bill or bills covering recommendations, if any, in the budget
 4 for new or additional revenue. **In a year in which a new governor has not been**
 5 **elected, the** [THE] budget for the succeeding fiscal year and each of the bills shall
 6 become public information on December 15. **In a year in which a new governor has**
 7 **been elected, the budget for the succeeding fiscal year and each of the bills shall**
 8 **become public information on January 15. On the date the budget and bills**
 9 **become public,** [AT WHICH TIME] the governor shall **deliver** [SUBMIT] copies **of**
 10 **the budget and bills** to the legislature and make copies available to the public. The
 11 **budget and** bills, identical in content to the copies released on December 15 **or**
 12 **January 15, as applicable,** shall be delivered to the rules committee of each house
 13 before the fourth legislative day of the next regular session for introduction.

14 * **Sec. 9.** AS 37.07.020(b) is amended to read:

15 (b) In addition to the budget and bills submitted under (a) of this section, the
 16 governor shall submit a capital improvements program covering the succeeding six
 17 fiscal years. The governor shall also submit a fiscal plan with estimates of significant
 18 sources and uses of funds for the succeeding **three** [10] fiscal years. The fiscal plan

19 (1) must include sufficient details to identify

20 (A) significant sources of funds;

21 (B) significant uses of funds, including lump sum projections

22 of

23 (i) operating expenditures;

24 (ii) capital expenditures;

25 (iii) debt service expenditures;

26 (iv) fund capitalizations;

27 (v) appropriations of income of the Alaska permanent

28 fund (art. IX, sec. 15, Constitution of the State of Alaska), if any;

29 (2) must balance sources and uses of funds held while providing for
 30 essential state services and protecting the economic stability of the state;

31 (3) must include projected balances of significant funds held in

1 separate accounts, including the budget reserve fund (art. IX, sec. 17, Constitution of
2 the State of Alaska), the public education fund (AS 14.17.300), and the Alaska capital
3 income fund (AS 37.05.565);

4 (4) must set out significant assumptions used in the projections with
5 sufficient detail to enable the legislature to rely on the fiscal plan in understanding,
6 evaluating, and resolving issues of state budgeting, including information that supports
7 major areas of operating increases, such as population demographics that affect the
8 need for particular government services.

9 * **Sec. 10.** AS 37.07.020(c) is amended to read:

10 (c) Proposed expenditures may not exceed [ESTIMATED] revenue estimates
11 for the succeeding fiscal year. The expenditures for agency and statewide
12 operations may not exceed official estimates of recurring revenue. The
13 expenditures proposed in the six-year capital improvements program may not exceed
14 the estimated revenue and bond authorizations passed and proposed.

15 * **Sec. 11.** AS 37.07.020 is amended by adding a new subsection to read:

16 (g) In addition to the budget, bills, and fiscal plan submitted under (a), (b), and
17 (f) of this section, the governor shall submit

18 (1) an alternative budget plan for the succeeding fiscal year based on
19 the average price per barrel for Alaska North Slope crude oil for sale on the United
20 States West Coast over the preceding 10 fiscal years;

21 (2) an alternative budget plan for the succeeding fiscal year based on
22 an average price of \$70 per barrel for Alaska North Slope crude oil for sale on the
23 United States West Coast;

24 (3) a three-year forecast based on the average price per barrel over the
25 10 preceding fiscal years for Alaska North Slope crude oil for sale on the United
26 States West Coast over the preceding 10 fiscal years; and

27 (4) a three-year forecast based on an average price of \$70 per barrel for
28 Alaska North Slope crude oil for sale on the United States West Coast;

29 * **Sec. 12.** AS 37.07 is amended by adding new sections to read:

30 **Sec. 37.07.034. Formation, powers, and duties of consensus estimating**
31 **conferences.** (a) The following consensus estimating conferences are created in the

1 legislative branch of the state for the following purposes:

2 (1) economic estimating conference, for the purpose of developing
3 official information relating to the national and state economies; the official
4 information of the economic estimating conference

5 (A) must include basic, long-term trend forecasts;

6 (B) may include cycle forecasts if the forecast is developed in a
7 special impact estimating conference under AS 37.07.036;

8 (2) demographic estimating conference, for the purpose of developing
9 official information relating to national and state population demographics, organized
10 by age, race, and sex as the conference considers necessary for state planning and the
11 state budget;

12 (3) revenue estimating conference, for the purpose of developing
13 official information relating to anticipated state and local government revenue and
14 estimated income of a trust fund;

15 (4) education estimating conference, for the purpose of developing
16 official information relating to the state public and private educational systems,
17 including information relating to public school funding, correspondence study
18 programs, and state boarding schools;

19 (5) criminal justice estimating conference, for the purpose of
20 developing official information relating to

21 (A) the criminal justice system in the state, including forecasts
22 of prison admissions and population; and

23 (B) the number of sex offenders who are required by law to
24 register under AS 12.63.010, who are required by law to be placed on
25 probation or parole, and who are subject to electronic monitoring;

26 (6) social services estimating conference, for the purpose of
27 developing official information relating to the social services system of the state,
28 including forecasts of social services caseloads, utilization, and expenditures and
29 information relating to cash assistance and medical assistance caseloads; and

30 (7) retirement systems actuarial assumption conference, for the
31 purpose of developing official information relating to the public employees' retirement

1 system (AS 39.35) and the teachers' retirement system (AS 14.25).

2 (b) The membership of each conference consists of principals and participants.
3 The principals of each conference are the director of the legislative finance division,
4 staff of the senate appointed by the president of the senate, and staff of the house of
5 representatives appointed by the speaker of the house of representatives. The governor
6 shall appoint a person to serve as a participant of each conference.

7 (c) Each conference shall develop official information within its area of
8 responsibility that the conference determines, by consensus, is needed for the purpose
9 of preparing the state budget. Unless the members of a conference unanimously agree
10 otherwise, all official information developed by the conference must

11 (1) be based on the assumption that current law and current
12 administrative practices will remain in effect throughout the period for which the
13 official information is to be used; and

14 (2) include forecasts for a period of at least 10 years.

15 (d) Whenever a conference is convened, official information does not exist
16 until the conference reaches an initial or new consensus.

17 (e) The official information developed by the economic conference and the
18 official information developed by the demographic conference shall be used by the
19 other conferences in developing official information. The division of retirement and
20 benefits shall provide all information requested by the retirement systems actuarial
21 assumption conference.

22 (f) A principal of a conference may preside over conference sessions, convene
23 conference sessions, request information needed by the conference, identify topics to
24 be included on the conference agenda, agree or withhold agreement on whether
25 information is to be official information of the conference, release official information
26 of the conference, interpret official information of the conference, and monitor errors
27 in official information of the conference. The principals of a conference shall rotate
28 the responsibility of presiding over sessions of the conference.

29 (g) A principal of a conference may invite a person to participate in a session
30 of the conference. At the request of a principal, a person invited to participate under
31 this subsection shall, before or during a session of the conference, develop alternative

1 forecasts, collect and supply data, perform analyses, or provide other information
 2 needed by the conference. Participants appointed by the governor under (b) of this
 3 section shall provide information requested by a principal of a conference within a
 4 reasonable amount of time. Each conference shall consider the information provided
 5 by participants under this subsection when developing its official information.

6 (h) All sessions and meetings of a conference must be open to the public under
 7 AS 24.60.037. Unless exempt under the procedures adopted under AS 40.25.123(b),
 8 information used to develop the official information of a conference must be made
 9 available to the public.

10 (i) A conference may be convened

11 (1) by the governor to develop official information on behalf of the
 12 governor for use in the governor's legislative budget recommendations;

13 (2) by a member of a conference to

14 (A) develop official information on behalf of the legislature for
 15 the legislature's use in its budget deliberations;

16 (B) review and reconsider official information of the
 17 conference that the member believes is no longer valid; or

18 (C) develop official information that reflects specific changes
 19 or proposed changes relating to the area of responsibility of the conference.

20 (j) A participant of a conference may notify a principal in writing if the
 21 participant believes that an item of official information of the conference is no longer
 22 valid. A principal shall review a request made under this subsection and, if the
 23 principal determines that a session of the conference is warranted, convene the
 24 conference for the purpose of reviewing and reconsidering the official information in
 25 question.

26 (k) Following each regular session of the legislature, each conference shall
 27 convene in a final session to revise the official information of the conference to reflect
 28 changes made in the law. The conference shall publish the official information
 29 developed at the final session. The published information constitutes the official
 30 information of the conference until the adjournment of the next conference. The
 31 principal responsible for presiding over the conference shall, within two working days

1 after adjournment of the final session of the conference, prepare a final report on the
 2 official information of the conference. The principal of the conference shall deliver the
 3 final report prepared to the co-chairs of the finance committee of each house of the
 4 legislature. The principal of the conference shall continue to monitor the official
 5 information developed at the final session of the conference to ensure the official
 6 information remains valid.

7 (l) The principal responsible for presiding over a session of a conference, or
 8 the presiding principal's designee, is responsible for preparing and distributing to other
 9 principals and participants the necessary documents for the meetings of the
 10 conference. A principal may cancel a meeting of the conference if the necessary
 11 documents have not been distributed before the meeting. Upon request, the documents
 12 must include comparisons with alternative information.

13 (m) In this section, "official information" means the data, forecasts, estimates,
 14 analyses, studies, and other information adopted by a consensus estimating
 15 conference.

16 **Sec. 37.07.036. Special impact estimating conferences.** (a) The president of
 17 the senate or the speaker of the house of representatives may request a special impact
 18 estimating conference to evaluate a legislative proposal using tools and models not
 19 generally employed by the conferences under AS 37.07.034, including cost-benefit,
 20 return-on-investment, or dynamic scoring techniques, when suitable and appropriate
 21 for the legislative proposal being evaluated. A separate special impact estimating
 22 conference may be appointed for each legislative proposal.

23 (b) A special impact estimating conference consists of four principals, each
 24 having appropriate fiscal expertise in the subject matter of the legislative proposal,
 25 appointed as follows:

- 26 (1) one person from the executive branch, appointed by the governor;
 27 (2) the director of the legislative finance division, or the director's
 28 designee;
 29 (3) one person from the staff of the senate, appointed by the president
 30 of the senate; and
 31 (4) one person from the staff of the house of representatives, appointed

1 by the speaker of the house of representatives.

2 (c) After the appointment of the principals, a special impact estimating
3 conference shall convene to adopt official information relating to the legislative
4 proposal.

5 (d) A principal of a special impact estimating conference may invite a person
6 to participate in the conference, and that person shall be designated as a participant. A
7 participant shall, at the request of a principal, before or during a meeting of the special
8 impact estimating conference, collect and supply data, perform analyses, or provide
9 other information needed by the conference.

10 (e) The director of the legislative finance division may convene whichever
11 type of conference under AS 37.07.034 is needed to reach a consensus on
12 supplemental information required for the analysis of the proposed legislation.

13 (f) The principals of a special impact estimating conference shall adopt by
14 consensus all official information of the conference.

15 (g) In this section, "official information" has the meaning given in
16 AS 37.07.034.

17 * **Sec. 13.** AS 37.07.040 is amended to read:

18 **Sec. 37.07.040. Office of management and budget.** The Alaska office of
19 management and budget shall

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

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

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

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

9 (5) administer its responsibilities under the program execution
10 provisions of this chapter so that the policy decisions and budget determinations of the
11 governor and the legislature are implemented;

12 (6) provide the legislative finance division with the budget information
13 it may request;

14 (7) provide the legislative finance division with an advance copy of the
15 governor's budget workbooks at least seven days before the legislature convenes in a
16 regular session;

17 (8) prepare the proposed capital improvements budget for the coming
18 fiscal year evaluating both state and local requests from the standpoint of need, equity,
19 and priorities of the jurisdiction; other factors, **including** [SUCH AS] project amounts,
20 population, local financial match, federal funds being used for local match,
21 municipality or unincorporated community acceptance of the facility, and all
22 associated costs of the facility, may be considered;

23 (9) for each department in the executive branch, report to the
24 legislature by the 45th day of each regular session the amount of money appropriated
25 to the department that is expected to lapse into the general fund at the end of the
26 current fiscal year;

27 (10) establish and administer a state agency program performance
28 management system involving planning, performance budgeting, performance
29 measurement, and program evaluation; the office shall ensure that information
30 generated under this system is useful for managing and improving the efficiency and
31 effectiveness of agency operations;

1 (11) by January 15, list each lease-purchase agreement entered into by
 2 an agency during the immediately preceding fiscal year for the acquisition of
 3 equipment or other personal property, together with a description of the property
 4 acquired and financial details, including the purchase price, the term for payments, the
 5 amount of each payment, and the amount of interest or financing charges paid;

6 (12) work with state agencies to develop a standardized methodology
 7 to collect and store energy consumption and expense data.

8 * **Sec. 14.** AS 37.07.050(a) is amended to read:

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

18 (1) identify the agency **service, program, and financial goals**
 19 [MISSION] and desired results established by the legislature;

20 (2) identify the goals and objectives the agency will use to achieve the
 21 legislature's **service, program, and financial goals** [MISSION] and desired results;

22 (3) set out the results of [ANY] user group surveys and, if the results
 23 do not agree with the **service, program, and financial goals** [MISSION] and desired
 24 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 **service, program, and financial goals** [MISSION
 29 STATEMENT] and desired results issued by the legislature and other goals of the
 30 agency and set out the results as measured;

31 (6) identify surveys or other methods of gathering user group opinions

1 that have been used by the agency to identify ways to improve its programs;

2 (7) identify methods of measuring performance when the **service,**
 3 **program, and financial goals** [MISSION STATEMENT] and desired results issued
 4 by the legislature involve more than one agency and make recommendations to
 5 eliminate duplication of government functions and waste;

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

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

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

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

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

26 (13) prioritize the activities of the agency from the most important to
 27 the least important.

28 * **Sec. 15.** AS 37.07.060(a) is amended to read:

29 (a) The governor shall formulate the operating and capital budget, capital
 30 improvements program, and fiscal plan required to be recommended to the legislature
 31 by AS 37.07.020 after considering the state agency proposed program and financial

1 plans prepared in accordance with AS 37.07.050, and other programs and alternatives
 2 that the governor considers appropriate. The plans must include the governor's
 3 recommended **service, program, and financial goals** [MISSIONS] and results,
 4 recommended strategies to implement the **service, program, and financial goals**
 5 [MISSIONS] and results, recommended measures for determining whether the
 6 **service, program, and financial goals** [MISSIONS] and desired results are achieved,
 7 including an assessment of whether prior year **service, program, and financial goals**
 8 [MISSIONS] and desired results have been achieved, recommended operating
 9 program for the succeeding fiscal year, recommended capital improvements program
 10 for the succeeding six fiscal years, recommended programs for the upgrading of public
 11 buildings and facilities prepared in accordance with AS 35.10.015, and recommended
 12 revenue measures to support the programs.

13 * **Sec. 16.** AS 37.07.080(a) is amended to read:

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

19 * **Sec. 17.** AS 37.07.080(c) is amended to read:

20 (c) The office shall

21 (1) review each operations plan to determine that **plan** [IT] is
 22 consistent with the executive decisions of the governor, the **service, program, and**
 23 **financial goals** [MISSION STATEMENT] and desired results issued by the
 24 legislature, appropriations by the legislature, and other provisions of law, that **the plan**
 25 [IT] reflects proper planning and efficient management methods, and that
 26 appropriations have been made for the legislatively established purpose and will not
 27 be exhausted before the end of the fiscal year;

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

31 * **Sec. 18.** This Act takes effect July 1, 2024.