

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 194

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES CARPENTER, Tomaszewski

Introduced: 5/15/23

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 24.08.035(b) is amended to read:

7 (b) In addition to the fiscal note required by this section, the sponsor of a bill
8 or resolution may prepare a fiscal note in conformity with the requirements of this
9 section and submit it to the committee of first referral or the finance committee. A
10 committee may prepare an additional fiscal note in conformity with the requirements
11 of this section. **The sponsor of a bill or resolution or a committee may also request**
12 **that a special impact estimating conference evaluate a fiscal note under (h) of this**
13 **section.**

14 * **Sec. 2.** AS 24.08.035 is amended by adding a new subsection to read:

1 (h) A special impact estimating conference appointed under AS 37.07.036
 2 may evaluate a fiscal note prepared under this section. The special impact estimating
 3 conference may prepare a fiscal note in conformity with the requirements of this
 4 section and submit it to the committee of first referral or the finance committee. A
 5 fiscal note prepared by the special impact conference replaces the fiscal note prepared
 6 by a department, sponsor of a bill or resolution, or committee under this section.

7 * **Sec. 3.** AS 24.20.206 is amended to read:

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

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

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

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

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

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

23 (6) provide for an annual operational and performance evaluation of
 24 the Alaska Housing Finance Corporation and the Alaska Industrial Development and
 25 Export Authority; the performance evaluation must include, but is not limited to, a
 26 comparison of the effect on various sectors of the economy by public and private
 27 lending, the effect on resident and nonresident employment, the effect on real wages,
 28 and the effect on state and local operating and capital budgets of the programs of the
 29 Alaska Housing Finance Corporation and the Alaska Industrial Development and
 30 Export Authority;

31 (7) provide assistance to the trustees of the trust established in

1 AS 37.14.400 - 37.14.450 in carrying out their duties under AS 37.14.415; **and**
 2 **(8) adopt a method of measuring results for state agencies and**
 3 **provide the measures to the Office of the Governor in accordance with**
 4 **AS 37.07.014(b).**

5 * **Sec. 4.** AS 37.07.010 is amended to read:

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

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

14 (2) the development, coordination, and review of long-range program
 15 and financial plans that will **measure the extent to which program and financial**
 16 **goals have been met** [IMPLEMENT ESTABLISHED STATE GOALS AND
 17 POLICIES];

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

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

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

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

1 * **Sec. 5.** AS 37.07.014(a) is amended to read:

2 (a) To carry out its legislative power under art. II, sec. 1, Constitution of the
3 State of Alaska, and to promote results-based government, the legislature shall **review**
4 **the budget for the succeeding fiscal year by service or program within each**
5 **agency and include service and program cost and desired measurements for each**
6 **service and program** [ISSUE A MISSION STATEMENT FOR EACH AGENCY
7 AND THE DESIRED RESULTS THE AGENCY SHOULD ACHIEVE. THE
8 LEGISLATURE MAY ISSUE A SEPARATE MISSION STATEMENT FOR A
9 SUBUNIT OF AN AGENCY. A MISSION STATEMENT AND DESIRED
10 RESULTS SHOULD PROMOTE THE EFFICIENT, MEASURED USE OF THE
11 STATE'S RESOURCES. A MISSION STATEMENT AND DESIRED RESULTS
12 CONSTITUTE POLICY UNDER WHICH AN AGENCY SHALL OPERATE, AND,
13 WHERE APPROPRIATE, THE MISSION STATEMENT MAY BE
14 IMPLEMENTED BY STATUTE].

15 * **Sec. 6.** AS 37.07.014(b) is amended to read:

16 (b) The legislature shall provide for a budget review function that promotes
17 results-based government. The **Legislative Budget and Audit Committee**
18 [LEGISLATURE] shall adopt a method of measuring results for each agency. **The**
19 **Legislative Budget and Audit Committee shall provide the measures to the Office**
20 **of the Governor not later than August 1 each year. Measurements** [, AND
21 MEASUREMENTS] shall be reported semi-annually by each agency to the
22 legislature. The reports shall be used by the legislature to evaluate whether the
23 [MISSION AND] desired results for that agency or subunit of the agency are being
24 achieved.

25 * **Sec. 7.** AS 37.07.014(d) is amended to read:

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

31 (1) clearly identifying **service, program, and financial goals and**

1 desired results;

2 (2) setting priorities;

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

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

7 * **Sec. 8.** AS 37.07.014(f) is amended to read:

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

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

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

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

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

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

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

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

26 **Sec. 37.07.016. Governor's use of service, program, and financial goals**
27 **[MISSION STATEMENTS].** To carry out the executive power under art. III, sec. 1
28 and sec. 16, Constitution of the State of Alaska, the governor shall use the **financial**
29 **goals** [MISSION STATEMENTS] and desired results issued by the legislature as a
30 guide to implement and execute the law. The governor shall **ensure** [ASSURE] that
31 each agency complies with the **service or program measurement requirements**

1 [MISSION STATEMENT] and achieves the desired results identified by the
2 legislature.

3 * **Sec. 10.** AS 37.07.020(a) is amended to read:

4 (a) The governor shall prepare a budget for the succeeding fiscal year that
5 must cover all estimated receipts, including all grants, loans, and money received from
6 the federal government and all proposed expenditures of the state government. The
7 budget shall be organized **by service or program within each agency and include**
8 **service and program cost and desired measurements for each service and**
9 **program. Each service and program expenditure request must include details on**
10 **the unit cost and performance cost of the service or program expenditure** [SO
11 THAT THE PROPOSED EXPENDITURES FOR EACH AGENCY ARE
12 PRESENTED SEPARATELY]. The budget must be accompanied by the information
13 required under AS 37.07.050 and by the following separate bills: (1) an appropriation
14 bill authorizing the operating and capital expenditures of the state's integrated
15 comprehensive mental health program under AS 37.14.003(a); (2) an appropriation
16 bill authorizing state operating expenditures other than those included in the state's
17 integrated comprehensive mental health program; (3) an appropriation bill authorizing
18 capital expenditures other than those included in the state's integrated comprehensive
19 mental health program; and (4) a bill or bills covering recommendations, if any, in the
20 budget for new or additional revenue. **In a year in which a new governor has not**
21 **been elected, the** [THE] budget for the succeeding fiscal year and each of the bills
22 shall become public information on December 15. **In a year in which a new**
23 **governor has been elected, the budget for the succeeding fiscal year and each of**
24 **the bills shall become public information on January 15. On the date the budget**
25 **and bills become public,** [AT WHICH TIME] the governor shall **deliver** [SUBMIT]
26 copies **of the budget and bills** to the legislature and make copies available to the
27 public. The **budget and** bills, identical in content to the copies released on
28 December 15 **or January 15, as applicable,** shall be delivered to the rules committee
29 of each house before the fourth legislative day of the next regular session for
30 introduction.

31 * **Sec. 11.** AS 37.07.020(b) is amended to read:

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

5 (1) must include sufficient details to identify

6 (A) significant sources of funds;

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

8 of

9 (i) operating expenditures;

10 (ii) capital expenditures;

11 (iii) debt service expenditures;

12 (iv) fund capitalizations;

13 (v) appropriations of income of the Alaska permanent
 14 fund (art. IX, sec. 15, Constitution of the State of Alaska), if any;

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

17 (3) must include projected balances of significant funds held in
 18 separate accounts, including the budget reserve fund (art. IX, sec. 17, Constitution of
 19 the State of Alaska), the public education fund (AS 14.17.300), and the Alaska capital
 20 income fund (AS 37.05.565);

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

26 * **Sec. 12.** AS 37.07.020(c) is amended to read:

27 (c) Proposed expenditures may not exceed [ESTIMATED] revenue **estimates**
 28 for the succeeding fiscal year. **The expenditures for agency and statewide**
 29 **operations may not exceed official estimates of recurring revenue.** The
 30 expenditures proposed in the six-year capital improvements program may not exceed
 31 the estimated revenue and bond authorizations passed and proposed.

1 * **Sec. 13.** AS 37.07.020 is amended by adding a new subsection to read:

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

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

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

10 (3) a three-year forecast based on the average price per barrel over the
11 10 preceding fiscal years for Alaska North Slope crude oil for sale on the United
12 States West Coast over the preceding 10 fiscal years; and

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

15 * **Sec. 14.** AS 37.07 is amended by adding new sections to read:

16 **Sec. 37.07.034. Formation, powers, and duties of consensus estimating**
17 **conferences.** (a) The following consensus estimating conferences are created in the
18 legislative branch of the state for the following purposes:

19 (1) economic estimating conference, for the purpose of developing
20 official information relating to the national and state economies; the official
21 information of the economic estimating conference

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

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

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

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

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

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

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

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

12 (6) social services estimating conference, for the purpose of
 13 developing official information relating to the social services system of the state,
 14 including forecasts of social services caseloads, utilization, and expenditures and
 15 information relating to cash assistance and medical assistance caseloads; and

16 (7) retirement systems actuarial assumption conference, for the
 17 purpose of developing official information relating to the public employees' retirement
 18 system (AS 39.35) and the teachers' retirement system (AS 14.25).

19 (b) The membership of each conference consists of a principal and
 20 participants. The principal of each conference is the director of the legislative finance
 21 division or the director's designee. The president of the senate, speaker of the house of
 22 representatives, and governor shall appoint persons to serve as participants of each
 23 conference.

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

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

31 (2) include forecasts for a period of at least three years.

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

3 (e) The official information developed by the economic conference and the
4 official information developed by the demographic conference shall be used by the
5 other conferences in developing official information. The division of retirement and
6 benefits shall provide all information requested by the retirement systems actuarial
7 assumption conference.

8 (f) The principal of a conference may preside over conference sessions,
9 convene conference sessions, request information needed by the conference, identify
10 topics to be included on the conference agenda, agree or withhold agreement on
11 whether information is to be official information of the conference, release official
12 information of the conference, interpret official information of the conference, and
13 monitor errors in official information of the conference. The principal shall provide
14 the schedule for conference sessions.

15 (g) The principal of a conference may invite a person to participate in a
16 session of the conference. At the request of the principal, a person invited to
17 participate under this subsection shall, before or during a session of the conference,
18 develop alternative forecasts, collect and supply data, perform analyses, or provide
19 other information needed by the conference. Participants appointed by the governor
20 under (b) of this section shall provide information requested by the principal within a
21 reasonable amount of time. Each conference shall consider the information provided
22 by participants under this subsection when developing its official information.

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

27 (i) A conference may be convened

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

30 (2) by a member of a conference to

31 (A) develop official information on behalf of the legislature for

1 the legislature's use in its budget deliberations;

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

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

6 (j) A participant of a conference may notify the principal in writing if the
7 participant believes that an item of official information of the conference is no longer
8 valid. The principal shall review a request made under this subsection and, if the
9 principal determines that a session of the conference is warranted, convene the
10 conference for the purpose of reviewing and reconsidering the official information in
11 question.

12 (k) Following each regular session of the legislature, each conference shall
13 convene in a final session to revise the official information of the conference to reflect
14 changes made in the law. The conference shall publish the official information
15 developed at the final session. The published information constitutes the official
16 information of the conference until the adjournment of the next conference. The
17 principal of the conference shall, within two working days after adjournment of the
18 final session of the conference, prepare a final report on the official information of the
19 conference. The principal shall deliver the final report to the co-chairs of the finance
20 committee of each house of the legislature. The principal shall continue to monitor the
21 official information developed at the final session of the conference to ensure the
22 official information remains valid.

23 (l) The principal of a conference, or the principal's designee, is responsible for
24 preparing and distributing to the participants the necessary documents for the meetings
25 of the conference. The principal may cancel a meeting of the conference if the
26 necessary documents have not been distributed before the meeting. Upon request, the
27 documents must include comparisons with alternative information.

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

31 **Sec. 37.07.036. Special impact estimating conferences.** (a) The president of

1 the senate or the speaker of the house of representatives may request a special impact
2 estimating conference to evaluate a legislative proposal using tools and models not
3 generally employed by the conferences under AS 37.07.034, including cost-benefit,
4 return-on-investment, or dynamic scoring techniques, when suitable and appropriate
5 for the legislative proposal being evaluated. A separate special impact estimating
6 conference may be appointed for each legislative proposal. A sponsor of a bill or
7 resolution or a committee may also request a special impact estimating conference to
8 evaluate a fiscal note under AS 24.08.035.

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

12 (1) one person from the executive branch, appointed by the governor;

13 (2) the director of the legislative finance division, or the director's
14 designee;

15 (3) one person from the staff of the senate, appointed by the president
16 of the senate; and

17 (4) one person from the staff of the house of representatives, appointed
18 by the speaker of the house of representatives.

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

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

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

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

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

3 * **Sec. 15.** AS 37.07.040 is amended to read:

4 **Sec. 37.07.040. Office of management and budget.** The Alaska office of
5 management and budget shall

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

9 (2) prepare for submission to the legislature by December 15 each
10 year a five-year capital improvements program; the five-year capital
11 improvements program must include the estimated cost of construction and
12 maintenance, the estimated project timeline, potential funding sources, and
13 justification for each project; the Alaska office of management and budget shall
14 update the five-year capital improvements program annually [GOVERNOR AN
15 ANNUALLY UPDATED SIX-YEAR CAPITAL IMPROVEMENTS PROGRAM
16 AND THE PROPOSED CAPITAL IMPROVEMENTS BUDGET FOR THE
17 COMING FISCAL YEAR, THE LATTER TO INCLUDE INDIVIDUAL PROJECT
18 JUSTIFICATION WITH DOCUMENTATION OF ESTIMATED PROJECT COST];

19 (3) develop procedures to produce the information needed for effective
20 policy decision making, including procedures to provide for the dissemination of
21 information about plans, programs, and budget requests to be included in the annual
22 budget and opportunity for public review and comment during the period of budget
23 preparation;

24 (4) assist state agencies in their statement of goals and objectives to
25 achieve, among other things, the legislature's service, program, and financial goals
26 [MISSION] and desired results, preparation of plans, assessments of the extent to
27 which goals [MISSIONS] and desired results have been achieved, budget requests,
28 and reporting of program performance; all documents forwarded by the office to a
29 state agency containing instructions for the preparation of program plans and budget
30 requests and the reporting of program performance are public information after the
31 date they are forwarded;

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

4 (6) provide the legislative finance division with the budget information
5 it may request;

6 (7) provide the legislative finance division with an advance copy of the
7 governor's **electronic data for the current fiscal year management plan** [BUDGET
8 WORKBOOKS] at least seven days before the legislature convenes in a regular
9 session;

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

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

20 (10) establish and administer a state agency program performance
21 management system involving planning, performance budgeting, performance
22 measurement, and program evaluation; the office shall ensure that information
23 generated under this system is useful for managing and improving the efficiency and
24 effectiveness of agency operations;

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

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

1 * **Sec. 16.** AS 37.07.050(a) is amended to read:

2 (a) The agencies shall **ensure** [ASSURE] the development of a statewide
3 system of results-based government designed to increase efficiency and effectiveness
4 of state programs and services. Toward that end, each state agency shall, on a semi-
5 annual basis, **report the** [IDENTIFY RESULTS-BASED MEASURES THAT HAVE
6 BEEN USED TO WORK TOWARD] achievement of the **service, program, and**
7 **financial goals** [MISSION STATEMENT] and desired results issued by the
8 legislature and of other goals of the agency [, AND SET OUT THE RESULTS AS
9 MEASURED]. Each state agency shall also prepare information that shall be compiled
10 and submitted on December 15 each year to the office, the legislature, and the
11 legislative finance division; this information must

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

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

16 (3) set out the results of [ANY] user group surveys and, if the results
17 do not agree with the **service, program, and financial goals** [MISSION] and desired
18 results [, GOALS,] and objectives, explain why;

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

21 (5) identify results-based measures that have been used to work toward
22 achievement of the **service, program, and financial goals** [MISSION
23 STATEMENT] and desired results issued by the legislature and other goals of the
24 agency and set out the results as measured;

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

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

31 (8) identify ways in which the agency has involved its employees in

1 the development of methods of measuring results, including opportunities for
 2 employee representatives to participate in committees established to develop methods
 3 of measuring results;

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

12 (10) include a report of agency receipts during the last fiscal year, an
 13 estimate of receipts during the current fiscal year, and an estimate of receipts for the
 14 succeeding fiscal year;

15 (11) identify legislation required to implement the proposed programs
 16 and financial plans;

17 (12) include an evaluation of the advantages and disadvantages of
 18 specific alternatives to existing or proposed agency activities or administrative
 19 methods;

20 (13) prioritize the activities of the agency from the most important to
 21 the least important.

22 * **Sec. 17.** AS 37.07.060(a) is amended to read:

23 (a) The governor shall formulate the operating and capital budget, capital
 24 improvements program, and fiscal plan required to be recommended to the legislature
 25 by AS 37.07.020 after considering the state agency proposed program and financial
 26 plans prepared in accordance with AS 37.07.050, and other programs and alternatives
 27 that the governor considers appropriate. The plans must include the governor's
 28 recommended **service, program, and financial goals** [MISSIONS] and results,
 29 recommended strategies to implement the **service, program, and financial goals**
 30 [MISSIONS] and results, recommended measures for determining whether the
 31 **service, program, and financial goals** [MISSIONS] and desired results are achieved,

1 including an assessment of whether prior year **service, program, and financial goals**
2 [MISSIONS] and desired results have been achieved, recommended operating
3 program for the succeeding fiscal year, recommended capital improvements program
4 for the succeeding six fiscal years, recommended programs for the upgrading of public
5 buildings and facilities prepared in accordance with AS 35.10.015, and recommended
6 revenue measures to support the programs.

7 * **Sec. 18.** AS 37.07.080(a) is amended to read:

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

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

14 (c) The office shall

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

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

25 * **Sec. 20.** Section 6 of this Act takes effect July 1, 2025.

26 * **Sec. 21.** Except as provided in sec. 20 of this Act, this Act takes effect July 1, 2024.