

Introduced: 4/10/70
Referred: Finance

BY THE RULES COMMITTEE BY RE-
QUEST OF THE SPECIAL COMMITTEE
ON MONETARY INVESTMENT

1 IN THE HOUSE

2 HOUSE BILL NO. 832

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to provide for a comprehensive system for
7 state program budgeting and financial management;
8 and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 37 is amended by adding a new chapter to read:

11 CHAPTER 35. EXECUTIVE BUDGET ACT.

12 Sec. 37.35.010. STATEMENT OF POLICY. It is the purpose of this
13 Act to establish a comprehensive system for state program and financial
14 management which furthers the capacity of the governor and legislature
15 to plan and finance the services which they determine the state will
16 provide for its citizens. The system shall include procedures for

17 (1) the orderly establishment, continuing review and
18 periodic revision of the program and financial goals and policies of
19 the state;

20 (2) the development, coordination and review of long-range
21 program and financial plans that will implement established state goals
22 and policies;

23 (3) the preparation, coordination and analysis, and
24 enactment of a budget organized to focus on state services and their
25 costs, that authorizes the implementation of policies and plans in
26 the succeeding budget period;

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

1 (5) the regular appraisal and reporting of program
2 performance.

3 Sec. 37.35.020. RESPONSIBILITIES OF THE GOVERNOR. The governor
4 shall direct the preparation and administration of the state budget.
5 He shall evaluate the long-range program plans, requested budgets and
6 alternatives to state agency policies and programs, and formulate, and
7 recommend for consideration by the legislature, a proposed comprehen-
8 sive program and financial plan which shall cover all estimated receipts
9 and expenditures of the state government, including all grants, loans,
10 and money received from the federal government. Proposed expenditures
11 may not exceed estimated receipts and surpluses.

12 Sec. 37.35.030. THE PLANNING AND BUDGETING DIVISION. The
13 planning and budgeting division shall

14 (1) assist the governor in the preparation and explanation
15 of the proposed comprehensive program and financial plan, including
16 the coordination and analysis of state agency program goals and
17 objectives, program plans and program budget requests;

18 (2) develop procedures to produce the information needed
19 for effective policy decision-making;

20 (3) assist state agencies in their statement of goals and
21 objectives, preparation of program plans, program budget requests and
22 reporting of program performance;

23 (4) administer its responsibilities under the program execu-
24 tion provisions of this chapter so that the policy decisions and budget
25 determinations of the governor and the legislature are implemented to
26 the fullest extent possible within the concepts of proper management;

27 (5) provide the legislature with any budget information it
28 may request.

29 Sec. 37.35.040. AGENCY PROGRAM AND FINANCIAL PLANS. (a) Each

1 state agency, on the date and in the form and content prescribed by
2 the division, shall prepare and forward to the division

3 (1) the goals and objectives of the agency programs,
4 together with proposed supplements, deletions and revisions;

5 (2) its proposed plans to implement the goals and
6 objectives, including estimates of future service needs, planned
7 methods of administration, proposed modification of existing program
8 services and establishment of new program services, and the estimated
9 resources needed to carry out the proposed plan;

10 (3) the budget requested to carry out its proposed plans
11 in the succeeding fiscal year, including information reflecting the
12 expenditures during the last fiscal year, those authorized for the
13 current fiscal year, those proposed for the succeeding fiscal year,
14 an explanation of the services to be provided, the need for the
15 services, the cost of the services, and any other information
16 requested by the division;

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

20 (5) a statement of legislation required to implement the
21 proposed programs and financial plans;

22 (6) an evaluation of the advantages and disadvantages of
23 specific alternatives to existing or proposed program policies or
24 administrative methods.

25 (b) The state agency proposals prepared under (a) of this
26 section shall describe the relationships of their program services to
27 those of other agencies, of other governments, and of nongovernmental
28 bodies.

29 (c) The division shall assist agencies in the preparation of

1 their proposals under (a) of this section. This assistance may
2 include technical assistance, organization of materials, centrally
3 collected accounting, budgeting and personnel information, standards
4 and guidelines formulation, population and other required data, and
5 any other assistance that will help the state agencies produce the
6 information necessary for efficient agency management and effective
7 decision-making by the governor and the legislature.

8 (d) If any state agency fails to transmit the program and
9 financial information provided under (a) of this section on the
10 specified date, the division may prepare such information.

11 (e) The division shall compile and submit to the governor-
12 elect in any year when a new governor has been elected, not later
13 than November 20, a summary of the program and financial information
14 prepared by state agencies.

15 Sec. 37.35.050. GOVERNOR'S RECOMMENDATION. (a) The governor
16 shall formulate the program and financial plan to be recommended to
17 the legislature after considering the state agency proposed program
18 and financial plans, and other programs and alternatives that he
19 considers appropriate. The plan shall include his recommended goals
20 and policies, recommended plans to implement the goals and policies,
21 recommended budget for the succeeding fiscal year, and recommended
22 revenue measures to support the budget.

23 (b) The governor shall present the proposed comprehensive
24 program and financial plan in a message to a joint session of the
25 legislature before the fourth legislative day following the convening
26 of the legislature in regular session. The message shall be
27 accompanied by an explanatory report which summarizes recommended
28 goals, plans, and appropriations. The report shall contain

29 (1) the coordinated program goals and objectives which

1 the governor recommends to guide the decisions on the proposed
2 program plans and budget appropriations;

3 (2) his program and budget recommendations for the
4 succeeding fiscal year;

5 (3) a summary of state receipts in the last fiscal year,
6 a revised estimate for the current fiscal year, and an estimate for
7 the succeeding fiscal year;

8 (4) a summary of expenditures during the last fiscal year,
9 those authorized for the current fiscal year, and those recommended
10 by the governor for the succeeding fiscal year; and

11 (5) any additional information which will facilitate
12 understanding of the governor's proposed program and financial plan
13 by the legislature and the public.

14 (c) The governor, at the time of his presentation of the proposed
15 comprehensive program and financial plan in the message to the joint
16 session of the legislature under (b) of this section, shall also
17 submit a general appropriation bill to authorize the proposed expendi-
18 tures, and bills covering recommendations in the budget for new or
19 additional revenues.

20 Sec. 37.35.060. PROGRAM EXECUTION. (a) Except as limited by
21 policy decisions of the governor, appropriations by the legislature,
22 and other provisions of law, the several state agencies shall have
23 full authority for administering their program service assignments and
24 shall be responsible for their proper management.

25 (b) Each state agency shall prepare an annual plan for the
26 operation of each of its assigned programs except for programs that
27 are exempted from this requirement by the division. The operations
28 plan shall be prepared in the form and content and be transmitted on
29 the date prescribed by the division.

1 (c) The division shall

2 (1) review each operations plan to determine that it is
3 consistent with the policy decisions of the governor and appropriations
4 by the legislature, that it reflects proper planning and efficient
5 management methods, that appropriations have been made for the planned
6 purpose and will not be exhausted before the end of the fiscal year;

7 (2) approve the operations plan if satisfied that it meets
8 the requirements under (1) of this subsection; otherwise, the
9 division shall require revision of the operations plan in whole or
10 in part;

11 (3) modify or withhold the planned expenditures at any
12 time during the appropriation period if the division finds that such
13 expenditures are greater than those necessary to execute the programs
14 at the level authorized by the governor and the legislature, or that
15 the receipts and surpluses will be insufficient to meet the authorized
16 expenditure levels.

17 (d) No state agency may increase the salaries of its employees,
18 employ additional employees, or expend money or incur any obligations
19 except in accordance with law and properly approved operations plan.

20 (e) Appropriation transfers or changes as between objects of
21 expenditures or activity areas within a program may be made by the
22 head of a state agency upon approval of the division. Appropriation
23 transfers or changes between programs within an agency may be made
24 upon review by the division and approval of the governor, and shall
25 be reported to the legislature quarterly. No transfers may be made
26 between agencies.

27 (f) The division shall report quarterly to the governor and the
28 legislature on the operations of each state agency, relating actual
29 accomplishments to those planned, and modifying, if necessary, the

1 operations plan of an agency for the balance of the fiscal year.

2 Sec. 37.35.0701 PERFORMANCE REPORTING. (a) Each state agency
3 shall submit a performance report to the division on or before
4 September 1 for the preceding fiscal year. These reports shall be
5 in the form prescribed by the division after consultation with the
6 Legislative Affairs Agency, and shall include statements concerning

7 (1) the work accomplished and the services provided in the
8 preceding fiscal year or other meaningful work period, relating
9 actual accomplishments to those planned under sec. 80(b) of this
10 chapter;

11 (2) the relationship of accomplishments and services to
12 the policy decisions and budget determinations of the governor and
13 the legislature;

14 (3) the costs of accomplishing the work and providing the
15 services, and, to the extent feasible, citing meaningful measures of
16 program effectiveness and cost;

17 (4) the administrative improvements made in the preceding
18 year, potential improvements in future years, and suggested changes in
19 legislation or administrative procedures to make further improvements.

20 (b) The division shall summarize the performance reports and
21 forward copies to each member of the legislature.

22 Sec. 37.35.080. TRANSMITTAL OF PROPOSED SUPPLEMENTAL OR DEFICIENCY
23 APPROPRIATIONS BY GOVERNOR. The governor from time to time may trans-
24 mit to the legislature such proposed supplemental or deficiency
25 appropriations as in his judgment are necessary on account of laws
26 enacted after the transmission of the budget, or are otherwise in the
27 public interest. He shall accompany such proposals with a statement
28 of the reasons for them, including the reasons for their omission from
29 the budget.

1 Sec. 37.35.090. INTERPRETATION OF CHAPTER. This chapter shall
2 be construed as supplemental to all other state laws not in conflict
3 with it. If a section or part of a section of this chapter is in
4 conflict with federal requirements for a program for which federal
5 grant-in-aid funds are available, the section or part, to the extent
6 of the conflict, is inoperative.

7 Sec. 37.35.100. DEFINITIONS. In this chapter

8 (1) "agency" means a department, officer, institution,
9 board, commission, bureau, division, or other administrative unit
10 forming the state government and includes the Alaska Pioneers Homes
11 but does not include the legislature or the judiciary;

12 (2) "division" means the planning and budgeting division;

13 (3) "fiscal year" means a year beginning on July 1 of one
14 calendar year and ending on June 30 of the following calendar year.

15 Sec. 37.35.110. SHORT TITLE. This chapter may be cited as the
16 Executive Budget Act.

17 * Sec. 2. AS 37.05.200 is amended to read:

18 Sec. 37.05.200. PURPOSE. The purpose of this chapter is to
19 provide uniform financial procedures for all state agencies with
20 respect to [BUDGETING] accounting, purchasing, post auditing, and
21 related financial procedures; and to revise financial procedures to
22 obtain economy, efficiency, and integrity in handling public money.

23 * Sec. 3. The following laws are repealed: AS 37.05.060 - 120.

24 * Sec. 4. This Act takes effect July 1, 1970.
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