

STRATEGIC PLANNING, BUDGETING, EXECUTION, AND
REPORTING TO IMPROVE OUTCOMES AND ADDRESS
LONGSTANDING PERFORMANCE AND MANAGEMENT ISSUES.

SB 21

Senator James Kaufman
District F

Overview

- Problem Statement
- Current State
 - AS 37.07: The Executive Budget Act (EBA)
- Proposed Future State: SB 21
 - Structural Changes to AS 37.07
 - Plan Content Summaries
 - Boards and Commissions
- Benefits
- Examples

Problem Statement

- Alaska's management of programs and projects has not been as strong as many citizens expect from their government
- Alaska consistently scores lower than other states in key metrics
 - e.g. #45 overall in US News' best states
 - <https://www.usnews.com/news/best-states/alaska>
 - e.g. Received a C- Report Card for Infrastructure by ASCE
 - <https://infrastructurereportcard.org/state-item/alaska/>
- Alaska has fragments of an appropriate enterprise-scale management system, but not something that cohesively blends operational, performance, and quality management
- How can we start to drive a higher level of performance while successfully improving our overall cost/benefit ratio?

Current Executive Budget Act

- Title 37: Public Finance
- Chapter 07: Executive Budget Act

Chapter 07. Executive Budget Act.

Sec. 37.07.010. Statement of policy.

It is the purpose of this chapter to establish a comprehensive system for state program and financial management that furthers the capacity of the governor and legislature to plan and finance the services that they determine the state will provide for its citizens. The system must include procedures for

- Describes the role of the legislature, OMB, and the governor in the budgeting and program execution process
- Includes two sections which deal mainly with planning and performance
 - 37.07.050 Agency program and financial plans; mission statements
 - 37.07.080 Program Execution

Proposed Future State: HB 376

- Responsibility Change (Measures/targets set by executive branch)
- Planning Hierarchy and increased organization
 - Statewide Priorities (3-6 long-term priorities set by governor)
 - Strategic Plans (4-year plan, updated at least every two years)
 - Mission, goals, and objectives for each agency
 - Performance Plans (Annual Plan)
 - Program structure and performance history/targets
 - Financial Plans (Annual Plan)
 - Financial History and Budget information
- Transparency and Reporting
 - Quarterly Performance Reports: Progress towards targets
 - All plans and reports are posted on a single, public website

PLAN LOCATION:

PLANNING CADENCE

GOVERNOR'S RECOMMENDATION

*Statewide
Priorities*

LONG-TERM PRIORITIES;
SUBMITTED ANNUALLY WITH BUDGET;
RARELY UPDATED

*Mission
Statements*

AGENCY
STRATEGIC PLANS

*Agency Goals
(3-6 for each Agency)*

4-YEAR PLANS;
UPDATED EVERY 2
YEARS

*Objectives: Specific, Measurable,
Realistic, and Timely*

PERFORMANCE AND
FINANCIAL PLANS

*Performance Measures
(History and Targets)*

*Financial History and
Budget Information*

ANNUAL
PLANS

Structural Changes to AS 37.07

- Title Change of AS 37.07.016: Governor's use of **strategic plans**, mission statements, **and performance plans**
- Title Change of AS 37.07.050: Agency **strategic** plans; mission statements
 - Refocuses this section on strategic plans and changes title due to moving performance and financial information
- New Section AS 37.07.055: Specific requirements for Boards/Commissions
- New Section AS 37.07.085: Performance and Financial Plan section

Agency Strategic Plans | AS 37.07.050

- 4-Year Strategic Plans submitted at the beginning of each gubernatorial term
- Updated at least once every two years
- Includes:
 - Description of strategic plan and mission statement
 - 3-6 goals for the agency
 - Specific, measurable, realistic, and timely objectives
 - Methods of gathering user group opinions
 - Population served by the agency and population trends
 - Key external factors that could affect progress
 - Required legislation and regulatory changes

Agency Performance Plans | New AS 37.07.085(b)

- Annual Plan submitted to Legislature by December 15th of each year
- Includes:
 - Description of the agency's program structure and proposed changes
 - Identification of each program's constitutional or statutory authority
 - A program purpose statement: describes the services provided, customers served, and the benefit or intended outcome of the program
 - Identify performance measures aligned with strategic plan
 - Identify goals and objectives that the measures correspond to
 - Identify results for each performance measure over the past four years
 - Identify performance targets for each measure for the next fiscal year

Agency Financial Plans | New AS 37.07.085(c)

- Annual Plan submitted to Legislature by December 15th of each year
- Includes:
 - Revenue and expenditures for each program for prior four fiscal years
 - Breakdowns: Amounts received by each revenue source and expended on each type of expenditure
 - Estimates of revenue and expenditures for current and next fiscal year
 - Budget requested for succeeding fiscal year
 - Number of positions employed or under contract
 - Cost of services provided by each program
 - Report of receipts made last year, estimates for current and next year
 - Other Information (expenditures authorized, required legislation, etc.)

Boards and Commissions | New AS 37.07.055

- Creates a section specific for Boards and Commissions
- Boards and Commissions must annually provide a financial plan:
 - Budget requested for next year
 - Expenditures made last year, authorized this year, and proposed for next year
 - Explanation of services to be provided next year, including need for and cost of services
 - Number of total positions employed or under contract by the board or commission
 - A report of receipts made last fiscal year and estimated for the current and next fiscal year
 - Identified legislation
- Boards and Commissions must annually provide a plan for operation of programs
- Boards and Commissions shall develop a method of measuring results
- A closeout report is required upon termination of the board, commission, and agency programs related to the board or commission

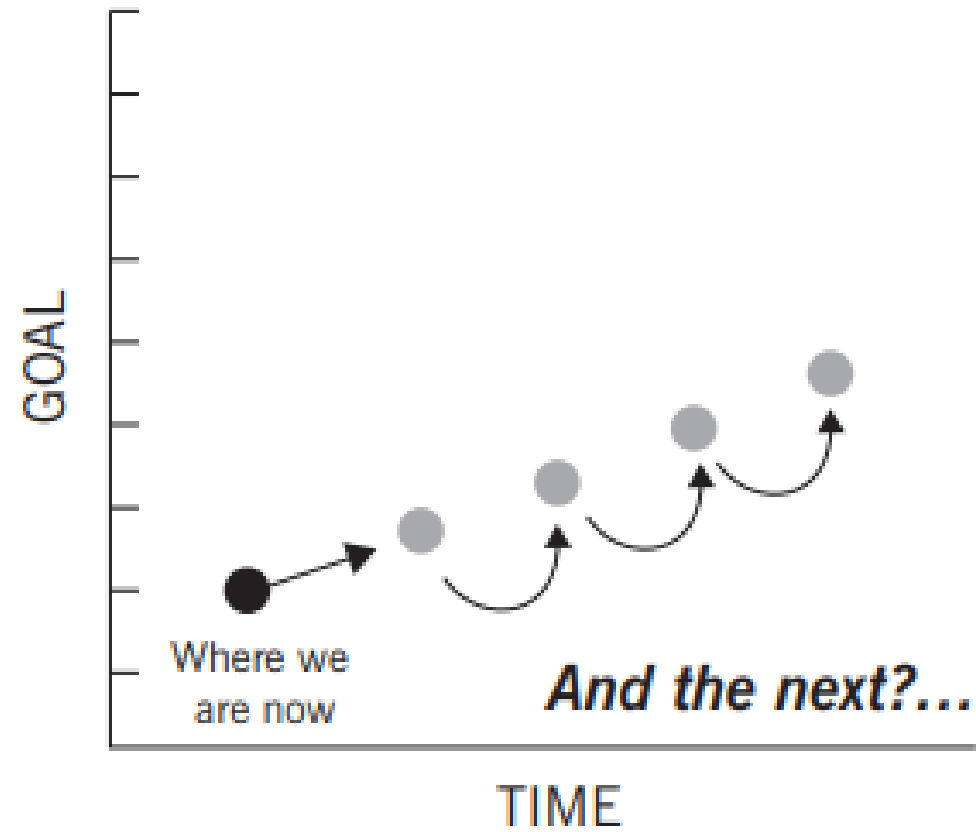
Benefits

- Align the strategy of all agencies with a governor's statewide priorities
- Link short term tactics/funding to mid-range, department-level strategy
- Push responsibility for defining measures and targets to the executive branch. The people closest to the customers of services
- Reduce duplication of goal-setting and financial information at a program or component level
- Increase the level of detail regarding program structure and program definition

Examples

- Federal Government (GPRAMA)
 - <https://www.gao.gov/leading-practices-managing-results-government>
- AZ Strategic Plans: <https://azospb.gov/>
- North Carolina:
 - <https://www.osbm.nc.gov/operational-excellence/strategic-planning/strategic-planning-guide>
- New Mexico: Accountability in Government Act
 - https://www.nmlegis.gov/entity/lfc/Documents/Accountability_In_Goverment_Act/Legislating%20For%20Results.pdf
- Other Guides
 - https://www.osc.state.ny.us/files/local-government/publications/pdf/strategic_planning.pdf
 - <https://www.urban.org/sites/default/files/publication/62616/410067-State-Approaches-to-Governing-For-Results-and-Accountability.PDF>

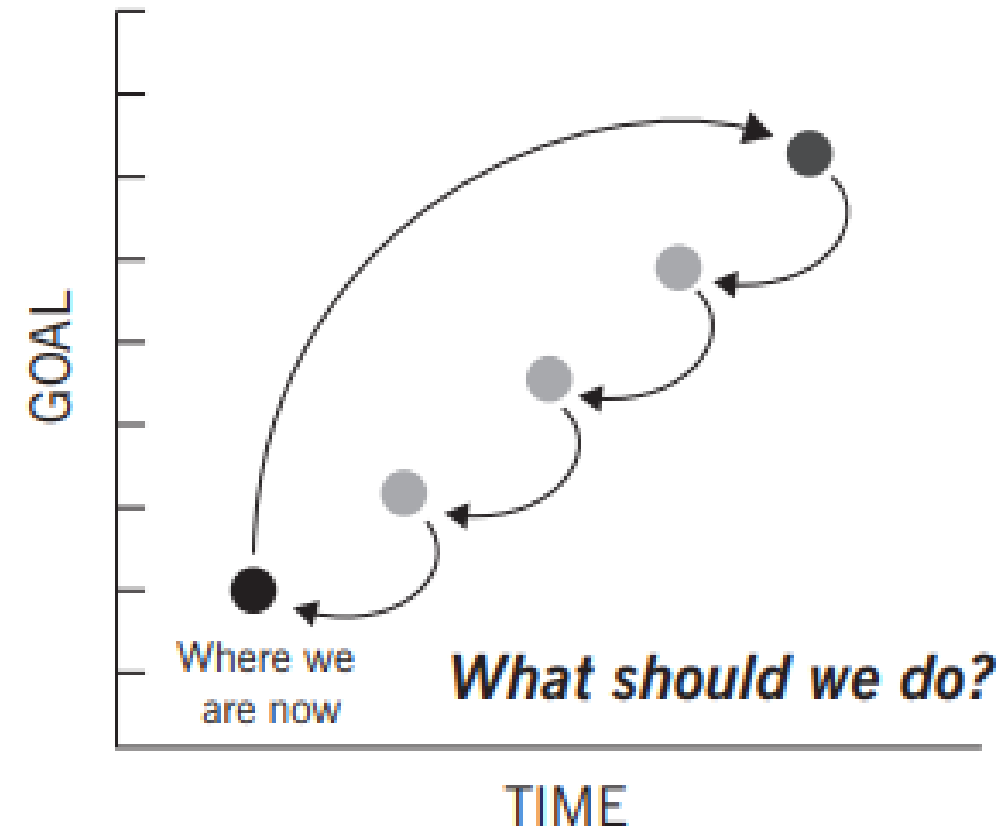
What can we do next year?



**Incrementalism
Traditional
Budgeting**

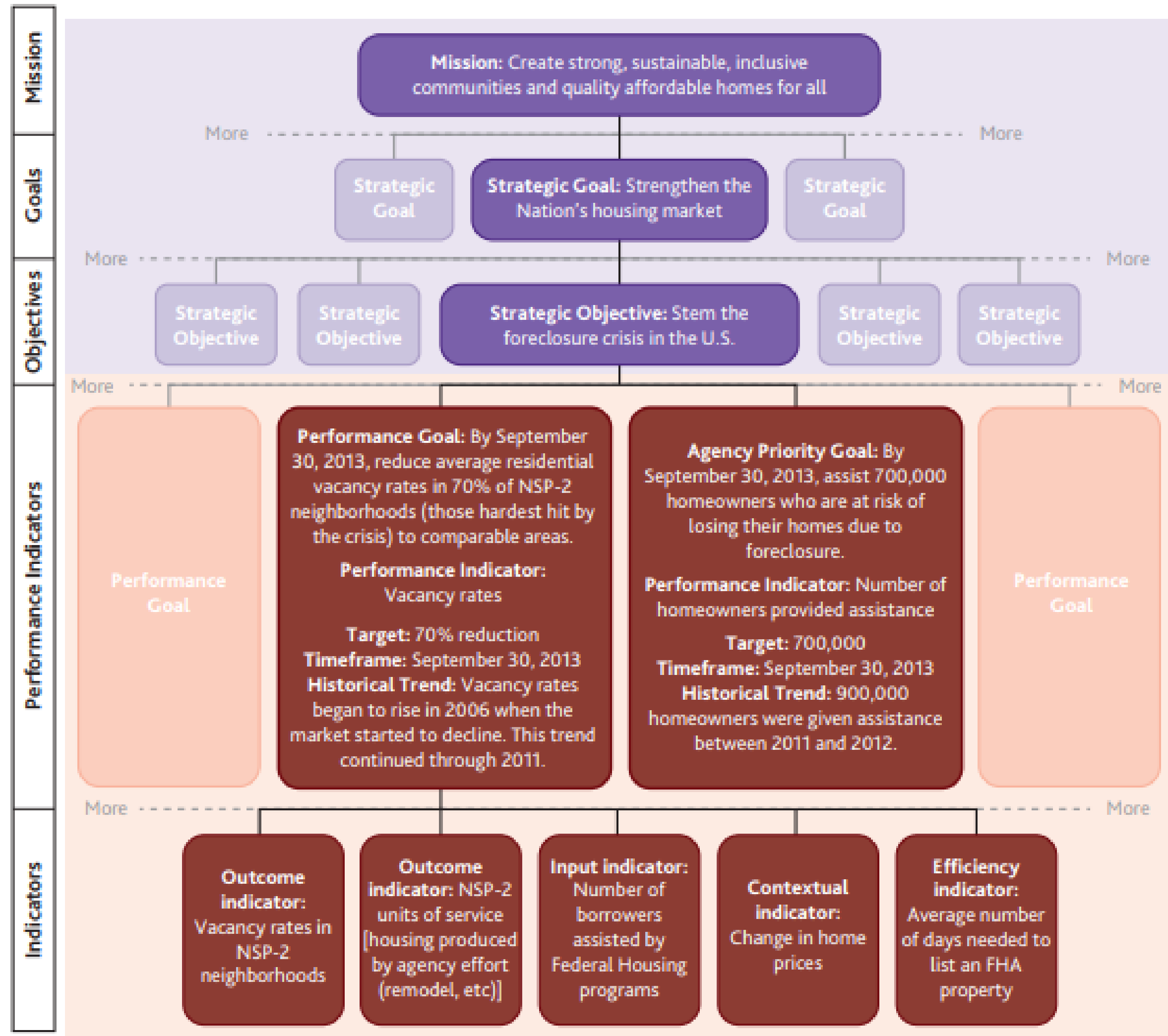
VERSUS

Where should we be in 5 years?



**Planning Ahead
Programming with Future Years
Defense Program (FYDP)**





Note: All data is illustrative only. Information was modified for illustrative purposes and does not represent a real agency example. Source: OMBA-11, Section 200.22

Questions? Contact Me!

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