

SENATE BILL NO. 21

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY SENATOR KAUFMAN

Introduced: 1/18/23

Referred: State Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Executive Budget Act; relating to strategic plans, mission**
2 **statements, performance plans, and financial plans for executive branch agencies; and**
3 **providing for an effective date."**

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

5 * **Section 1.** AS 16.05.110(b) is amended to read:

6 (b) Except for money received as fisheries fines or forfeitures in settlement of
7 a claim or loss caused by damage to the fish resources of the state that is appropriated
8 to or through the division of commercial fisheries management and development,
9 appropriations of money from the fish and game fund and of money received by the
10 state under the federal aid acts described under AS 16.05.140 shall be made to the
11 division of wildlife conservation or the division of sport fish. The division of wildlife
12 conservation or the division of sport fish may use money appropriated under this
13 subsection to acquire administrative and other services from other agencies if the
14 division acquires the services through reimbursable services agreements. The division

1 of wildlife conservation and the division of sport fish shall include as part of their
2 budgets prepared under AS 37.07.085 [AS 37.07.050]

3 (1) a listing of the reimbursable services agreements that are to be
4 funded with money appropriated under this subsection;

5 (2) a description of the services to be provided under those
6 agreements; and

7 (3) a listing of the entities that are parties to those agreements.

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

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

14 (1) the orderly establishment, continuing review, and periodic revision
15 of the strategic plans, program goals, and policies of state agencies and financial
16 goals and policies of the state;

17 (2) the development, coordination, and review of long-range program
18 and financial plans that will implement established state strategies, goals, and
19 policies;

20 (3) the preparation, coordination, analysis, and enactment of a budget
21 that is organized to focus on the services provided by state agencies and on the cost of
22 those services and that provides for implementation of policies and plans [,] in the
23 succeeding budget periods [PERIOD];

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

26 (5) the regular appraisal and reporting of program 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 plans and
29 programs of the Office of the Governor and all state agencies in the executive branch,
30 the legislature, the judicial system, the University of Alaska, and the public
31 corporations of the state.

1 * **Sec. 3.** 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 **and analyze** [ISSUE A] mission **statements and performance plans issued by the**
5 **governor** [STATEMENT] for each agency [AND THE DESIRED RESULTS THE
6 AGENCY SHOULD ACHIEVE. THE LEGISLATURE MAY ISSUE A SEPARATE
7 MISSION STATEMENT FOR A SUBUNIT OF AN AGENCY]. A mission statement
8 **and performance plan** [AND DESIRED RESULTS] should promote the efficient,
9 measured use of the state's resources. A mission statement **and performance plan**
10 [AND DESIRED RESULTS] constitute policy under which an agency shall operate,
11 and, where appropriate, the mission statement may be implemented by statute.

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

13 (b) The legislature shall provide for a budget review function that promotes
14 results-based government. The [LEGISLATURE SHALL ADOPT A METHOD OF
15 MEASURING RESULTS FOR EACH AGENCY, AND MEASUREMENTS SHALL
16 BE REPORTED SEMI-ANNUALLY BY EACH AGENCY TO THE
17 LEGISLATURE. THE REPORTS SHALL BE USED BY THE] legislature **shall use**
18 **the information reported by an agency under (f) of this section** to evaluate whether
19 the **strategic plan and** mission [AND DESIRED RESULTS] for that agency [OR
20 SUBUNIT OF THE AGENCY] are being achieved.

21 * **Sec. 5.** AS 37.07.014(c) is amended to read:

22 (c) The legislature shall analyze the **strategic plans issued by the governor**
23 **and the** comprehensive [OPERATING AND] capital improvements programs and
24 financial plans recommended by the governor.

25 * **Sec. 6.** AS 37.07.014(d) is amended to read:

26 (d) To foster results-based government, to **implement the strategic plans,**
27 **and to** carry out the mission statements, [AND TO OBTAIN DESIRED RESULTS,]
28 the legislature shall authorize the comprehensive [OPERATING AND] capital
29 improvements programs and financial plans **necessary to implement agency**
30 **performance plans**. The legislature shall allocate the state's resources for effective
31 and efficient delivery of public services by

1 (1) reviewing and analyzing the strategic plans and mission
 2 statements [CLEARLY IDENTIFYING DESIRED RESULTS];

3 (2) assessing how performance plans and financial plans
 4 contribute to progress toward the strategic plans and mission statements
 5 [SETTING PRIORITIES];

6 (3) assigning accountability; [AND]

7 (4) reviewing and integrating financial plans into performance
 8 plans; and

9 (5) maintaining the strategic, financial, and performance plans
 10 and mission statements on a publicly available Internet website [USING
 11 METHODS FOR MEASURING, REPORTING, AND EVALUATING RESULTS].

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

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

15 (1) allocate resources to implement the strategic plans and achieve
 16 the mission issued by the governor [AND DESIRED RESULTS ESTABLISHED
 17 BY THE LEGISLATURE];

18 (2) express its program [DESIRED] results [ESTABLISHED BY
 19 THE LEGISLATURE AND OTHER PROGRAM RESULTS] in measurable terms;

20 (3) measure progress toward the strategic plans and [TOWARDS]
 21 mission statements issued by the governor [AND DESIRED RESULTS
 22 ESTABLISHED BY THE LEGISLATURE] and other results;

23 (4) promote activities consistent with the strategic plans and mission
 24 statements issued by the governor [AND DESIRED RESULTS ESTABLISHED BY
 25 THE LEGISLATURE] that reduce or avoid future costs;

26 (5) plan for the short-term and the long-term using consistent
 27 assumptions for major demographic and other trends; [AND]

28 (6) require accountability at all levels for meeting the strategic plans
 29 and program mission statements issued by the governor; and

30 (7) report quarterly to the office its progress toward the
 31 performance plan required under AS 37.07.085 [AND DESIRED RESULTS

1 ESTABLISHED BY THE LEGISLATURE].

2 * **Sec. 8.** AS 37.07.014 is amended by adding a new subsection to read:

3 (g) In this section, "agency" has the meaning given in AS 37.07.120, but does
4 not include an officer, board, or commission.

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

6 **Sec. 37.07.016. Governor's use of strategic plans, mission statements, and**
7 **performance plans.** To carry out the executive power under art. III, **secs.** [SEC.] 1
8 and [SEC.] 16, Constitution of the State of Alaska, the governor shall **review the**
9 **strategic plans, mission statements, and performance plans compiled and**
10 **submitted by the office under AS 37.07.040(12) and (13).** **The governor may**
11 **approve, or require the office to revise, the strategic plans, mission statements,**
12 **and performance plans, in whole or in part. Once the governor approves the**
13 **strategic plans and mission statements, the governor shall** use the **strategic plans**
14 **and** mission statements [AND DESIRED RESULTS ISSUED BY THE
15 LEGISLATURE AS A GUIDE] to implement and execute the law. **Once the**
16 **governor approves the performance plans, the** [THE] governor shall **use the**
17 **performance plans to ensure** [ASSURE] that each agency complies with [THE
18 MISSION STATEMENT] and achieves the desired results **of the strategic plans and**
19 **mission statements approved by the governor** [IDENTIFIED BY THE
20 LEGISLATURE].

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

22 (a) The governor shall prepare a budget for the succeeding fiscal year that
23 must cover all estimated receipts, including all grants, loans, and money received from
24 the federal government and all proposed expenditures of the state government. The
25 budget shall be organized so that the proposed expenditures for each agency are
26 presented separately. The budget must be accompanied by the information required
27 under AS 37.07.050, **37.07.055, and 37.07.085** and by the following separate bills: (1)
28 an appropriation bill authorizing the operating and capital expenditures of the state's
29 integrated comprehensive mental health program under AS 37.14.003(a); (2) an
30 appropriation bill authorizing state operating expenditures other than those included in
31 the state's integrated comprehensive mental health program; (3) an appropriation bill

1 authorizing capital expenditures other than those included in the state's integrated
 2 comprehensive mental health program; and (4) a bill or bills covering
 3 recommendations, if any, in the budget for new or additional revenue. The budget for
 4 the succeeding fiscal year and each of the bills shall become public information on
 5 December 15 at which time the governor shall submit copies to the legislature and
 6 make copies available to the public. The bills, identical in content to the copies
 7 released on December 15, shall be delivered to the rules committee of each house
 8 before the fourth legislative day of the next regular session for introduction.

9 * **Sec. 11.** AS 37.07.040 is amended to read:

10 **Sec. 37.07.040. Office of management and budget.** The Alaska office of
 11 management and budget shall

12 (1) assist the governor in meeting the requirements of AS 37.07.020,
 13 including the coordination and analysis of state agency goals and objectives, **strategic,**
 14 **performance, and other** plans, and budget requests;

15 (2) prepare for submission to the governor an annually updated six-
 16 year capital improvements program and the proposed capital improvements budget for
 17 the coming fiscal year, the latter to include individual project justification with
 18 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 **developing and updating strategic plans,**
 25 **mission statements, performance plans, financial plans** [THEIR STATEMENT OF
 26 GOALS AND OBJECTIVES TO ACHIEVE, AMONG OTHER THINGS, THE
 27 LEGISLATURE'S MISSION AND DESIRED RESULTS, PREPARATION OF
 28 PLANS, ASSESSMENTS OF THE EXTENT TO WHICH MISSIONS AND
 29 DESIRED RESULTS HAVE BEEN ACHIEVED], budget requests, and reporting of
 30 program performance; all documents forwarded by the office to a state agency
 31 containing instructions for the preparation of program plans and budget requests and

1 the reporting of program performance are public information after the date they are
2 forwarded;

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

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

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

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

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

21 (10) [ESTABLISH AND ADMINISTER A STATE AGENCY
22 PROGRAM PERFORMANCE MANAGEMENT SYSTEM INVOLVING
23 PLANNING, PERFORMANCE BUDGETING, PERFORMANCE
24 MEASUREMENT, AND PROGRAM EVALUATION; THE OFFICE SHALL
25 ENSURE THAT INFORMATION GENERATED UNDER THIS SYSTEM IS
26 USEFUL FOR MANAGING AND IMPROVING THE EFFICIENCY AND
27 EFFECTIVENESS OF AGENCY OPERATIONS;

28 (11)] by January 15, list each lease-purchase agreement entered into by
29 an agency during the immediately preceding fiscal year for the acquisition of
30 equipment or other personal property, together with a description of the property
31 acquired and financial details, including the purchase price, the term for payments, the

1 amount of each payment, and the amount of interest or financing charges paid;

2 (11) [(12)] work with state agencies to develop a standardized
3 methodology to collect and store energy consumption and expense data;

4 (12) compile the strategic plans and mission statements submitted
5 to the office under AS 37.07.050(a) and submit the strategic plans and mission
6 statements to the governor for the governor's consideration;

7 (13) compile the performance plans submitted to the office under
8 AS 37.07.085 and submit the performance plans to the governor for the
9 governor's consideration;

10 (14) compile the quarterly reports submitted to the office under
11 AS 37.07.014(f) and submit the reports to the senate secretary and the chief clerk
12 of the house of representatives and notify the legislature that the reports are
13 available.

14 * **Sec. 12.** AS 37.07.050 is repealed and reenacted to read:

15 **Sec. 37.07.050. Agency strategic plans; mission statements.** (a) Each state
16 agency shall develop and submit to the office in an electronic format comprehensive
17 strategic plans and mission statements for the divisions and core functions of that
18 agency consistent with the statutory authority of the agency and the governor's
19 statewide priorities. The strategic plan must cover the following four fiscal years. Each
20 state agency shall update its strategic plans and mission statements at the beginning of
21 each gubernatorial term, and at least once every two years after the beginning of the
22 gubernatorial term, and submit the updated plans and mission statements to the office.
23 A plan must, at a minimum,

24 (1) describe the strategic plan and mission statement; the mission
25 statement must concisely state the fundamental public purpose of the agency and its
26 programs and describe the services provided and activities conducted by the agency,
27 including an explanation of why and for whom those services and activities are
28 provided or conducted;

29 (2) identify three to six goals for the agency;

30 (3) identify specific, measurable, realistic, and timely objectives
31 related to each goal that the agency will use to achieve its goals based on the

1 recommendations of the division directors of the agency;

2 (4) describe any user group surveys or other methods of gathering user
3 group opinions the agency has used to identify ways to improve its program;

4 (5) describe the population served by the agency and major trends
5 affecting that population, including relevant state or national trends;

6 (6) identify key factors external to and outside the control of the
7 agency that could significantly affect the achievement of the goals and objectives
8 identified in the strategic plan; and

9 (7) identify legislation and regulatory changes required to implement
10 the proposed strategic plan.

11 (b) The office shall

12 (1) review each strategic plan and mission statement submitted to the
13 office under (a) of this section to determine whether each plan and mission statement
14 is consistent with the executive decisions and statewide priorities of the governor,
15 appropriations by the legislature, and other provisions of law, whether each plan
16 reflects proper planning and efficient management methods, and whether the planning
17 is consistent with the strategic plans and mission statements issued by the governor;

18 (2) approve the strategic plan and mission statement if satisfied that the
19 plan and mission statement meet the requirements under (1) of this subsection;
20 otherwise, the office shall require the state agency to revise the strategic plan or
21 mission statement, in whole or in part;

22 (3) review each performance plan submitted to the office under
23 AS 37.07.085 to determine whether the plan is consistent with the statewide priorities,
24 strategic plans, and mission statements issued by the governor;

25 (4) approve the performance plan if satisfied that the plan meets the
26 requirements under (3) of this subsection; otherwise, the office shall require the state
27 agency to revise the performance plan, in whole or in part.

28 (c) If a state agency fails to transmit the information as required under (a) of
29 this section by the specified date, the office may prepare the information.

30 (d) All strategic plans, mission statements, and other documents forwarded to
31 the office by a state agency under this section are public information after the date

1 they are forwarded.

2 (e) In this section, "state agency" or "agency" has the meaning given to
3 "agency" in AS 37.07.120, but does not include an officer, board, or commission.

4 * **Sec. 13.** AS 37.07 is amended by adding a new section to read:

5 **Sec. 37.07.055. Boards and commissions: programs; operations and**
6 **financial plans.** (a) Each board and commission shall prepare and compile a financial
7 plan and shall, on or before December 15 of each year, submit the plan to the office,
8 the legislative finance division, the senate secretary, and the chief clerk of the house of
9 representatives and notify the legislature that the plan is available. The plan must

10 (1) include

11 (A) the budget requested to carry out the proposed plans of the
12 board or commission in the succeeding fiscal year;

13 (B) the expenditures made during the preceding fiscal year;

14 (C) the expenditures authorized for the current fiscal year;

15 (D) the expenditures proposed for the succeeding fiscal year;

16 (E) an explanation of the services to be provided in the
17 succeeding fiscal year, including the need for the services and the cost of the
18 services;

19 (F) the number of total positions for all persons employed or
20 under contract by the board or commission for personal services, including
21 those rendered for capital improvement projects; and

22 (G) other information requested by the office;

23 (2) include a report of receipts of the board or commission for
24 expenditures made during the preceding fiscal year, an estimate of receipts for
25 expenditures to be made during the current fiscal year, and an estimate of receipts for
26 expected expenditures for the succeeding fiscal year; and

27 (3) identify legislation required to implement the proposed financial
28 plans.

29 (b) Each board and commission shall prepare an annual plan for the operation
30 of each of its assigned programs except for programs that are exempted from this
31 requirement by the office. The operations plan shall be prepared in the form and

1 content and be transmitted on the date prescribed by the office. The office shall

2 (1) review each operations plan to determine whether the plan is
3 consistent with the executive decisions of the governor, appropriations by the
4 legislature, and other provisions of law, whether the plan reflects proper planning and
5 efficient management methods, and whether appropriations have been made for the
6 legislatively established purpose and will not be exhausted before the end of the fiscal
7 year;

8 (2) approve the operations plan if satisfied that the plan meets the
9 requirements under (1) of this subsection; otherwise, the office shall require the board
10 or commission to revise the operations plan, in whole or in part.

11 (c) The office shall assist boards and commissions in the preparation of their
12 financial plan under (a) of this section. This assistance may include technical
13 assistance, organization of materials, centrally collected accounting, budgeting and
14 personnel information, standards and guidelines formulation, population and other
15 required data, and any other assistance that will help the boards and commissions
16 produce the information necessary for efficient management and effective decision-
17 making by the governor and the legislature.

18 (d) If a board or commission fails to transmit the plan as required under (a) or
19 (b) of this section by the specified date, the office may prepare the plan.

20 (e) The office shall compile and submit to the governor-elect in any year when
21 a new governor has been elected, not later than December 15, a summary of the
22 financial plan prepared by boards and commissions under (a) of this section.

23 (f) All goals and objectives, plans, programs, estimates, budgets, and other
24 documents forwarded to the office by a board or commission under this section are
25 public information after the date they are forwarded.

26 (g) Budget requests for boards and commissions and for those agency
27 programs for the fiscal year following termination under AS 44.66 shall be prepared
28 and submitted. The recommended appropriation request must include

29 (1) an identification of the objectives intended for the program and the
30 problem or need that the activities and operations of the board, commission, or
31 program is intended to address;

1 (2) an assessment of the degree to which the original objectives of the
2 program have been achieved expressed in terms of performance, effects, or
3 accomplishments of the program and of the program or need the objective was
4 intended to address;

5 (3) a statement of the performance and accomplishments of the
6 program in each of the last four completed fiscal years and of the costs incurred in the
7 operation of the program;

8 (4) a statement of the number and types of persons affected by
9 operation of the program;

10 (5) a summary statement, for each of the last three completed fiscal
11 years, of the number of personnel employed in carrying out the program and a
12 summary of the cost of personnel employed under contract in carrying out the
13 program;

14 (6) an assessment of the effect of the program on the economy of the
15 state;

16 (7) an assessment of the degree to which the overall policies of the
17 program, as expressed in regulations adopted by the agency, board, or commission and
18 its decisions, meet the objectives of the legislature in establishing the program;

19 (8) an analysis of the services and performance estimated to be
20 achieved if the life of the agency, board, or commission were to be continued;

21 (9) a prioritized list of the activities the agency, board, or commission
22 would be expected to perform if the life of the agency, board, or commission were to
23 be continued, from the most important to the least important.

24 (h) Each board and commission shall, with participation of its employees,
25 develop methods for measuring results. A group or committee established by a board
26 or commission to develop methods of measuring results shall include a representative
27 of each of the bargaining units that represents employees of the board or commission.

28 (i) The office shall report quarterly to the governor and the legislature on the
29 operations of each board and commission, relating actual accomplishments to those
30 planned and modifying, if necessary, the operations plan of any board or commission
31 for the balance of the fiscal year.

1 * **Sec. 14.** AS 37.07.060(a) is amended to read:

2 (a) The governor shall **identify three to five statewide priorities and shall**
 3 formulate the operating and capital budget, capital improvements program, and fiscal
 4 plan required to be recommended to the legislature by AS 37.07.020 after considering
 5 the **information provided under AS 37.07.040, 37.07.050, 37.07.055, and 37.07.085**
 6 [STATE AGENCY PROPOSED PROGRAM AND FINANCIAL PLANS
 7 PREPARED IN ACCORDANCE WITH AS 37.07.050], and other programs and
 8 alternatives that the governor considers appropriate. The plans must include the
 9 governor's **statewide priorities, strategic plans, mission statements, performance**
 10 **plans** [RECOMMENDED MISSIONS AND RESULTS, RECOMMENDED
 11 STRATEGIES TO IMPLEMENT THE MISSIONS AND RESULTS,
 12 RECOMMENDED MEASURES FOR DETERMINING WHETHER THE
 13 MISSIONS AND DESIRED RESULTS ARE ACHIEVED, INCLUDING AN
 14 ASSESSMENT OF WHETHER PRIOR YEAR MISSIONS AND DESIRED
 15 RESULTS HAVE BEEN ACHIEVED], recommended operating program for the
 16 succeeding fiscal year, recommended capital improvements program for the
 17 succeeding six fiscal years, recommended programs for the upgrading of public
 18 buildings and facilities prepared in accordance with AS 35.10.015, and recommended
 19 revenue measures to support the programs.

20 * **Sec. 15.** AS 37.07.060 is amended by adding a new subsection to read:

21 (c) The governor shall present the governor's strategic plans and mission
 22 statements in a message to a joint session of the legislature at the same time the
 23 governor presents the governor's message under (b) of this section. The message under
 24 this subsection must be accompanied by an explanatory report that identifies the
 25 governor's statewide priorities and summarizes the strategic plans and mission
 26 statements. The governor may not update the strategic plans, mission statements, or
 27 explanatory report after the 30th legislative day following the convening of the
 28 legislature in regular session.

29 * **Sec. 16.** AS 37.07.070 is amended to read:

30 **Sec. 37.07.070. Legislative review.** The legislature shall consider the
 31 governor's **statewide priorities, strategic plans, mission statements, financial**

1 **plans, agency performance plans,** proposed comprehensive operating and capital
 2 improvements programs, and fiscal plan if it is required under AS 37.07.020(b),
 3 evaluate alternatives to the plans, make program selections among the various
 4 alternatives, and determine, subject to available **revenue** [REVENUES], the level of
 5 funding required to support authorized state services. The presiding officer of each
 6 house may refer the fiscal plan to one or more committees. If the fiscal plan is
 7 referred, the first committee of referral shall hold at least one hearing on it. The
 8 operating and capital budgets of each agency shall be separately reviewed. During
 9 each regular session of the legislature, legislative review of the governor's
 10 supplemental appropriation bills and the governor's budget amendments are governed
 11 by the following time limits:

12 (1) requests by the governor for supplemental appropriations for state
 13 agency operating and capital budgets for the current fiscal year may be introduced by
 14 the rules committee only through the 15th legislative day;

15 (2) requests by the governor for budget amendments to state agency
 16 budgets for the budget fiscal year may be received and reviewed by the finance
 17 committees only through the 30th legislative day.

18 * **Sec. 17.** AS 37.07.080(a) is amended to read:

19 (a) Except as limited by executive decisions of the governor, the **strategic**
 20 **plans and** mission statements [AND DESIRED RESULTS] issued by the **governor**
 21 [LEGISLATURE], appropriations by the legislature, and other provisions of law,
 22 [THE SEVERAL] state agencies have full authority for administering their program
 23 service assignments and are responsible for their proper management.

24 * **Sec. 18.** AS 37.07.080(d) is amended to read:

25 (d) A state agency may not increase the salaries of its employees, employ
 26 additional employees, or expend money or incur obligations except in accordance with
 27 law and a properly approved **strategic, performance, or** operations plan, **as**
 28 **applicable.**

29 * **Sec. 19.** AS 37.07 is amended by adding a new section to read:

30 **Sec. 37.07.085. Performance plan and financial plan.** (a) Each agency shall
 31 annually establish a performance plan and a financial plan that are consistent with the

1 agency strategic plan and submitted in a format and by a date prescribed by the office.
2 The office shall, on or before December 15 of each year, submit the performance plan
3 and the financial plan to the legislative finance division, the senate secretary, and the
4 chief clerk of the house of representatives and notify the legislature that the plans are
5 available.

6 (b) The performance plan must

7 (1) describe the program structure of the agency and any proposed
8 changes to its current program structure;

9 (2) identify each program of the agency and, for each program, provide

10 (A) the constitutional or statutory authority for the program;

11 and

12 (B) a single statement identifying

13 (i) the services provided and customers served by the
14 program; and

15 (ii) the benefit to the public or intended outcome of the
16 program;

17 (3) identify performance measures that clearly assess and capture the
18 progress made by the agency in meeting the goals and objectives of its divisions and
19 core functions of the agency stated in the strategic plan required under
20 AS 37.07.050(a);

21 (4) identify the goals and objectives defined in the agency strategic
22 plan that correspond to each performance measure identified under (3) of this
23 subsection;

24 (5) identify results for each performance measure for the prior four
25 fiscal years and, if historical data is not available, indicate whether the absence of
26 historical data is because a new performance measure is being used; and

27 (6) identify performance targets for each performance measure for the
28 succeeding fiscal year.

29 (c) The financial plan must include the following information:

30 (1) for the prior four fiscal years, identify revenue and expenditures for
31 the agency and for each program of the agency by fiscal year;

1 (2) breakdowns of the revenue and expenditures identified in (1) of
2 this subsection that list amounts received by each different revenue source and
3 amounts expended on each type of expenditure;

4 (3) estimates of revenue and expenditures for the current and
5 succeeding fiscal year;

6 (4) the budget requested to carry out the proposed plans of the agency
7 in the succeeding fiscal year;

8 (5) the expenditures authorized for the current fiscal year;

9 (6) the expenditures proposed for the succeeding fiscal year;

10 (7) the number of total positions for all persons employed or under
11 contract by the agency for personal services, including those rendered for capital
12 improvement projects;

13 (8) the cost of the services provided by each program identified under
14 (b)(2) of this section;

15 (9) a report of receipts of the agency for expenditures made during the
16 preceding fiscal year, an estimate of receipts for expenditures to be made during the
17 current fiscal year, and an estimate of receipts for expected expenditures for the
18 succeeding fiscal year;

19 (10) identification of legislation required to implement the proposed
20 financial plan; and

21 (11) other financial information requested by the office.

22 (d) The office shall assist agencies in the preparation of their performance
23 plans and financial plans required by (a) - (c) of this section. This assistance may
24 include technical assistance, organization of materials, centrally collected accounting,
25 budgeting and personnel information, standards and guidelines formulation,
26 population and other required data, and any other assistance that will help the state
27 agencies produce the information necessary for efficient agency management and
28 effective decision-making by the governor and the legislature.

29 (e) If any state agency fails to transmit the performance plan or financial plan
30 required by (a) - (c) of this section by the date prescribed by the office, the office may
31 prepare the information.

1 (f) Once each calendar quarter, each agency shall prepare a performance
 2 report updating the performance information required under (b)(3) - (5) of this section
 3 and present its performance report to the office in a format prescribed by the office.

4 (g) All performance plans, financial plans, reports, and other documents
 5 forwarded to the office by a state agency under this section are public information
 6 after the date they are forwarded. The office shall publish the plans and reports
 7 required under this section on a publicly available Internet website.

8 (h) Each state agency shall develop its performance plan with the participation
 9 of its employees. A group or committee established by a state agency to develop a
 10 performance plan shall include a representative of each of the bargaining units that
 11 represent employees of the state agency.

12 * **Sec. 20.** AS 37.07.120 is amended by adding new paragraphs to read:

13 (11) "goal" means a broad statement generally describing a desired
 14 outcome for an agency or a program of the agency;

15 (12) "objective" means a measurable target that describes the end
 16 result that a service or program is expected to accomplish in a given amount of time;

17 (13) "performance measure" means a quantifiable and enduring
 18 measure of an outcome, output, efficiency, or effectiveness;

19 (14) "strategic plan" means a strategic plan developed under
 20 AS 37.07.050.

21 * **Sec. 21.** AS 44.66.050(a) is amended to read:

22 (a) Before the termination, dissolution, continuation, or reestablishment of a
 23 board or commission under AS 08.03.010 or AS 44.66.010, a committee of reference
 24 of each house, which shall be the standing committee of legislative jurisdiction as
 25 provided in the Uniform Rules of the Legislature, shall hold one or more hearings to
 26 receive testimony from the public, the commissioner of the department having
 27 administrative responsibility for each named board or commission, and the members
 28 of the board or commission involved. The hearings may be joint hearings. The
 29 committee shall also consider the proposed budget of the board or commission
 30 prepared in accordance with AS 37.07.055(g) [AS 37.07.050(f)] and the performance
 31 audit of the activities of the board or commission prepared by the legislative audit

1 division as prescribed in AS 24.20.271(1). The committee may consider any other
2 report of the activities of the board or commission, including annual reports,
3 summaries prepared by the Legislative Affairs Agency, and any evaluation or general
4 report of the manner of conduct of activities of the board or commission prepared by
5 the office of the ombudsman.

6 * **Sec. 22.** AS 37.07.080(b) and 37.07.080(c) are repealed.

7 * **Sec. 23.** This Act takes effect July 1, 2024.