

MAINE STATE LEGISLATURE

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L.D. 1790

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DATE: March 21, 1996 (Filing No. S-502)

STATE AND LOCAL GOVERNMENT

Reported by: Senator LONGLEY of Waldo for the Committee.

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STATE OF MAINE
SENATE
117TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A " to S.P. 700, L.D. 1790, Bill, "An Act to Implement Performance Budgeting in State Government"

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

'Sec. 1. 5 MRSA §1710-K, as enacted by PL 1995, c. 395, Pt. B, §1, is repealed and the following enacted in its place:

§1710-K. Commission on Performance Budgeting established; definitions

1. Definitions. As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

A. "Commission" means the Commission on Performance Budgeting.

B. "Measurable objective" means a specific quantifiable outcome that defines how an agency will achieve its goals and that defines the actual impact on the public being served rather than the level of effort expended by the agency. The use of a "measurable objective" is a tool to assess the effectiveness of an agency's performance and the public benefit derived.

C. "Performance budgeting" means the method for developing and finalizing an agency's request for appropriations or

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2 allocations derived from its strategic plan and consistent
3 with an agency's statutory responsibilities. "Performance
4 budgeting" allocates resources based on the achievement of
5 measurable objectives, which in turn are related to the
6 agency's mission and goals.

7
8 D. "Policy area" means a broad functional category into
9 which executive departments, state agencies, organizations,
10 corporations, associations or programs and subprograms are
11 grouped according to the degree to which they share the same
12 or similar goals; encompass activities that share a common
13 purpose; have common or similar customers; have common or
14 similar measurable objectives; and may be analyzed by
15 similar methods as defined by the State Budget Officer and
16 the Legislative Council or the council's designee.

17 E. "Program" means a grouping of activities and expected
18 results that are directed toward the accomplishment of a set
19 of goals and objectives and represent a department, bureau,
20 division or operational entity to which the Legislature
21 appropriates or allocates resources as defined by the State
22 Budget Officer and the Legislative Council or the council's
23 designee.

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25 F. "State agency" means a department, agency, organization,
26 corporation or association that receives a direct
27 appropriation or allocation from the State or is required to
28 comply with chapter 149.

29
30 G. "Strategic plan" means a long-range, policy-oriented
31 document that maps an explicit path between the present and
32 a vision of the future. A "strategic plan" is derived from
33 an assessment, goal-setting and decision-making process that
34 relies on careful consideration of an agency's capabilities
35 and environment. A "strategic plan" identifies a state
36 agency's mission, goals, measurable objectives and
37 strategies and leads to priority-based resource allocation
38 and other decisions. For purposes of implementing this
39 chapter, the State Planning Office may prescribe the format
40 and process for developing a strategic plan.

41
42 H. "Subprogram" means a grouping of activities and expected
43 results that is directed toward a set of measurable
44 objectives and represents a subset of a program.

45
46 2. Commission established. The Commission on Performance
47 Budgeting is established to monitor, track and guide performance
48 budgeting in State Government and to report to the Legislature
49 and the Governor periodically on recommendations for improvements
50 in performance budgeting.

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2 Sec. 2. 5 MRSA §§1710-P and 1710-Q are enacted to read:

4 §1710-P. Performance budgeting

6 State Government shall fully implement performance budgeting
8 according to the following schedule.

10 1. Development of a draft strategic plan. By August 1,
12 1996, each state agency shall develop a draft strategic plan.
14 During preparation of the plan, each agency shall consult with
16 and receive comments from the joint standing committee of the
18 Legislature having jurisdiction over that agency's matters. Each
 state agency shall provide copies of its draft strategic plan to
 the Director of the State Planning Office, the State Budget
 Officer, the Director of the Office of Fiscal and Program Review
 and the joint standing committee of the Legislature having
 jurisdiction over that agency's matters.

20 2. Selection of a program within each agency. By September
22 1, 1996, each state agency shall develop for one program budget
24 proposals that are tied to measurable objectives for that
26 program. During selection of the program, each agency shall
 consult with and receive comments from the joint standing
 committee of the Legislature having jurisdiction over that
 agency's matters, the State Budget Officer and the Director of
 the Office of Fiscal and Program Review.

28 3. Submission of the final strategic plan and program
30 selection for legislative review. No later than February 1,
32 1997, each state agency shall submit its final strategic plan and
34 budget proposal for the selected program for review by the joint
36 standing committee of the Legislature having jurisdiction over
 that agency's matters. Copies of each final strategic plan and
 budget proposal must be provided to the State Budget Officer and
 the Director of the Office of Fiscal and Program Review.

38 4. Selection of program by policy area. By September 1,
40 1997, each state agency shall identify at least one program or
42 significant subprogram within a policy area that has the same or
44 similar goals and objectives as one or more other state agencies;
46 develop jointly with those state agencies measurable objectives;
48 and coordinate strategies for achieving those objectives. During
 selection of the program, each agency shall consult with and
 receive comments from the joint standing committee of the
 Legislature having jurisdiction over that agency's matters, the
 State Budget Officer and the Director of the Office of Fiscal and
 Program Review.

2 Each state agency shall submit its joint measurable objectives
3 and strategies to the Director of the State Planning Office, who
4 shall provide copies to the State Budget Officer, the Office of
5 Fiscal and Program Review and the joint standing committee of the
6 Legislature having jurisdiction over the agency's matters.

7
8 5. Development of policy areas. By December 31, 1997, the
9 State Budget Officer and the Legislative Council or the council's
10 designee, in consultation with state agencies, shall develop a
11 plan to group all state agencies into policy areas, which must be
12 formed around common goals and measurable objectives. Any plan
13 that proposes to transfer or modify the existing statutory
14 mission or mandate of an agency must be submitted to and approved
15 by the Legislature prior to implementation.

16 6. Development of joint strategic plans. By June 30, 1998,
17 state agencies within each policy area shall develop joint
18 strategic plans that identify common goals, measurable objectives
19 and strategies for all programs. Plans must be submitted to the
20 Director of the State Planning Office. The Director of the
21 State Planning Office shall provide copies to the joint standing
22 committees of the Legislature having jurisdiction over the
23 matters encompassed by each policy area.

24
25 7. Development of joint budget proposals. By September 1,
26 1998, state agencies within each policy area shall develop budget
27 proposals that are tied to their joint measurable objectives and
28 strategic plan.

29
30 8. Demonstration project; job training programs. The
31 Department of Labor, the Department of Education, the Department
32 of Corrections, the Department of Human Resources, the Department
33 of Mental Health and Mental Retardation and the Maine Technical
34 College System shall at a minimum select job training as one of
35 the policy areas in which they develop joint strategic planning
36 and budgeting as a demonstration project for the purposes of
37 carrying out the requirements of subsections 4 to 7 for the
38 biennium beginning July 1, 1997.

39
40 §1710-Q. Repeal

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42 This chapter is repealed July 1, 2003.

43
44 Sec. 3. Report on repeal; legislation. The Commission on
45 Performance Budgeting shall provide recommendations by January 1,
46 2003 to the Governor and the joint standing committee of the
47 Legislature having jurisdiction over State Government matters
48 concerning the need for repealing the repeal of the Maine Revised
Statutes, Title 5, chapter 151-C and extending authorization for

the implementation of performance budgeting. The committee may report a bill based on these recommendations.'

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

The additional administrative costs associated with the implementation of performance budgeting can be absorbed by the State Planning Office, the Bureau of the Budget and the Legislative Council utilizing existing budgeted resources.

The additional costs to develop strategic plans and to use those plans to derive budget proposals can be absorbed by all state departments and agencies utilizing existing budgeted resources.

The bill also requires that state departments and agencies consult with and receive comments from the legislative committees of jurisdiction. If legislative committees are required to meet during the interim between sessions to review issues related to performance budgeting, the Legislature may require additional General Fund appropriations for the per diem and expenses of legislators. The amount of additional General Fund appropriations will depend upon the number of committee meetings held during an interim.'

STATEMENT OF FACT

The amendment makes some technical changes, correcting several dates. The amendment also requires that an agency consult with and receive comments from the joint standing committee of the Legislature having jurisdiction over that agency's matters for the development of a strategic plan as well as the development of joint strategic plans. The amendment specifies that job training must be one of the policy areas in which state agencies develop joint strategic planning and budgeting. The amendment also repeals in the year 2003 the entire chapter that establishes the Commission on Performance Budgeting and requires the commission to submit recommendations regarding that repeal to the Legislature. The amendment also adds a fiscal note to the bill.