

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND SEVENTEENTH LEGISLATURE

FIRST SPECIAL SESSION
November 28, 1995 to December 1, 1995

SECOND REGULAR SESSION
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THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
JULY 4, 1996

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1995

PART C

Sec. C-1. Rule-making authority. The Department of Environmental Protection has authority to adopt rules in accordance with the Maine Revised Statutes, Title 5, chapter 375 to implement Title 38, section 420-D; section 484, subsection 2, paragraph B; and section 485-A, subsection 1-C, as enacted by this Act and in accordance with the terms of those sections. Such rules must be provisionally adopted and submitted to the Legislature for review as major substantive rules pursuant to Title 5, chapter 375, subchapter II-A no later than January 1, 1997.

Sec. C-2. Effective date. This Act takes effect July 1, 1997, except section 1 of this Part takes effect 90 days after adjournment of the Second Regular Session of the 117th Legislature.

Sec. C-3. Retroactivity. That section of this Act that repeals the Maine Revised Statutes, Title 38, section 488, subsection 3 applies retroactively to July 3, 1980.

Effective July 1, 1997, unless otherwise indicated.

CHAPTER 705

S.P. 700 - L.D. 1790

An Act to Implement Performance Budgeting in State Government

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Public Law 1995, chapter 395 created the Commission on Performance Budgeting; and

Whereas, the Legislature proposes to require each state agency to develop a performance budget for one program by the 1998-1999 biennium and for all programs by the 2000-2001 biennium; and

Whereas, the Legislature proposes to require state agencies to develop strategic plans by August 1, 1996; and

Whereas, state agencies need advance notice and lead time to conduct their planning processes in order to meet the schedule proposed by the Legislature; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preserva-

tion of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

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

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

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

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

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

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

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

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

§1710-P. Performance budgeting

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

1. Development of a draft strategic plan. By August 1, 1996, each state agency shall develop a draft strategic plan. During preparation of the plan, each agency shall consult with and receive comments from the joint standing committee of the 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.

2. Selection of a program within each agency. By September 1, 1996, each state agency shall develop for one program budget proposals that are tied to measurable objectives for that 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.

3. Submission of the final strategic plan and program selection for legislative review. No later than February 1, 1997, each state agency shall submit its final strategic plan and budget proposal for the selected program for review by the joint 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.

4. Selection of program by policy area. By September 1, 1997, each state agency shall identify at least one program or significant subprogram within a policy area that has the same or similar goals and objectives as one or more other state agencies; develop jointly with those state agencies measurable objectives; 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.

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

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

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

7. Development of joint budget proposals. By September 1, 1998, state agencies within each policy

area shall develop budget proposals that are tied to their joint measurable objectives and strategic plan.

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

§1710-Q. Repeal

This chapter is repealed July 1, 2003.

Sec. 3. Report on repeal; legislation. The Commission on Performance Budgeting shall provide recommendations by January 1, 2003 to the Governor and the joint standing committee of the Legislature having jurisdiction over State Government matters 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.

Emergency clause. In view of the emergency cited in the preamble, this Act takes effect when approved.

Effective April 12, 1996.
