



# House of Representatives

General Assembly

**File No. 434**

*January Session, 2003*

House Bill No. 5337

*House of Representatives, April 17, 2003*

The Committee on Government Administration and Elections reported through REP. O'ROURKE of the 32nd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

## **AN ACT CONCERNING PERFORMANCE-INFORMED BUDGETING OF STATE AGENCIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4-67r of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2003*):

3 (a) There is created a Connecticut Progress Council. [The]  
4 Notwithstanding the provisions of this subsection, the terms of all  
5 members of the council who are serving on June 30, 2003, shall expire  
6 on said date. On and after July 1, 2003, the council shall consist of the  
7 following members: The Lieutenant Governor, the Secretary of the  
8 Office of Policy and Management, the Commissioners of Social  
9 Services, Transportation, Education and Economic and Community  
10 Development; the president pro tempore of the Senate, the speaker of  
11 the House of Representatives, the minority leader of the Senate, the  
12 minority leader of the House of Representatives, the majority leader of

13 the Senate and the majority leader of the House of Representatives, or  
14 their designees; the chairpersons and ranking members of the joint  
15 standing committee of the General Assembly having cognizance of  
16 matters relating to planning and development; a representative of a  
17 nonprofit municipal research organization, a representative of a state-  
18 sponsored economic advisory body, a representative of a major labor  
19 organization, a representative of a manufacturing concern, a  
20 representative of a service-related business and a representative of a  
21 financial service company, one appointed by the president pro  
22 tempore of the Senate, one by the speaker of the House of  
23 Representatives, one by the majority leader of the Senate, one by the  
24 majority leader of the House of Representatives, one by the minority  
25 leader of the Senate and one by the minority leader of the House of  
26 Representatives and six members appointed by the Governor, one  
27 representing medical services, one a major public or private university,  
28 one a major nonprofit organization, one a state employees' bargaining  
29 unit, one an environmental organization and one a business research  
30 organization. [The first meeting of the council shall be called on or  
31 before November 1, 1993, by the Secretary of the Office of Policy and  
32 Management.] On or after July 1, 2003, but not later than November 1,  
33 2003, the Secretary of the Office of Policy and Management shall  
34 convene a meeting of the council. The council shall elect a chairman  
35 from its members at the first meeting held on or after July 1, 2003.

36 (b) [The] Not later than July 1, 2004, and biennially thereafter, the  
37 council shall develop a long-range vision for the state and define  
38 benchmarks to measure progress to achieve the vision. The vision shall  
39 address areas of state concern, including, but not limited to, the areas  
40 of economic development, human resources and services, education,  
41 health, criminal justice, energy resources, transportation, housing,  
42 environmental quality, water supply, food production and natural and  
43 cultural resources. In developing the vision the council shall conduct  
44 public hearings, public meetings and workshops to insure the  
45 participation of a broad cross-section of the state's population. A public  
46 hearing shall be held on the vision and proposed benchmarks. The

47 council may establish advisory committees to assist it in accomplishing  
48 its duties under this section. Membership on any advisory committee  
49 may include persons who are not members of the council.

50 (c) Upon request of the council, a state department or nonpartisan  
51 legislative office shall provide the necessary personnel and resources  
52 to assist the council in performing its tasks in accordance with this  
53 section.

54 (d) On or before [~~February 1, 1994~~] July 1, 2004, and biennially  
55 thereafter, the council shall submit a report to the General Assembly  
56 which describes its activities and makes recommendations concerning  
57 the vision and benchmarks.

58 (e) On or before July 1, [~~1994~~] 2004, and biennially thereafter, the  
59 council shall submit the benchmarks to the Secretary of the Office of  
60 Policy and Management and the General Assembly for use in  
61 developing and reviewing the budget.

62 (f) On or before February 1, [~~1996~~] 2005, the Secretary of the Office  
63 of Policy and Management shall submit a report to the joint standing  
64 committees of the General Assembly having cognizance of matters  
65 relating to planning and development and the appropriations and  
66 budgets of state agencies and to the council which recommends a plan  
67 for the use of benchmarks in developing the budget for the biennium  
68 beginning July 1, [~~1997~~] 2005, and for each biennium thereafter.

69 Sec. 2. Section 4-67m of the general statutes is repealed and the  
70 following is substituted in lieu thereof (*Effective July 1, 2004, and first*  
71 *applicable to the fiscal year commencing July 1, 2005*):

72 (a) Not later than November 1, 2004, and biennially thereafter, each  
73 budgeted state agency shall (1) examine the benchmarks established  
74 pursuant to section 4-67r, as amended by this act, (2) identify the  
75 benchmarks that are within the agency's cognizance, and (3) inform the  
76 Secretary of the Office of Policy and Management of such benchmarks.

77        (b) The Secretary of the Office of Policy and Management shall  
78 examine the benchmarks identified pursuant to subsection (a) of this  
79 section and shall determine which budgeted state agencies have  
80 cognizance of each benchmark. If more than one budgeted state agency  
81 shares cognizance of a benchmark, the secretary shall determine which  
82 agency shall be the lead coordinating agency for that benchmark.

83        [(a)] (c) The Office of Policy and Management, in consultation with  
84 each budgeted state agency shall develop, for state budgeting  
85 purposes, specific biennial goals and objectives and quantifiable  
86 outcome measures, which shall not be limited to measures of activities,  
87 for each program, service and state grant administered or provided by  
88 such agency. The Secretary of the Office of Policy and Management  
89 shall submit an annual report [concerning such] that identifies the  
90 benchmarks, the agencies with cognizance of each benchmark, the lead  
91 coordinating agency for each benchmark, if any, and the goals,  
92 objectives and measures to the joint standing committee of the General  
93 Assembly having cognizance of matters relating to appropriations and  
94 the joint standing committee having cognizance of matters relating to  
95 the agency. For the biennium beginning July 1, [1995] 2005, and for  
96 each biennium thereafter, the annual report shall include an evaluation  
97 of the impact of each program, service and state contract on the family.

98        [(b)] (d) The goals, objectives and measures developed for each such  
99 agency pursuant to subsection [(a)] (c) of this section shall be  
100 implemented for the biennium beginning July 1, [1993] 2005. The  
101 Office of Policy and Management, in consultation with each [such]  
102 lead agency, shall review and revise such goals, objectives and  
103 measures for each biennium thereafter.

104        [(c)] (e) For the biennium beginning July 1, [1995] 2005, and for each  
105 biennium thereafter, the annual report submitted pursuant to  
106 subsection [(a)] (c) of this section shall evaluate the progress of  
107 budgeted state agencies in achieving the benchmarks established  
108 under section 4-67r, as amended by this act.

109 Sec. 3. Section 4-73 of the general statutes is repealed and the  
110 following is substituted in lieu thereof (*Effective July 1, 2004, and first*  
111 *applicable to the fiscal year commencing July 1, 2005*):

112 (a) Part II of the budget document shall present in detail for each  
113 fiscal year of the ensuing biennium the Governor's recommendation  
114 for appropriations to meet the expenditure needs of the state from the  
115 General Fund and from all special and agency funds classified by  
116 budgeted agencies and showing for each budgeted agency and its  
117 subdivisions: (1) A narrative summary describing the agency, the  
118 benchmarks for the agency and the agency's responsibilities, if any, as  
119 a lead coordinating agency, as determined under section 4-67m, as  
120 amended by this act, the specific goals and objectives related to those  
121 benchmarks as identified pursuant to section 4-67m, as amended by  
122 this act, the Governor's recommendations for appropriations for the  
123 agency and a list of agency programs, the actual expenditure for the  
124 last-completed fiscal year, the estimated expenditure for the current  
125 fiscal year, the amount requested by the agency and the Governor's  
126 recommendations for appropriations for each fiscal year of the ensuing  
127 biennium; (2) a summary of permanent full-time positions by fund,  
128 setting forth the number filled and the number vacant as of the end of  
129 the last-completed fiscal year, the total number intended to be funded  
130 by appropriations without reduction for turnover for the fiscal year in  
131 progress, the total number requested and the total number  
132 recommended for each fiscal year of the biennium to which the budget  
133 relates.

134 (b) In addition, programs shall be supported by: (1) The statutory  
135 authorization for the program; (2) a statement of program objectives,  
136 including, but not limited to, the specific goals and objectives  
137 identified pursuant to section 4-67m, as amended by this act; (3) a  
138 description of the program, including a statement of need, eligibility  
139 requirements and any intergovernmental participation in the program;  
140 (4) a statement of performance measures by which the  
141 accomplishments toward the program objectives can be assessed,  
142 which shall include, but not be limited to, an analysis of the workload,

143 quality or level of service and effectiveness of the program, and the  
144 quantifiable outcome measures identified pursuant to section 4-67m,  
145 as amended by this act; (5) program budget data broken down by  
146 major object of expenditure, showing additional federal and private  
147 funds; (6) a summary of permanent full-time positions by fund, setting  
148 forth the number filled and the number vacant as of the end of the last-  
149 completed fiscal year, the total number intended to be funded by  
150 appropriations without reduction for turnover for the fiscal year in  
151 progress, the total number requested and the total number  
152 recommended for each fiscal year of the biennium to which the budget  
153 relates; (7) a statement of expenditures for the last-completed and  
154 current fiscal years, the agency request and the Governor's  
155 recommendation for each fiscal year of the ensuing biennium and, for  
156 any new or expanded program, estimated expenditure requirements  
157 for the fiscal year next succeeding the biennium to which the budget  
158 relates; and (8) an explanation of any significant program changes  
159 requested by the agency or recommended by the Governor.

160 (c) There shall be a supporting schedule of total agency  
161 expenditures including a line-item, minor object breakdown of  
162 personal services, contractual services and commodities and a total of  
163 state aid grants and equipment, showing the actual expenditures for  
164 the last-completed fiscal year, estimated expenditures for the current  
165 fiscal year and requested and recommended appropriations for each  
166 fiscal year of the ensuing biennium, classified by objects according to a  
167 standard plan of classification.

168 (d) All federal funds expended or anticipated for any purpose shall  
169 be accounted for in the budget. The document shall set forth a listing  
170 of federal programs, showing the actual expenditures for the last-  
171 completed fiscal year, estimated expenditures for the current fiscal  
172 year and anticipated funds available for expenditure for each fiscal  
173 year of the ensuing biennium. Such federal funds shall be classified by  
174 program in each budgeted agency but shall not include research grants  
175 made to educational institutions.

176 (e) Part II of the budget document shall also set forth the budget  
 177 recommendations for the capital program, to be supported by  
 178 statements listing the agency's requests and the Governor's  
 179 recommendations with the statements required by section 4-78.

180 (f) The appropriations recommended for the legislative branch of  
 181 the state government shall be the estimates of expenditure  
 182 requirements transmitted to the Secretary of the Office of Policy and  
 183 Management by the Joint Committee on Legislative Management  
 184 pursuant to section 4-77 and the recommended adjustments and  
 185 revisions of such estimates shall be the recommended adjustments and  
 186 revisions, if any, transmitted by said committee pursuant to said  
 187 section 4-77.

This act shall take effect as follows:	
Section 1	<i>July 1, 2003</i>
Sec. 2	<i>July 1, 2004, and first applicable to the fiscal year commencing July 1, 2005</i>
Sec. 3	<i>July 1, 2004, and first applicable to the fiscal year commencing July 1, 2005</i>

**GAE**      *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

**OFA Fiscal Note**

**State Impact:**

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Policy & Mgmt., Off.	GF - Cost	None	Potential
Legislative Mgmt.	GF - Cost	Minimal	Minimal
All Budgeted Agencies	GF - Cost	None	Potential Minimal
Various	GF - None	None	None

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill reconstitutes the Connecticut Progress Council, and reappoints the Lieutenant Governor, the Secretary of the Office of Policy and Management (OPM), and the commissioners of Transportation, Education, Social Services, and Economic and Community Development. It is anticipated the appointees, or their designees can serve on the council within normal budgetary resources. Additionally, the bill reappoints legislators to the council which may result in a minimal cost for legislator mileage reimbursement.

The bill requires the council to develop a long range vision for the state and establish benchmarks by July 1, 2004, and submit such benchmarks to OPM and the General Assembly. Beginning in FY 05, the agencies must implement the goals, objectives and measures, and OPM must include an assessment of the benchmarks and a family impact evaluation. Depending on the nature of the benchmarks developed by the council, agencies may incur costs, which are anticipated to be minimal. It is anticipated that OPM will incur costs, to assess the benchmarks, the extent of any potential costs depend upon the complexity of the assessment performed and the nature of

the benchmarks that are developed.

Additionally, OPM must incorporate each agency's benchmarks, goals and objectives into the Governor's Recommended Budget document. It is anticipated that the automated budget system can accommodate the additional information required and will not result in a cost to either OPM or the agencies.

**OLR Bill Analysis**

HB 5337

**AN ACT CONCERNING PERFORMANCE-INFORMED BUDGETING OF STATE AGENCIES****SUMMARY:**

This bill reconstitutes the Connecticut Progress Council to develop a policy planning and evaluation tool. Under the bill, the terms of current members expire on June 30, 2003, and the new council members begin on July 1, 2003. The bill retains the council membership of ex-officio executive branch officials and legislative leaders, and representatives from the same private and nonprofit organizations identified in the current law. By law, the council can create advisory committees. State agencies and nonpartisan legislative offices, when requested, must help the council develop the tool.

The new council must develop a long-range vision for the state and benchmarks to measure progress toward achieving that vision by July 1, 2004 and biennially after that. It must hold public hearings on the vision and the benchmarks and, by July 1, 2004, report its activities and make recommendations on the vision and benchmarks to the legislature.

The council must then submit biennial benchmarks to the Office of Policy and Management (OPM) and legislature for use in developing and reviewing the budget. Under the bill, the first benchmarks are due July 1, 2004.

OPM and every budgeted agency must examine the council's benchmarks and identify the appropriate agency with cognizance over each. OPM must assess the progress state agencies have made toward achieving the benchmarks and include the results in the annual report current law requires it to submit to the legislature on agencies' goals and objectives. For each biennium, beginning with July 1, 2005, the bill requires (1) agencies to implement their goals, objectives, and measures and (2) OPM to include in its annual report its assessment of the benchmarks and a family impact evaluation.

The bill requires the governor to include in his budget document's biennium recommendations for appropriations the benchmarks for which each agency is responsible and the specific goals and objectives related to them. The statements of program objectives and performance measures that appear in the budget must include specific goals and objectives and quantifiable outcome measures, respectively, that agencies develop.

EFFECTIVE DATE: July 1, 2003 for the reestablishment of the council; July 1, 2004 for the provisions requiring OPM and state agencies to include the benchmarks with their goals, objectives, and measures in evaluations and budget recommendations and applicable to fiscal years beginning with FY 2005-2006.

## **COUNCIL**

The bill reconstitutes the 28-member Connecticut Progress Council to develop the vision and benchmarks. By law, the council consists of the lieutenant governor; the OPM secretary; the commissioners of transportation, education, social services, and economic and community development; the six top legislative leaders or their designees; the chairmen and ranking members of the Planning and Development Committee; and representatives of private and nonprofit groups appointed by the governor and legislative leaders.

The governor must appoint one representative each of a medical services provider, a major public or private university a major nonprofit organization, a state employees' union, an environmental organization, and a business research organization.

The six top legislative leaders each appoint a representative of groups specified in the law. The groups that must be represented on the council are a nonprofit municipal research organization, a state-sponsored economic advisory body, a major labor union, a manufacturer, a service business, and a financial service company.

The OPM secretary called the first council meeting before November 1, 1993. The bill requires the secretary to convene the new council by November 1, 2003. The council must elect its chairman at this meeting from among its members.

## **VISION**

The bill requires the council to develop its vision by July 1, 2004 and revise it biennially. The vision must address areas of state concern specified in current law. It must cover education, health, transportation, housing, environmental quality, water supply, food production, economic development, criminal justice, energy resources, human resources and services, and natural and cultural resources.

### **PUBLIC HEARINGS**

By law, the council must involve the public in preparing the vision and benchmarks. It must conduct hearings, meetings, and workshops to insure that a broad cross-section of the state's population participates in the process. It can also establish advisory committees that may include people who are not council members.

### **DEADLINES**

By July 1, 2004 and biennially after that, the council must (1) report to the legislature on its activities and make recommendations for the vision and benchmarks and (2) give the benchmarks to the OPM secretary and the legislature for their use in developing and reviewing the budget.

By February 1, 2005, the OPM secretary must report to the Appropriations and Planning and Development committees and the council on his plan for using the benchmarks in developing the budget for the upcoming fiscal year and the following bienniums.

### **GOALS AND OBJECTIVES**

The bill requires each budgeted state agency to examine the council's benchmarks by July 1, 2004 and identify and inform OPM of those that fall within its jurisdiction. The OPM secretary must make a similar review of the benchmarks and, where a benchmark covers more than one agency, select a lead coordinating agency. Current law requires OPM to consult with each agency and develop goals, objectives, and quantifiable outcome measures for each program, service, and state grant and to report annually to legislative committees. The bill adds the benchmarks to the contents of the report, along with the assigned agency or lead agency for each.

### **THE BUDGET**

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By law, the budget document the governor presents to the legislature includes for each budgeted agency, a narrative description, his recommendations for appropriations, a list of agency programs, the prior fiscal year's actual expenditure, the current fiscal year's estimated expenditure, the agency's requested appropriation, and the governor's recommended appropriation for the fiscal years in the ensuing biennium. The bill requires the budget document to include the agency's benchmarks and the associated goals and objectives.

In the budget section on programs, the governor must include the specific goals and objectives and quantifiable outcome measures developed with OPM for each.

## **BACKGROUND**

### ***Biennial Agency Goals and Objectives***

Since 1992, the law has required OPM to prepare biennial goals and objectives with quantifiable outcome measures for every program, service, and state grant administered or provided by any budgeted agency. OPM must consult with each agency on establishing and revising the goals and objectives.

It must submit an annual report to the Appropriations Committee and to each committee with jurisdiction over a state agency.

## **COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable Report

Yea 10    Nay 6