



House of Representatives

General Assembly

File No. 174

February Session, 2004

House Bill No. 5175

House of Representatives, March 23, 2004

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 Section 4-67r of the general statutes is repealed and the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, 2004*):

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, 2004, shall expire
6 on said date. On and after July 1, 2004, 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, 2004, but not later than November 1,
33 2004, 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, 2004.

36 (b) [The] Not later than July 1, 2005, 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, 2005, 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~~] 2005, 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~~] 2006, 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~~] 2006, 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, 2005, and first*
71 *applicable to the fiscal year commencing July 1, 2006*):

72 (a) Not later than November 1, 2005, 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] 2006, 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] 2006. 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] 2006, 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, as amended by section 2
110 of public act 03-132, is repealed and the following is substituted in lieu
111 thereof (*Effective July 1, 2005, and first applicable to the fiscal year*
112 *commencing July 1, 2006*):

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

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

143 which shall include, but not be limited to, an analysis of the workload,
144 quality or level of service and effectiveness of the program, and the
145 quantifiable outcome measures identified pursuant to section 4-67m,
146 as amended by this act; (5) program budget data broken down by
147 major object of expenditure, showing additional federal and private
148 funds; (6) a summary of permanent full-time positions by fund, setting
149 forth the number filled and the number vacant as of the end of the last-
150 completed fiscal year, the total number intended to be funded by
151 appropriations without reduction for turnover for the fiscal year in
152 progress, the total number requested and the total number
153 recommended for each fiscal year of the biennium to which the budget
154 relates; (7) a statement of expenditures for the last-completed and
155 current fiscal years, the agency request and the Governor's
156 recommendation for each fiscal year of the ensuing biennium and, for
157 any new or expanded program, estimated expenditure requirements
158 for the fiscal year next succeeding the biennium to which the budget
159 relates; and (8) an explanation of any significant program changes
160 requested by the agency or recommended by the Governor.

161 (c) (1) There shall be a supporting schedule of total agency
162 expenditures including a line-item, minor object breakdown of
163 personal services, energy costs, contractual services and commodities
164 and a total of state aid grants and equipment, showing the actual
165 expenditures for the last-completed fiscal year, estimated expenditures
166 for the current fiscal year and requested and recommended
167 appropriations for each fiscal year of the ensuing biennium, classified
168 by objects according to a standard plan of classification.

169 (2) In addition, the supporting schedule of agency energy costs shall
170 be supported by a statement of the agency's plans for energy
171 conservation in each fiscal year of the ensuing biennium, and a
172 statement of the progress the agency has made in the last-completed
173 fiscal year concerning energy conservation.

174 (d) All federal funds expended or anticipated for any purpose shall
175 be accounted for in the budget. The document shall set forth a listing

176 of federal programs, showing the actual expenditures for the last-
 177 completed fiscal year, estimated expenditures for the current fiscal
 178 year and anticipated funds available for expenditure for each fiscal
 179 year of the ensuing biennium. Such federal funds shall be classified by
 180 program in each budgeted agency but shall not include research grants
 181 made to educational institutions.

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

186 (f) The appropriations recommended for the legislative branch of
 187 the state government shall be the estimates of expenditure
 188 requirements transmitted to the Secretary of the Office of Policy and
 189 Management by the Joint Committee on Legislative Management
 190 pursuant to section 4-77 and the recommended adjustments and
 191 revisions of such estimates shall be the recommended adjustments and
 192 revisions, if any, transmitted by said committee pursuant to said
 193 section 4-77.

This act shall take effect as follows:	
Section 1	<i>July 1, 2004</i>
Sec. 2	<i>July 1, 2005, and first applicable to the fiscal year commencing July 1, 2006</i>
Sec. 3	<i>July 1, 2005, and first applicable to the fiscal year commencing July 1, 2006</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-Effect	FY 05 \$	FY 06 \$
Policy & Mgmt., Off.	GF-Cost	Minimal	Minimal
All	GF-Cost	Potential Minimal	Potential Minimal

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, 2005 and biennially thereafter.

Depending on the nature of the benchmarks developed by the council, agencies may incur costs, which are anticipated to be minimal. Additionally, OPM must incorporate each agency's benchmarks, goals and objectives into the Governor's recommended budget documents. It is anticipated that the automated budget system can accommodate the additional information and will not result in a cost to either OPM or the agencies.

OLR Bill Analysis

HB 5175

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, 2004, and the new council members begin on July 1, 2004. The bill retains the council membership of ex-officio executive branch officials and legislative leaders and representatives from 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.

By July 1, 2005, and biennially thereafter, the bill requires the new council to (1) develop a long-range vision for the state and benchmarks to measure progress toward achieving that vision, (2) report its activities and make recommendations to the legislature, and (3) submit benchmarks to the Office of Policy and Management (OPM) and legislature for use in developing and reviewing the budget.

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, 2006, 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. By February 1, 2006, 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.

The bill requires the governor to include in his biennial budget documents 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, 2004 for the reestablishment of the council; July 1, 2005 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 2006-2007

PROGRESS COUNCIL

The bill reconstitutes the 28-member Connecticut Progress Council to develop the vision and benchmarks. It requires the OPM secretary to convene the new council by November 1, 2004 and the council to elect its chairman at this meeting from among its members.

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 appoints one representative each from medical services, 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 the following groups specified in the law: 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.

VISION

The council's 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.

GOALS AND OBJECTIVES

By November 1, 2005, and biennially thereafter, the bill requires each budgeted state agency to examine the council's benchmarks 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

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 bill requires the governor to 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 17 Nay 0