



House of Representatives

General Assembly

File No. 687

January Session, 2005

House Bill No. 5673

House of Representatives, May 4, 2005

The Committee on Appropriations reported through REP. MERRILL of the 54th 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 Section 4-67r of the general statutes is repealed and the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, 2005*):

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, 2005, shall expire
6 on said date. On and after July 1, 2005, 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] appropriations; a
17 representative of a nonprofit municipal research organization, a
18 representative of a state-sponsored economic advisory body, a
19 representative of a major labor organization, a representative of a
20 manufacturing concern, a representative of a service-related business
21 and a representative of a financial service company, one appointed by
22 the president pro tempore of the Senate, one by the speaker of the
23 House of Representatives, one by the majority leader of the Senate, one
24 by the majority leader of the House of Representatives, one by the
25 minority leader of the Senate and one by the minority leader of the
26 House of Representatives and six members appointed by the
27 Governor, one representing medical services, one a major public or
28 private university, one a major nonprofit organization, one a state
29 employees' bargaining unit, one an environmental organization and
30 one a business research organization. [The first meeting of the council
31 shall be called on or before November 1, 1993, by the Secretary of the
32 Office of Policy and Management.] On or after July 1, 2005, but not
33 later than November 1, 2005, the Secretary of the Office of Policy and
34 Management shall convene a meeting of the council. The council shall
35 elect a chairman from its members at the first meeting held on or after
36 July 1, 2005.

37 (b) [The] Not later than July 1, 2006, and biennially thereafter, the
38 council shall develop a long-range vision for the state and define
39 benchmarks to measure progress to achieve the vision. The vision shall
40 address areas of state concern, including, but not limited to, the areas
41 of economic development, human resources and services, education,
42 health, criminal justice, energy resources, transportation, housing,
43 environmental quality, water supply, food production and natural and
44 cultural resources. In developing the vision the council shall conduct
45 public hearings, public meetings and workshops to insure the
46 participation of a broad cross-section of the state's population. A public
47 hearing shall be held on the vision and proposed benchmarks. The

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

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

55 (d) On or before [~~February 1, 1994~~] July 1, 2006, and biennially
56 thereafter, the council shall [~~submit a report to the General Assembly~~]
57 prepare a report which describes its activities and makes
58 recommendations concerning the vision and benchmarks.

59 (e) On or before July 1, [~~1994~~] 2006, and biennially thereafter, the
60 council shall submit the benchmarks to the Secretary of the Office of
61 Policy and Management and the General Assembly for use in
62 developing and reviewing the budget.

63 (f) On or before February 1, [~~1996~~] 2007, the Secretary of the Office
64 of Policy and Management shall [~~submit a report to the joint standing~~
65 ~~committees of the General Assembly having cognizance of matters~~
66 ~~relating to planning and development and the appropriations and~~
67 ~~budgets of state agencies and to the council~~] prepare a report which
68 recommends a plan for the use of benchmarks in developing the
69 budget for the biennium beginning July 1, [~~1997~~] 2007, and for each
70 biennium thereafter.

71 Sec. 2. Section 4-67m of the general statutes is repealed and the
72 following is substituted in lieu thereof (*Effective July 1, 2006, and first*
73 *applicable to the fiscal year commencing July 1, 2007*):

74 (a) Not later than November 1, 2006, and biennially thereafter, each
75 budgeted state agency shall (1) examine the benchmarks established
76 pursuant to section 4-67r, as amended by this act, (2) identify the
77 benchmarks that are within the agency's cognizance, and (3) inform the
78 Secretary of the Office of Policy and Management of such benchmarks.

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

85 [(a)] (c) The Office of Policy and Management, in consultation with
86 each budgeted state agency shall develop, for state budgeting
87 purposes, specific biennial goals and objectives and quantifiable
88 outcome measures, which shall not be limited to measures of activities,
89 for each program, service and state grant administered or provided by
90 such agency. The Secretary of the Office of Policy and Management
91 shall [submit an annual report concerning such] prepare an annual
92 report that identifies the benchmarks, the agencies with cognizance of
93 each benchmark, the lead coordinating agency for each benchmark, if
94 any, and the goals, objectives and measures. [to the joint standing
95 committee of the General Assembly having cognizance of matters
96 relating to appropriations and the joint standing committee having
97 cognizance of matters relating to the agency.] For the biennium
98 beginning July 1, [1995] 2007, and for each biennium thereafter, the
99 annual report shall include an evaluation of the impact of each
100 program, service and state contract on the family.

101 [(b)] (d) The goals, objectives and measures developed for each such
102 agency pursuant to subsection [(a)] (c) of this section shall be
103 implemented for the biennium beginning July 1, [1993] 2007. The
104 Office of Policy and Management, in consultation with each [such]
105 lead agency, shall review and revise such goals, objectives and
106 measures for each biennium thereafter.

107 [(c)] (e) For the biennium beginning July 1, [1995] 2006, and for each
108 biennium thereafter, the annual report submitted pursuant to
109 subsection [(a)] (c) of this section shall evaluate the progress of
110 budgeted state agencies in achieving the benchmarks established
111 under section 4-67r, as amended by this act.

112 Sec. 3. Section 4-73 of the general statutes is repealed and the
113 following is substituted in lieu thereof (*Effective July 1, 2006, and first*
114 *applicable to the fiscal year commencing July 1, 2007*):

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

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

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

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

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

176 (d) All federal funds expended or anticipated for any purpose shall
177 be accounted for in the budget. The document shall set forth a listing
178 of federal programs, showing the actual expenditures for the last-

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

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005</i>	4-67r
Sec. 2	<i>July 1, 2006, and first applicable to the fiscal year commencing July 1, 2007</i>	4-67m
Sec. 3	<i>July 1, 2006, and first applicable to the fiscal year commencing July 1, 2007</i>	4-73

GAE *Joint Favorable C/R*

APP

APP *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 06 \$	FY 07 \$
Legislative Mgmt.	GF - Cost	Minimal	Minimal
Lt. Governor's Off.; Department of Economic & Community Development; Education, Dept.; Social Services, Dept.; Department of Transportation	GF - None	None	None
Policy & Mgmt., Off.	GF - Cost	Potential	Potential
All	GF - Cost	Potential Minimal	Potential Minimal

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 to Legislative Management for legislator mileage reimbursement, which is 40.5 cents per mile.

The bill requires the council to develop a long-range vision for the state and establish benchmarks by July 1, 2006, and submit such benchmarks to OPM. Beginning in FY 07, the agencies must implement the goals, objectives and measures, and OPM must include an assessment of the benchmarks. 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 5673

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, 2005, and the new council members' terms begin on July 1, 2005. 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. State agencies and nonpartisan legislative offices, when requested, must help the council develop the tool.

By July 1, 2006, 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) prepare a report on its activities and recommendations, and (3) submit benchmarks to the Office of Policy and Management (OPM) and legislature for use in developing and reviewing the budget. The bill deletes the requirement that the council report to the General Assembly on its activities and recommendations, but the benchmarks still go to the legislature.

OPM and every budgeted agency must examine the council's benchmarks and identify the appropriate agency with cognizance over each. Under current law, 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 July 1, 2007, 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, 2007, the OPM secretary must prepare a report on his plan for using the benchmarks in developing the budget for the upcoming fiscal year and the following bienniums. The bill removes the

requirement that the secretary submit this report to legislative committees as well.

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, 2005 for the reestablishment of the council; July 1, 2006 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 FY 08 and subsequent fiscal years.

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, 2005 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 (P&D) Committee; and representatives of private and nonprofit groups appointed by the governor and legislative leaders. The bill substitutes the chairmen and ranking members of the Appropriations Committee for those of P&D.

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: 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 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 ensure 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, OBJECTIVES, AND MEASURES

By November 1, 2006, 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 report annually to legislative committees. The bill (1) deletes the requirement that the report go to legislative committees and (2) adds the benchmarks to the contents of the report, along with the assigned 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 Change of Reference

Yea 20 Nay 0

Appropriations Committee

Joint Favorable Report

Yea 47 Nay 1