

Senate, April 3, 1998. The Committee on Government Administration and Elections reported through SEN. LEBEAU, 3rd DIST., Chairman of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT REQUIRING STATE AGENCY AND QUASI-PUBLIC AGENCY PERFORMANCE MEASURES AND ESTABLISHING A CONNECTICUT PERFORMANCE REVIEW DIVISION.

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

1 Section 1. (NEW) As used in sections 1 to 3,
2 inclusive, of this act:

3 (1) "State agency" means each department,
4 board, council, commission, institution or other
5 agency of the executive department of the state
6 government, provided each board, council,
7 commission, institution or other agency included
8 by law within any given department shall be deemed
9 a division of that department; and

10 (2) "Quasi-public agency" means "quasi-public
11 agency" as defined in section 1-120 of the general
12 statutes.

13 Sec. 2. (NEW) (a) The executive head of each
14 state agency and quasi-public agency, in
15 consultation with the Secretary of the Office of
16 Policy and Management, shall develop a strategic
17 business plan, which shall include, but not be
18 limited to, the goals and objectives of the agency
19 and performance measures for all major programs
20 and functions. The executive head of each such
21 agency shall submit the initial strategic business

22 plan to the joint standing committee of the
23 General Assembly having cognizance of (1) matters
24 relating to appropriations and the budgets of
25 state agencies and (2) matters relating to the
26 agency, on the following schedule:

27 (1) Not later than January 1, 1999:
28 (A) Department of Revenue Services;
29 (B) Department of Administrative
30 Services;
31 (C) Department of Motor Vehicles;
32 (D) Department of Children and Families;
33 (E) Labor Department;
34 (F) Department of Agriculture;
35 (G) Department of Consumer Protection;
36 (H) Insurance Department; and
37 (I) Department of Mental Retardation;

38 (2) Not later than September 1, 1999:
39 One-half of the remaining state agencies,
40 including the Department of Social Services, the
41 Department of Public Works and the Department of
42 Public Safety and one-half of the quasi-public
43 agencies listed in section 1-120 of the general
44 statutes; and

45 (3) Not later than July 1, 2000: The
46 remaining state agencies and the remaining
47 quasi-public agencies listed in said section
48 1-120.

49 (b) Not later than the day that the Governor
50 is required to transmit the budget document to the
51 General Assembly pursuant to section 4-71 of the
52 general statutes, in each odd-numbered year,
53 beginning in 2001, the executive head of each
54 state agency and quasi-public agency, in
55 consultation with the Secretary of the Office of
56 Policy and Management, shall submit a revised
57 strategic business plan to the joint standing
58 committees of the General Assembly described in
59 subsection (a) of this section.

60 (c) Such joint standing committees shall
61 review the strategic business plans submitted to
62 the committees.

63 Sec. 3. (NEW) (a) There is established a
64 Connecticut Performance Review Division, which
65 shall be a part of the legislative department. The
66 division shall review the performance of state
67 agencies and quasi-public agencies, including
68 agency policies, strategies, management and
69 program implementation. The division shall focus

70 on agency efficiency, performance and cost savings
71 associated with increased productivity.

72 (b) The Joint Committee on Legislative
73 Management shall appoint an executive director of
74 the Connecticut Performance Review Division, with
75 the advice and consent of the General Assembly.
76 The executive director shall serve a six-year term
77 beginning on July first in the year of his
78 appointment.

79 (c) The Connecticut Performance Review
80 Division shall have the following duties
81 concerning state agencies and quasi-public
82 agencies:

83 (1) Evaluate programs and operations relative
84 to the goals, objectives and performance measures
85 set forth in the strategic business plans
86 developed under section 1 of this act;

87 (2) Examine governmental organization and
88 management and recommend consolidation or
89 reorganization where appropriate;

90 (3) Evaluate programs and policies to
91 identify outmoded methodologies and duplicative
92 functions;

93 (4) Examine fiscal management practices;

94 (5) Identify opportunities for improving the
95 management of the daily operation of state
96 government;

97 (6) Identify technological advances that can
98 be applied to government functions;

99 (7) Explore methods to increase federal
100 funding for state initiatives; and

101 (8) Consider changes to the state revenue
102 system that would increase government income
103 without changing tax rates.

104 (d) The Connecticut Performance Review
105 Division shall submit a report to the General
106 Assembly, not later than January 1, 1999, and
107 biennially thereafter. The report shall include
108 the findings and recommendations of the division
109 concerning (1) the division's evaluation of the
110 programs and operations of each state agency and
111 quasi-public agency during the preceding two years
112 relative to the goals, objectives and performance
113 measures set forth in the agency's strategic
114 business plan and (2) the division's review of the
115 performance of state agencies and quasi-public
116 agencies pursuant to subdivisions (2) to (8),
117 inclusive, of subsection (c) of this section.

118 (e) The division may enter into contracts to
119 carry out the purposes of this section.

120 (f) The division may apply for and receive
121 assistance from any source, including grants of
122 money and services from national and state bodies
123 and foundations. The division may procure
124 information, advice and assistance from any
125 agency, department, legislative committee or other
126 instrumentality of the state. All state agencies,
127 other official state organizations and all persons
128 connected with them shall give the division all
129 relevant information and reasonable assistance on
130 any matters of research requiring recourse to them
131 or to data within their knowledge or control.

132 Sec. 4. Section 4-67m of the general
133 statutes, as amended by section 4 of public act
134 97-288, is repealed.

135 Sec. 5. This act shall take effect July 1,
136 1998.

137 GAE COMMITTEE VOTE: YEA 9 NAY 5 JF

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF MEMBERS OF THE GENERAL ASSEMBLY, SOLELY FOR PURPOSES OF INFORMATION, SUMMARIZATION AND EXPLANATION AND DO NOT REPRESENT THE INTENT OF THE GENERAL ASSEMBLY OR EITHER HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER SB 563

STATE IMPACT	Cost, Minimal Savings, Potential Savings, see explanation below
MUNICIPAL IMPACT	Indeterminate, see explanation below
STATE AGENCY(S)	Legislative Management, Office of Policy and Management, all other State Agencies

EXPLANATION OF ESTIMATES:

STATE IMPACT: The cost associated with establishing a Connecticut Performance Review Division as a legislative agency would depend upon the level of resources provided to enable it to perform its functions. Florida's legislative Office of Program Policy Analysis and Governmental Accountability (OPPAGA) costs \$6.3 million per year for 88 full-time staff and consulting services. The Comptroller's Office in Texas spends approximately \$2.6 million per year for 30 full-time employees and consulting services to conduct performance reviews. A survey conducted by the National Legislative Program Evaluation Society (NLPES) indicates that the average staffing level for states involved with conducting performance reviews amounts to between 15 and 20 full-time employees.

The work of the Division could result in savings, revenue maximizations, cost avoidances and efficiency improvements. The fiscal impact of the Division's recommendations, which would be made in the future, and the degree to which these recommendations would be implemented cannot be determined in advance. It should be noted that much of the savings/revenue enhancements

identified in Florida and Texas have already been considered and in many instances implemented in Connecticut through such means as the Thomas Commission and the regular budgetary review process.

The bill requires state agencies and quasi-public agencies to develop strategic business plans (on a phased-in basis by January 1, 1999 through July 1, 2000) in consultation with the Office of Policy and Management (OPM) and to submit revised plans upon transmittal of the Governor's budget to the General Assembly every two years beginning in 2001. It is likely that OPM would require additional resources to assist all agencies with the development of their strategic business plans in order to meet the phased-in completion schedule of January 1, 1999, September 1, 1999 and July 1, 2000; however, the exact amount cannot be determined at this time.

Repealing the biennial requirement that OPM review and revise goals and objectives and quantifiable outcome measures in consultation with state agencies and evaluate the progress of budgeted agencies in achieving benchmarks would result in minimal savings.

MUNICIPAL IMPACT: The fiscal impact on municipalities from any Division's recommendations which would be made in the future and the degree to which these recommendations would be implemented cannot be determined in advance.

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OLR BILL ANALYSIS

SB 563

AN ACT REQUIRING STATE AGENCY AND QUASI-PUBLIC AGENCY PERFORMANCE MEASURES AND ESTABLISHING A CONNECTICUT PERFORMANCE REVIEW DIVISION

SUMMARY: This bill creates a Connecticut Performance Review Division in the legislative branch that must review state agency and quasi-public agency performance. The division, headed by an executive director appointed by the Legislative Management Committee, must focus its review on agency efficiency, performance, and savings associated with increased

productivity. It must report biennially to the General Assembly. The bill authorizes the division to contract for services and state agencies must cooperate in providing information and assistance to it.

The bill also requires the head of every executive branch agency and quasi-public agency to develop a strategic plan instead of the goals, objectives, and measures they must develop under current law. The bill repeals the Office of Policy and Management's (OPM) responsibility to assist agencies in preparing biennial program goals and objectives. It replaces it with strategic business plans that must include each agency's goals and objectives and performance measures for all major programs and functions. Each agency's initial plan must be sent to the Appropriations Committee and the appropriate committee of cognizance. The bill creates a staggered schedule for agency plan development until July 1, 2000. In 2001 and every odd-numbered year thereafter, each agency and quasi-public agency head must submit a revised plan to the committees, which must review them.

EFFECTIVE DATE: July 1, 1998

FURTHER EXPLANATION

Performance Review Division

Duties. For state agencies and quasi-public agencies, the division must exercise its review responsibilities by:

1. evaluating programs and operations relative to each agency's strategic business plan;
2. examining organization and management and recommending consolidation or reorganization where appropriate;
3. identifying outmoded methodologies and duplicative functions;
4. examining fiscal management practices;
5. identifying opportunities for improving daily management;

6. identifying applicable technological advances;
7. exploring methods to increase federal funding for state initiatives; and
8. considering changes to the state revenue system, other than tax increases, that would increase revenues.

State Agencies. The state agencies that the division must review are each executive branch department, board, council, commission, institution, or other agency.

Executive Director. The Legislative Management Committee must appoint the division's executive director for a six-year term that begins on July 1 of the year of his appointment. The appointee must be approved by the General Assembly.

Resources. The bill gives the division authority to contract for services to carry out its responsibilities. It can apply for and receive state, national, and foundation grants and services. It can procure information, advice, and assistance from any state body. All state agencies and their personnel must give the division all relevant information, data, and reasonable assistance.

Report. Beginning January 1, 1999 (six months after the bill's effective date), the division must submit biennial reports to the General Assembly. Each report must include (1) the division's findings and recommendations concerning its agency evaluations over the past two years with respect to compliance with the strategic business plans and (2) its performance reviews based on the criteria specified in the bill.

Strategic Business Plans

Initial Plans. The head of each state agency and quasi-public agency must submit the agency's initial strategic business plan to the Appropriations Committee and the committee with cognizance over the agency. The following departments must submit their plans by January 1, 1999: revenue services, administrative services, motor vehicles, children and families, labor, agriculture, consumer protection, insurance, and mental

retardation.

By September 1, 1999, half of the remaining state agencies, including the departments of social services, public works, and public safety, as well as half of the quasi-public agencies must submit strategic business plans to the legislative committees.

Finally, by July 1, 2000, the remaining state agencies and quasi-public agencies must submit their plans. The bill specifies deadlines for only the specific departments named. Since all departments must develop their plans in consultation with the OPM secretary, it is presumed that the secretary will also develop the schedule and deadlines for the unnamed departments and all the quasi-public agencies.

Revised Plans. The bill requires every state agency and quasi-public agency to submit a revised plan to the legislative committees by the first session day after February 3 in every odd-numbered year (the day the governor must submit the budget), starting in 2001.

Committee Responsibilities. The bill requires the General Assembly's committees to review the strategic business plans.

OPM Report

The bill repeals the law requiring the OPM secretary, in consultation with each state agency, to (1) develop, review, and revise biennial goals, objectives, and outcome measurements for each budgeted program, service, and state grant; (2) evaluate the effects on families of each program, service, and state contract; and (3) report annually to the legislature on all of this. The bill also deletes the requirement that each agency implement these goals, objectives, and measures. The report that the bill removes also includes an evaluation of agencies' progress in achieving benchmarks that were developed by the Connecticut Progress Council.

BACKGROUND

Quasi-Public Agencies

The quasi-public agencies covered by the bill are: the

Connecticut Development Authority, Connecticut Innovations, Inc., Connecticut Health and Educational Facilities Authority, Connecticut Higher Education Supplemental Loan Authority, Connecticut Housing Finance Authority, Connecticut Housing Authority, Connecticut Resources Recovery Authority, Connecticut Hazardous Waste Management Service, Connecticut Coastline Port Authority, and Connecticut Lottery Corporation.

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable Report
Yea 9 Nay 5