

HB 656-FN – AS INTRODUCED

2013 SESSION

13-0169  
05/09

HOUSE BILL            **656-FN**

AN ACT                requiring state agencies to develop performance measures and to develop budgets for each biennium.

SPONSORS:            Rep. Umberger, Carr 2; Rep. L. Ober, Hills 37; Rep. Leishman, Hills 24; Sen. Bradley, Dist 3

COMMITTEE:          Executive Departments and Administration

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ANALYSIS

This bill:

I. Removes the requirement in current law that agencies submit a maintenance budget as part of the biennial budget process.

II. Requires agencies to submit an organization chart with the agency's request for expenditures.

III. Requires agencies to develop program performance measures and establishes a commission to oversee the development of performance measurement systems by state agencies.

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Explanation:          Matter added to current law appears in **bold italics**.  
Matter removed from current law appears [~~in brackets and struck through~~].  
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.



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1 in RSA 21-G:5, III, shall adopt a performance measurement system for each of its programs that  
2 includes: a mission statement, the outcomes the program seeks to achieve, and the specific outcome  
3 measures that the program intends to use to track performance. The performance measures to be  
4 developed shall incorporate both input and end outcome measures. The performance measurement  
5 system shall be developed at the departmental level and shall serve as a model for program level  
6 performance measurement.

7 21-V:3 Development of Performance Measurement System by Agencies. On or before July 1,  
8 2014, each agency, as defined in RSA 21-G:5, III, shall provide to the oversight commission  
9 established in RSA 21-V:5 a contact person within the agency who shall be responsible for providing  
10 the commission with information as to that agency's development and implementation of the  
11 performance measurement system required under RSA 21-V:2. Each agency shall cooperate with the  
12 commission and shall provide the requested information in a timely manner.

13 21-V:4 Reporting Requirement.

14 I. On or before January 15, 2014, each agency shall submit an initial report on the  
15 development and adoption of a performance measurement system. The report shall identify the  
16 performance measures developed pursuant to RSA 21-V:2 and shall report on those measures to the  
17 extent of the available data. Copies of the report shall be forwarded to the oversight commission  
18 established in RSA 21-V:5, the house and senate finance committees, the speaker of the house of  
19 representatives, the president of the senate, the governor, the house clerk, the senate clerk, and the  
20 state library.

21 II. Beginning July 1, 2014, each agency shall submit an annual report of its performance  
22 based on the performance measurement systems developed under this chapter. The report shall be  
23 submitted to the oversight commission established in RSA 21-V:5, the house and senate finance  
24 committees, the speaker of the house of representatives, the president of the senate, the governor,  
25 the house clerk, the senate clerk, and the state library. The reports also shall be available to the  
26 public on the state transparency website in a format that permits data comparisons by performance  
27 measure, geographic location, and demographic group. The website shall provide data for at least 2  
28 prior years for each performance indicator so that comparisons may be made and trends identified.

29 21-V:5 Performance Measurement System; Oversight Commission Established.

30 I. There is established a performance measurement system oversight commission.

31 II.(a) The members of the commission shall be as follows:

32 (1) One member of the executive branch, appointed by the governor.

33 (2) Five agency commissioners, one of whom shall serve as an alternate, appointed  
34 by the commissioners.

35 (3) The chairperson of the senate finance committee.

36 (4) The chairperson of the house finance committee.

37 (5) The vice-chairperson of the house finance committee.

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1                   (6) One minority member of the house finance committee, appointed by the  
2 chairperson of the finance committee.

3                   (7) Two legislative members, appointed by the chairperson of the house finance  
4 committee.

5                   (8) Two members of legislative policy committees, appointed by the speaker of the  
6 house of representatives.

7                   (b) Legislative members of the commission shall serve a term co-terminous with their  
8 term in office. Members appointed under subparagraphs (a)(1) and (a)(2) shall serve 2-year terms,  
9 except that the initial appointment of 2 of the commissioners appointed under subparagraph (a)(2)  
10 shall be for one-year terms. Members of the commission shall serve without compensation, provided  
11 that legislative members of the commission shall receive mileage at the legislative rate when  
12 attending to the duties of the commission.

13                   III. The commission shall:

14                   (a) Oversee the development of performance based measurement systems by state  
15 agencies.

16                   (b) Study performance based measurement systems used by other states.

17                   (c) Provide information and technical assistance to agencies in developing program-  
18 specific measurement tools.

19                   (d) Make recommendations relative to the integration of the performance based  
20 measurement system with the state budget process.

21                   IV. The members of the commission shall elect a chairperson from among the members. The  
22 first meeting of the commission shall be called by the first-named house member. The first meeting  
23 of the commission shall be held within 45 days of the effective date of this section. Seven members of  
24 the commission shall constitute a quorum.

25                   V. Beginning November 1, 2014 and annually thereafter, the commission shall report its  
26 findings and any recommendations for proposed legislation to the speaker of the house of  
27 representatives, the president of the senate, the house and senate finance committees, the house  
28 clerk, the senate clerk, the governor, and the state library.

29                   3 Repeal. RSA 21-V:5, relative to the performance measurement system oversight commission,  
30 is repealed.

31                   4 Effective Date.

32                   I. Section 3 of this act shall take effect January 1, 2019.

33                   II. The remainder of this act shall take effect upon its passage.

## HB 656 FISCAL NOTE

AN ACT                    requiring state agencies to develop performance measures and to develop budgets for each biennium.

### FISCAL IMPACT:

The Department of Administrative Services states this bill, **as introduced**, may increase state expenditures by an indeterminable amount in FY 2014 and each year thereafter. There will be no impact on state, county, and local revenue, or county and local expenditures.

### METHODOLOGY:

The Department of Administrative Services states this bill modifies the agency phase of the biennial budget process and requires agencies develop performance measures for state programs. The bill: removes the requirement in RSA 9:4, II that agencies submit a maintenance budget as part of the budget process; requires agency budget submissions include an organizational chart identifying employees by position number, whether the position is funded or not funded, and whether the position is vacant or filled; requires each agency create a performance measurement system for each state program, report on those measures in an annual report, and publish results on the Transparent NH website in a format that allows data comparisons by performance measure, geographic location, and demographic group; and creates a performance measurement system oversight commission to provide recommendations to state agencies and study performance-based measures in other states.

The Department states it is unable to determine how much time will be required to complete the budget process as outlined in the bill, and whether the process will require additional resources for each agency. Additionally, the Department states it is unable to determine the cost and development time for the Department of Information Technology to modify the Transparent NH website to meet the functionality requirements detailed in the bill, and whether these costs can be absorbed within the Department of Administrative Service's budget for web support and development.