

CHAPTER 168
HB 657-FN – FINAL VERSION

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HOUSE BILL **657-FN**

AN ACT requiring state agencies to submit efficiency expenditure requests as part of the biennial budget process.

SPONSORS: Rep. Cebrowski, Hills 7; Rep. Weyler, Rock 13; Rep. D. McGuire, Merr 21

COMMITTEE: Finance

ANALYSIS

This bill requires state agencies to submit a department efficiency expenditure request as part of the biennial budget process. The bill eliminates the requirement that agencies submit a maintenance expenditure report.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

CHAPTER 168
HB 657-FN – FINAL VERSION
- Page 2 -

1 this paragraph, the governor shall provide a total expenditure target for each department which
2 shall be a percentage of the adjusted authorized budget for the second year of the current biennium.
3 The adjusted authorized budget is the level of funding for the second year of the current operating
4 budget including budget footnote adjustments, executive orders, and adjustments by law including
5 additional appropriations and any changes in laws that affect revenues and expenses outside of the
6 operating budget. The target shall have as its basis revenue and economic forecasts and the
7 forecasted financial condition of the state for the first year of the next biennium.

8 (b) An estimate for the second year of the next biennium. In accordance with this
9 paragraph, the governor shall provide a total expenditure target for each department which is a
10 percentage of the estimate developed for the first year of the next biennium. The target shall have
11 as its basis revenue and economic forecasts for the second year of the next biennium and the
12 financial condition of the state and shall reflect any changes in law that affect both revenues and
13 expenses.

14 (c) The current mission statement of the department and its divisions.

15 (d) The goals of the department and its divisions for the next biennium.

16 (e) The impact of salary grade and steps for each authorized and requested position.

17 (f) The identification of special or problematic needs to be funded or supported,
18 consistent with department goals, which will support improved department efficiencies and
19 deliverables. The department shall identify the risks or implications associated with not funding or
20 supporting these special or problematic needs. Such needs are expected to be few and prioritized.

21 (g) Outcome and output performance measures, displaying trends over time, and the
22 data used by the department to create those measures, to evaluate the quality and consequence of
23 services it delivers; and the identification of performance measures it may develop and implement in
24 the following biennium.

25 (h) Planned reorganization or restructuring initiatives that promise performance
26 improvement and savings.

27 (i) The identification of information technology or other technology investments, and the
28 linkage for which the net effect is process improvement, improved quality of deliverables, and the
29 resultant cost reduction.

30 (j) The results of innovation initiatives in process improvement and delivery of services
31 executed in the past biennium, if any, and those innovations planned for the following biennium that
32 hold promise of improved efficiencies.

33 (k) Investments in staff training and development consistent with department goals, and
34 with the objectives in paragraph III, that show promise of improved productivity, service, and results
35 within a specific time frame.

36 (l) Inclusion of additional operating costs associated with previously authorized capital

CHAPTER 168
HB 657-FN – FINAL VERSION
- Page 3 -

1 improvement projects to be completed during the biennium.

2 (m) The source of funding for all expenditures.

3 V. Within the meaning of this section, the governor shall make the final determination as to
4 whether a particular cost shall be deemed to be an efficiency expenditure.

5 VI. The efficiency expenditure request shall incorporate recommendations for any necessary
6 changes to state statutes and administrative rules which are barriers to the mission of the
7 department, barriers to the attainment of goals, and barriers to enabling delivery of improved
8 quality of services or services which have not been funded and have a financial burden on the
9 department and/or taxpayers.

10 VII. Subsequent to submission to the commissioner of administrative services, requests and
11 estimates submitted pursuant to this section shall be made publicly available by each department
12 under RSA 91-A.

13 168:2 Reference Changes. Amend RSA 9:6 to read as follows:

14 9:6 Tentative Budget. Upon the receipt of the [~~estimates of~~] **efficiency** expenditure
15 [~~requirements~~] **requests** called for by RSA 9:4 and the preparation of the estimates of income called
16 for by RSA 9:5, and not later than November 1 next succeeding, the commissioner of administrative
17 services shall cause to be prepared a tentative budget conforming as to scope, contents, and
18 character to the requirements of RSA 9:3 and containing the [~~estimates of~~] **efficiency** expenditure
19 **requests** and **estimates of** revenue as called for by RSA 9:4 and RSA 9:5, which tentative budget
20 shall be transmitted to the director of the budget for submittal to the governor. The tentative budget
21 shall comply with the requirements of RSA 9:9-b. The budget shall be made available in printed
22 format and in at least one electronic computer file format in common use at the time. The sections of
23 the budget that state: gross appropriations from the highway fund, the highway block grant aid
24 appropriation, the highway fund appropriation to the department of safety, and highway fund
25 appropriations that are transferred to other agencies that comply with part II, article 6-a of the
26 New Hampshire constitution relative to the use of highway funds, shall be reported to the president
27 of the senate, the speaker of the house of representatives, and the chairmen of the house and senate
28 standing committees on finance.

29 168:3 Repeal. RSA 9:4, III, relative to reduction level expenditures, is repealed.

30 168:4 Effective Date.

31 I. Section 3 of this act shall take effect upon its passage.

32 II. The remainder of this act shall take effect June 30, 2015.

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34 Approved: July 11, 2014

35 Effective Date: I. Section 3 shall take effect July 11, 2014.

36 II. Remainder shall take effect June 30, 2015.