

Regular Session, 2014

HOUSE BILL NO. 853

BY REPRESENTATIVE HARRIS

BUDGETARY PROCEDURES: Provides for information included in the executive budget and the General Appropriation Bill

1 AN ACT

2 To amend and reenact R.S. 39:2(23), (24), (46), and (47), 36(A), 51(C), 87.2(B) and (C)(1),
3 and 87.3(A), (2)(a), (3), and (4)(a) and (B), relative to the operating budget; to
4 provide for definitions; to provide for information included in the executive budget;
5 to provide for information included in the General Appropriation Bill; to provide for
6 information included in the Ancillary Appropriation Act; to provide for changes to
7 expenditure category allocations included in the General Appropriation Bill; to
8 provide for approval of certain changes to expenditure category allocations included
9 in the General Appropriation Bill; to provide for an effective date; and to provide for
10 related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 39:2(23), (24), (46), and (47), 36(A), 51(C), 87.2(B) and (C)(1), and
13 87.3(A), (2)(a), (3), and (4)(a) and (B) are hereby amended and reenacted to read as follows:

14 §2. Definitions

15 * * *

16 (23) "Key objective" means an objective which is included in the ~~General~~
17 ~~Appropriation Act or the Ancillary Appropriation Act~~ executive budget.

18 (24) "Key performance indicator" means a performance indicator which is
19 included in the ~~General Appropriation Act or the Ancillary Appropriation Act~~
20 executive budget.

21 * * *

1 (46) "Supporting objective" means an objective which is included in the
2 executive budget supporting document and not included in the ~~General~~
3 ~~Appropriation Act or Ancillary Appropriation Act~~ executive budget.

4 (47) "Supporting performance indicator" means a performance indicator
5 which is included in the executive budget supporting document and not included in
6 the ~~General Appropriation Act or Ancillary Appropriation Act~~ executive budget.

7 * * *

8 §36. Contents and format of executive budget; supporting document

9 A. The executive budget shall present a complete financial and
10 programmatic plan for the ensuing year, and it shall be configured in a format so as
11 to clearly present and highlight the functions and operations of state government and
12 the financial requirements associated with those functions and operations. The
13 executive budget shall be a performance-based budget and as such shall include key
14 objectives and key performance indicators. ~~It~~ Additionally, the executive budget
15 shall include at a minimum the following:

16 * * *

17 §51. General Appropriation Bill; other appropriation bills

18 * * *

19 C.(1) The General Appropriation Bill shall reflect ~~a performance-based~~
20 ~~budget, with~~ specific appropriations for each agency and its programs ~~to include key~~
21 ~~objectives and key performance indicators therefor.~~ ~~The General Appropriation Bill~~
22 ~~may also contain provisions for specific rewards or penalties for certain agencies as~~
23 ~~provided in R.S. 39:87.4~~ and shall include expenditure categories, itemized by
24 category for each agency, as recommended for the ensuing fiscal year in the
25 supporting document.

26 (2) The commissioner of administration is authorized to make adjustments
27 to the initial allocation of expenditures by category as provided for in the enacted
28 General Appropriation Bill without approval of the Joint Legislative Committee on
29 the Budget, except when funds are transferred to the personnel services category

1 from any other expenditure category or when the personnel services category is
 2 increased from the initial allocation. No amount shall be transferred to the personnel
 3 services expenditure category from any other expenditure category nor shall there
 4 be an increase in the personnel services expenditure category from the initial
 5 allocation without prior approval of the commissioner of administration and the Joint
 6 Legislative Committee on the Budget.

7 * * *

8 §87.2. Performance data; rewards and penalties; modifications to data

9 * * *

10 B. Key objectives, key performance indicators, and the performance
 11 standards for such key performance indicators ~~which are~~ shall be contained in the
 12 ~~General Appropriation Act, Ancillary Appropriation Act, or any other appropriation~~
 13 ~~act through which an executive branch agency receives an appropriation, shall be~~
 14 ~~included in the agency's appropriation~~ executive budget. However, in each fiscal
 15 year any key objectives and key performance indicators recommended and contained
 16 in the executive budget supporting document for an agency which are not contained
 17 in ~~an appropriation act~~ the executive budget shall be designated as supporting
 18 objectives and supporting performance indicators for that fiscal year. The
 19 availability of funds appropriated shall be conditioned upon each agency's
 20 compliance with the provisions of R.S. 39:87.3, relative to reporting of performance.

21 C.(1) In order to ensure adoption of the most accurate expectations of agency
 22 performance within the state budget, performance data contained in the ~~adopted~~
 23 ~~budget~~ executive budget or the supporting document may be adjusted at the
 24 beginning of the fiscal year.

25 * * *

26 §87.3. Performance progress reports

27 A. Each agency receiving an appropriation in the General Appropriation Act
 28 or the Ancillary Appropriation Act shall produce a series of performance progress
 29 reports. The reports shall provide the legislature with information on the agency's

1 actual progress toward achievement of that year's performance standards for
 2 performance indicators contained within ~~the General Appropriation Act, the~~
 3 ~~Ancillary Appropriation Act, and the executive budget and~~ the executive budget
 4 supporting document. The Joint Legislative Committee on the Budget or a
 5 subcommittee thereof, hereinafter referred to in this Section as the "committee", shall
 6 prescribe the format and the method of transmission of the reports. The reports shall
 7 be submitted to the committee, the legislative fiscal officer, the legislative auditor,
 8 and the commissioner of administration, and shall contain data as provided in
 9 Paragraphs (1) through (4) of this Subsection, as well as any other data required by
 10 the committee relative to agency performance and accountability. The reporting
 11 schedule and specific components of each report are as follows:

12 * * *

13 (2)

14 * * *

15 (a) For each performance indicator included in the executive budget and
 16 executive budget supporting document ~~or the General Appropriation Act or the~~
 17 ~~Ancillary Appropriation Act~~, a comparison of the actual performance with the annual
 18 performance standard therefor contained in the executive budget supporting
 19 document ~~or the General Appropriation Act or the Ancillary Appropriation Act~~,
 20 including a brief explanation of any variance from the standard which exceeds five
 21 percent.

22 * * *

23 (3) The Third Quarter Performance Progress Report shall be submitted to the
 24 committee, the legislative fiscal officer, the legislative auditor, and the commissioner
 25 of administration on or before May eighth of each year, and it shall contain data for
 26 the period of July through March of the current fiscal year. It shall include, for each
 27 key performance indicator contained in the ~~General Appropriation Act or the~~
 28 ~~Ancillary Appropriation Act~~ executive budget, a comparison of the actual

1 performance with the annual performance standard therefor, including a brief
2 explanation of any variance from the standard which exceeds five percent.

3 (4)

4 * * *

5 (a) For each performance indicator included in the executive budget and
6 executive budget supporting document ~~or the General Appropriation Act or the~~
7 ~~Ancillary Appropriation Act~~, a comparison of the actual performance with the annual
8 performance standard therefor contained in the executive budget supporting
9 document ~~or the General Appropriation Act or the Ancillary Appropriation Act~~,
10 including a brief explanation of any variance from the standard which exceeds five
11 percent.

12 * * *

13 B. The performance progress reports shall be used by the committee in the
14 assessment of each agency's progress in achieving the performance standards
15 contained in ~~the General Appropriation Act or the Ancillary Appropriation Act and~~
16 the executive budget and executive budget supporting document. Each agency's
17 performance progress reports, particularly the Year-end Performance Progress
18 Report, shall be reviewed and considered by the committee in the development of
19 any recommendation for or the granting of any reward or imposition of any penalty
20 authorized under R.S. 39:87.4.

21 * * *

22 Section 2. This Act shall become effective on July 1, 2014; if vetoed by the governor
23 and subsequently approved by the legislature, this Act shall become effective on July 1,
24 2014, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Harris

HB No. 853

Abstract: Requires the General Appropriation Bill to include expenditure categories, itemized by category, for each agency and provides for changes from the initial allocation of expenditures in each category. Further deletes the requirement that the General Appropriation Bill or the Ancillary Appropriation Act include key objectives and key performance indicators and requires them to be included in the executive budget.

Present law provides for definitions of key and supporting performance information. Key objectives and performance indicators are those contained in the General Appropriations Act or Ancillary Appropriation Act and all other performance information contained in the executive budget supporting document, but not in the appropriation acts are defined as supporting objectives and performance indicators.

Proposed law changes the definition of key objective and performance indicator from those that are found in the General Appropriations Act or Ancillary Appropriation Act to those found in the executive budget. Proposed law further changes the definition of supporting objective and performance indicator from those included in the executive budget supporting document but not in the appropriation acts to those included in the executive budget supporting document but not in the executive budget.

Present law provides for the executive budget as a complete financial and programmatic plan for the ensuing year and requires the executive budget to be a performance-based budget. Present law further requires certain minimum content to be included in the executive budget.

Proposed law retains present law and further requires the executive budget to include key objectives and key performance indicators.

Present law relative to the General Appropriation Bill requires that the bill reflect a performance-based budget, with specific appropriations for each agency and its programs to include key objectives and key performance indicators. Present law further allows for the General Appropriation Bill to contain provisions for specific rewards or penalties for certain agencies as provided in the Louisiana Government Performance and Accountability Act.

Proposed law deletes the requirement that the General Appropriation Bill include key objectives and key performance indicators. Proposed law further deletes the provisions for specific rewards or penalties for certain agencies as provided in the Louisiana Government Performance and Accountability Act.

Proposed law requires the General Appropriation Bill to include expenditure categories, itemized by category for each agency, as recommended for the ensuing fiscal year in the supporting document.

Proposed law allows the commissioner of administration to make adjustments to the initial allocation of expenditures by category as provided for in the enacted General Appropriation Bill without approval of the Joint Legislative Committee on the Budget, except when funds are transferred to the personnel services category from any other expenditure category or when the personnel services category is increased from the initial allocation. Proposed law further provides that no amount shall be transferred to the personnel services expenditure

category from any other expenditure category nor shall there be an increase in the personnel services expenditure category from the initial allocation without prior approval of the commissioner of administration and the Joint Legislative Committee on the Budget.

Present law requires that key objectives, key performance indicators, and the performance standards for such key performance indicators which are contained in the General Appropriation Act, Ancillary Appropriation Act, or any other appropriation act, are included in the agency's appropriation. Present law further requires any key objectives and key performance indicators recommended in the executive budget that are not contained in an appropriation act shall be designated as supporting objectives and supporting performance indicators for that fiscal year.

Proposed law changes the place where the key objectives and performance indicators are contained from the appropriation acts to the executive budget. Proposed law further provides that performance objectives recommended and contained in the executive budget supporting document for an agency which are not contained in the executive budget shall be designated as supporting objectives and supporting performance indicators.

Present law provides for performance progress reports on agencies receiving appropriations in the General Appropriation Act or the Ancillary Appropriation Act. The reports are required to provide the legislature with information on the performance indicators contained in the General Appropriation Act, the Ancillary Act and the executive budget supporting document.

Proposed law deletes the General Appropriation Act and the Ancillary Appropriation Act from the list of places in which the performance indicators are contained in order to be reported on.

Effective July 1, 2014.

(Amends R.S. 39:2(23), (24), (46), and (47), 36(A), 51(C), 87.2(B) and (C)(1), and 87.3(A), (2)(a), (3), and (4)(a) and (B))