

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILLS NOS. 299 & 40

92ND GENERAL ASSEMBLY

Reported from the Committee on Governmental Accountability and Fiscal Oversight, February 6, 2003, with recommendation that the Senate Committee Substitute do pass.

TERRY L. SPIELER, Secretary.

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AN ACT

To repeal sections 33.210, 33.270, 33.800, 33.803, 33.805, 33.807, and 33.810, RSMo, and to enact in lieu thereof seven new sections relating to performance-based budgeting.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 33.210, 33.270, 33.800, 33.803, 33.805, 33.807, and 33.810, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as sections 33.210, 33.270, 33.800, 33.803, 33.805, 33.807, and 33.810, to read as follows:

33.210. 1. The director of the budget shall assist the governor in the preparation of the budget and in his other duties in relation thereto.

2. **The budget director shall develop and implement a performance-based budgeting system that establishes goals and objectives, provides detailed measures of program and fund performance against attainment of planned outcomes, and provides for program evaluations. The governor may consider all outcome measures used for each program and fund as compared with the attainment of the established goals and objectives of each program or fund for the past three fiscal years in preparing budget recommendations pursuant to section 33.270. Such outcome measures and attainment of established goals and objectives for each program and fund shall be considered by the general assembly in approving appropriation levels for each program and fund.**

33.270. The budget shall be submitted to the general assembly in printed form. Such budget shall be in two parts:

(1) A budget message outlining the fiscal policy of the state for the biennium and describing the important features of the budget plan; giving a summary of the budget setting forth aggregate figures of proposed revenues and expenditures and the balanced relations between the proposed revenues and expenditures and the total expected income and other means

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

of financing the budget compared with the corresponding figures for the preceding biennium; including explanatory schedules classifying proposed expenditures by organization units, objects and funds; giving estimated statements of assets and liabilities as of the close of the preceding biennium and of the budget biennium; explaining any proposed major increases in revenue from any existing source or any new source of revenue proposed, and giving any further information or making any suggestions;

(2) The detailed budget estimates of revenues and expenditures for each fund as provided for in this act showing the recommendations of the governor on each, compared with the figures for each of the fiscal years of the preceding biennium, **including all outcome measures used for each program and fund as compared with the attainment of the established goals and objectives of each program and fund for the past three fiscal years and projected outcome measures for each program and fund for the current fiscal year and the next two fiscal years, the most recent reports done by the state auditor's office and any evaluations done by the oversight division of the committee on legislative research for each fund and program** and giving an explanation of each major change in the recommendations from the revenues and expenditures in the previous biennium.

33.800. The chairman of the house budget committee, the chairman of the senate appropriations committee and the commissioner of administration shall develop budget review procedures to provide for a [detailed base] **performance-based** review of state agency budgets. Such procedures shall be jointly adopted by the budget committee of the house, the appropriations committee of the senate and the office of administration.

33.803. 1. [Detail base] **Performance-based** review procedures [may] **shall** be designed to:

(1) Operate on a defined rotating basis requiring the [detailed] **performance-based** review of specified departments or agencies in a particular fiscal year; or

(2) Provide for random review of specific departments or agencies on the basis of perceived needs and requirements of the state budget.

2. [Detail base] **Performance-based** review shall be required by the budget and appropriations committees and the selection of the department or agency or program shall be made **on a rotating basis**, with a majority concurrence of the chairman of the house budget committee, the chairman of the senate appropriations committee and the director of the division of budget and planning[. The review, whether on a defined rotating basis or on a random basis, may be applied to the]; **provided that, every department, division, or agency shall be reviewed at least once every five years after January 1, 2005. The chairman of the house budget committee, the chairman of the senate appropriations committee, and the director of the division of budget and planning shall decide what the review will cover, which may include the:**

- (1) Entire budget of the department or agency;
- (2) Budget subclasses as detailed by the office of administration; or
- (3) Selected programs; **and**

(4) Outcome measures used for programs and funds within the department, division, or agency.

3. Where similar programs or services are provided by more than one department or agency, the [detail base] **performance-based** review procedures may provide for a review and investigation of the program or service level on an interagency or interdepartmental basis in an effort to consolidate such programs or services.

33.805. 1. Any department or agency selected for a [detail base] **performance-based** review under procedures adopted pursuant to the provisions of sections 33.800 to 33.810 shall present its appropriation request in a manner prescribed by the budget and appropriation committees so that all programs or services can be reviewed, to the extent practicable, on the basis of a cost/benefit evaluation, and shall contain, to the extent requested, a detailed itemization of all existing and anticipated expenditures which are to be allocated to each program, service or function for the year of the appropriation request.

2. All departments and agencies shall submit their respective appropriations requests in a uniform manner as prescribed by procedures prescribed pursuant to section 33.800.

33.807. All officers and employees of the state, all departments, boards, commissions, bureaus and other agencies and institutions of the state which are supported, in whole or in part, by appropriations from the state shall furnish the budget committee of the house of representatives and the appropriations committee of the senate with complete access to their records and full information and assistance in any matter of research or investigation in connection with a [detail base] **performance-based** review. This section shall not be construed to compel the disclosure of any records or information which is declared to be privileged or confidential under any law of this state or the United States or by an order of a court of competent jurisdiction.

33.810. When any department or agency is selected for a [detail base] **performance-based** review pursuant to the provisions of sections 33.800 to 33.810, an analysis team shall be formed to consist of a budget analyst of the senate appropriations committee selected by the chairman of the senate appropriations committee, a budget analyst of the house budget committee selected by the chairman of the house budget committee, a budget analyst who is employed by the office of administration designated by the commissioner of administration, and an employee of the department or agency subject to the [detail base] **performance-based** review selected by the chief administrative officer of that department or agency. Upon request of the chairmen of the legislative committees, the oversight division of the joint committee on legislative research shall assist the analysis team and provide such services as may be required. Members

of the team shall receive no additional compensation for their services, but may be reimbursed for their actual and necessary expenses connected with the performance of their duties out of the joint legislative contingent fund. The team shall perform such functions, analysis and other duties as are specified in the [detail base] **performance-based** review procedures established pursuant to the provisions of section 33.800. The team shall begin the [detail base] **performance-based** review no sooner than the final approval of the appropriations bills by the governor and complete the review no later than October first of the same year.

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