

# SENATE BILL 102

P1

(7lr0172)

## **ENROLLED BILL**

— *Budget and Taxation / Appropriations* —

Introduced by **The President (By Request – Administration)**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

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Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

\_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **State Agencies – StateStat**

3 FOR the purpose of establishing a StateStat accountability process to enhance the  
4 managing for results process; authorizing the Governor to require certain  
5 agencies to participate in the StateStat process; requiring certain agencies to  
6 submit certain strategic plans and performance measurement reports to the  
7 Secretary of Budget and Management ~~by a certain date~~ as part of a certain  
8 budget submission; requiring the performance measurement reports to contain  
9 certain information; requiring the budget books to contain certain limited  
10 information from the StateStat agency strategic plan of certain units of State  
11 government; authorizing the Office of Legislative Audits to include in certain

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

*Italics indicate opposite chamber / conference committee amendments.*



performance audits a review of certain performance measures; defining certain terms; and generally relating to a StateStat accountability process and the managing for results process.

BY repealing and reenacting, with amendments,  
Article – State Finance and Procurement  
Section 3–1001 through 3–1003 and 7–121(a)  
Annotated Code of Maryland  
(2006 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, without amendments,  
Article – State Government  
Section 2–1221(a)  
Annotated Code of Maryland  
(2004 Replacement Volume and 2006 Supplement)

BY repealing and reenacting, with amendments,  
Article – State Government  
Section 2–1221(b)  
Annotated Code of Maryland  
(2004 Replacement Volume and 2006 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
MARYLAND, That the Laws of Maryland read as follows:

**Article – State Finance and Procurement**

3–1001.

(a) In this subtitle the following words have the meanings indicated.

(b) “Agency” means an entity of the Executive Branch of State government.

(c) “Goal” means a broad statement that describes the desired long-term results toward which an agency directs its efforts. Goals support, clarify, and provide direction to the agency’s mission and assist in the application of State resources toward implementation of the managing for results State comprehensive plan.

(d) “Managing for results” means a planning, performance measurement, and budgeting process that emphasizes use of resources to achieve measurable results, accountability, efficiency, and continuous improvement in State government programs.

1 (e) "Mission" means the purpose for an agency's existence and includes a  
2 description of what an agency does and for whom it does it.

3 (f) "Objective" means a specific and measurable short-term target for  
4 achievement of an agency's goals and includes a description of the desired results and  
5 a target date for accomplishment.

6 (g) (1) "Performance measure" means a quantitative or qualitative  
7 indicator used to assess whether an agency is meeting its goals and objectives.

8 (2) "Performance measure" includes the following:

9 (i) an efficiency measure that quantifies the relationship  
10 between measures of the inputs used to produce goods or services and the measures of  
11 the outputs of these activities;

12 (ii) an input measure that quantifies the amount of resources  
13 used to provide goods and services;

14 (iii) an outcome measure that quantifies the results an agency  
15 achieves or the benefits citizens receive from an agency's activities;

16 (iv) an output measure that quantifies the amount of goods and  
17 services produced by the agency; and

18 (v) a quality measure that quantifies or describes:

19 1. the effectiveness of the agency in meeting agency  
20 objectives;

21 2. aspects of the satisfaction that customers may or may  
22 not have with State goods or services; or

23 3. how State goods or services compare to some external  
24 or internal standard.

25 (h) "State comprehensive plan" means a statement of goals which serve as a  
26 broad directive for improving or making more cost effective State resources and  
27 services. The plan shall include no more than 10 statewide goals and 50 to 100  
28 performance measures that describe the statewide progress towards its goals.

1           **(I) “STATESTAT” MEANS THE ACCOUNTABILITY PROCESS DESCRIBED**  
2 **IN § 3–1003(B) OF THIS SUBTITLE.**

3           **[(i)] (J)**       “Strategic plan” means a statement of direction implemented by an  
4 agency to carry out its mission.

5 3–1002.

6           (a)     The Department shall review and update as necessary:

7                   (1)   the goals developed in the managing for results State  
8 comprehensive plan; and

9                   (2)   the plan’s objectives and performance measures.

10           (b)    **[On] EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, ON** or  
11 before July 1 of each year an agency, in conjunction with the Department, shall select  
12 no more than six agency goals that are:

13                   (1)   compatible with the managing for results State comprehensive  
14 plan; or

15                   (2)   consistent with the agency’s mission if the goals identified in the  
16 managing for results State comprehensive plan do not apply to the agency.

17           (c)    **[With] EXCEPT AS OTHERWISE PROVIDED IN THIS SUBTITLE, WITH**  
18 its annual budget submission to the Department, an agency shall develop and submit  
19 to the Department as part of the budget process a managing for results agency  
20 strategic plan that shall include:

21                   (1)   a mission statement;

22                   (2)   a description of the agency’s goals;

23                   (3)   a description of the objectives and performance measures  
24 implemented at the program level to achieve the agency’s goals, including:

25                           (i)   performance measure statistics for at least the 2 most  
26 recently completed fiscal years; and

27                           (ii)   performance measure estimates for the current year  
28 appropriation and budget request year;

(4) a discussion of the agency's progress in meeting its goals and performance measures and any challenges the agency has faced in working toward its goals;

(5) a description of the internal controls established to ensure reliability of the data collected for each performance measure; and

(6) an identification of the customers and stakeholders served.

(d) An agency subject to this subtitle shall maintain documentation of the internal controls established to evaluate performance measures that shall be subject to review by the State, including the Office of Legislative Audits.

(e) (1) The Department shall provide a report to the Senate Budget and Taxation Committee and House Appropriations Committee in January of each year on the contents of the State comprehensive plan and the State's progress toward the goals outlined in the plan.

(2) The report shall include details on each agency's progress.

(3) The Senate Budget and Taxation Committee and House Appropriations Committee may hold hearings after receiving the report.

(4) The first report shall be submitted on or before January 31, 2005 and shall include a presentation of the first managing for results State comprehensive plan.

3-1003.

(A) The Secretary shall review the strategic plans and the State comprehensive plan and may recommend appropriate changes to agency budgets.

**(B) (1) THERE IS A STATESTAT PROCESS THAT IS MANAGED BY THE EXECUTIVE BRANCH.**

**(2) STATESTAT IS AN ACCOUNTABILITY PROCESS THAT INVOLVES:**

**(I) THE ADOPTION OF A STRATEGIC PLAN AND THE ESTABLISHMENT OF GOALS BY AN AGENCY;**

(II) THE ADOPTION OF A COMPREHENSIVE SET OF PERFORMANCE AND CITIZEN SATISFACTION MEASUREMENTS BY AN AGENCY;

(III) REGULAR AND FREQUENT:

1. SUBMISSION OF TIMELY AND ACCURATE DATA BY AN AGENCY;

2. REVIEW AND ANALYSIS OF SUBMITTED DATA;

3. ACCOUNTABILITY MEETINGS TO ASSESS AN AGENCY'S PERFORMANCE;

(IV) CONTINUOUS REVIEW OF THE STRATEGIES AND TACTICS USED BY AN AGENCY TO MEET THE GOALS OF THE AGENCY; AND

(V) CONTINUOUS ASSESSMENT OF THE PROGRESS OF AN AGENCY TOWARDS MEETING THE GOALS OF THE AGENCY.

(C) THE GOVERNOR MAY REQUIRE AN AGENCY TO PARTICIPATE IN THE STATESTAT PROCESS TO HELP FACILITATE AND ACCELERATE THE ACHIEVEMENT OF MANAGING FOR RESULTS GOALS AND OBJECTIVES.

(D) (1) EACH AGENCY THAT PARTICIPATES IN THE STATESTAT PROCESS SHALL SUBMIT A STRATEGIC PLAN AND PERFORMANCE MEASUREMENT REPORT TO THE SECRETARY ~~BY AUGUST 15 OF EACH YEAR, AS PART OF ITS ANNUAL BUDGET SUBMISSION INSTEAD OF THE REPORT REQUIRED IN § 3-1002(C) OF THIS SUBTITLE.~~

(2) THE REPORT SUBMITTED BY EACH AGENCY THAT PARTICIPATES IN THE STATESTAT PROCESS SHALL CONTAIN ~~INFORMATION SIMILAR TO~~ THE INFORMATION REQUIRED IN § 3-1002(C) OF THIS SUBTITLE.

7-121.

(a) The budget books shall contain a section that, by unit of the State government, sets forth, for each program or purpose of that unit:

(1) the total number of officers and employees and the number in each job classification:

(i) authorized in the State budget for the last full fiscal year and the current fiscal year; and

(ii) requested for the next fiscal year;

(2) the total amount for salaries of officers and employees and the amount for salaries of each job classification:

(i) spent during the last full fiscal year;

(ii) authorized in the State budget for the current fiscal year; and

(iii) requested for the next fiscal year;

(3) an itemized statement of the expenditures for contractual services, supplies and materials, equipment, land and structures, fixed charges, and other operating expenses:

(i) made in the last full fiscal year;

(ii) authorized in the State budget for the current fiscal year; and

(iii) requested for the next fiscal year; and

(4) the ~~STATE~~**STAT OR** managing for results agency strategic plan required under this article that shall be limited to a description of the agency's mission, goals, objectives, and performance measures.

## **Article – State Government**

2–1221.

(a) A fiscal/compliance audit conducted by the Office of Legislative Audits shall include:

(1) examining financial transactions and records and internal controls;

(2) evaluating compliance with applicable laws and regulations;

(3) examining electronic data processing operations; and

1 (4) evaluating compliance with applicable laws and regulations  
2 relating to the acquisition of goods and services from Maryland Correctional  
3 Enterprises.

4 (b) A performance audit conducted by the Office of Legislative Audits may  
5 include:

6 (1) evaluating the efficiency, effectiveness, and economy with which  
7 resources are used;

8 (2) determining whether desired program results are achieved; and

9 (3) determining the reliability of performance measures, as defined in  
10 § 3–1001(g) of the State Finance and Procurement Article, identified in:

11 (I) the managing for results agency strategic plan developed  
12 under § 3–1002(c) of the State Finance and Procurement Article; **OR**

13 (II) **THE STATESTAT AGENCY STRATEGIC PLAN SUBMITTED**  
14 **UNDER § 3–1003(D) OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 June 1, 2007.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.