

SENATE BILL 102

P1

7lr0172
CF 7lr0173

By: **The President (By Request – Administration)**

Introduced and read first time: January 22, 2007

Assigned to: Budget and Taxation

A BILL ENTITLED

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; requiring the
8 performance measurement reports to contain certain information; requiring the
9 budget books to contain certain limited information from the StateStat agency
10 strategic plan of certain units of State government; authorizing the Office of
11 Legislative Audits to include in certain performance audits a review of certain
12 performance measures; defining certain terms; and generally relating to a
13 StateStat accountability process and the managing for results process.

14 BY repealing and reenacting, with amendments,
15 Article – State Finance and Procurement
16 Section 3–1001 through 3–1003 and 7–121(a)
17 Annotated Code of Maryland
18 (2006 Replacement Volume and 2006 Supplement)

19 BY repealing and reenacting, without amendments,
20 Article – State Government
21 Section 2–1221(a)
22 Annotated Code of Maryland
23 (2004 Replacement Volume and 2006 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
2 Article – State Government
3 Section 2–1221(b)
4 Annotated Code of Maryland
5 (2004 Replacement Volume and 2006 Supplement)

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

8 **Article – State Finance and Procurement**

9 3–1001.

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

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

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

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

19 (e) “Mission” means the purpose for an agency’s existence and includes a
20 description of what an agency does and for whom it does it.

21 (f) “Objective” means a specific and measurable short-term target for
22 achievement of an agency’s goals and includes a description of the desired results and
23 a target date for accomplishment.

24 (g) (1) “Performance measure” means a quantitative or qualitative
25 indicator used to assess whether an agency is meeting its goals and objectives.

26 (2) “Performance measure” includes the following:

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

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

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

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

(v) a quality measure that quantifies or describes:

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

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

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

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

(I) "STATESTAT" MEANS THE ACCOUNTABILITY PROCESS DESCRIBED IN § 3-1003(B) OF THIS SUBTITLE.

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

3-1002.

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

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

(2) the plan's objectives and performance measures.

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

4 (1) compatible with the managing for results State comprehensive
5 plan; or

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

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

12 (1) a mission statement;

13 (2) a description of the agency's goals;

14 (3) a description of the objectives and performance measures
15 implemented at the program level to achieve the agency's goals, including:

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

18 (ii) performance measure estimates for the current year
19 appropriation and budget request year;

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

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

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

26 (d) An agency subject to this subtitle shall maintain documentation of the
27 internal controls established to evaluate performance measures that shall be subject to
28 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;

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

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

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

8 (D) (1) EACH AGENCY THAT PARTICIPATES IN THE STATESTAT
9 PROCESS SHALL SUBMIT A STRATEGIC PLAN AND PERFORMANCE
10 MEASUREMENT REPORT TO THE SECRETARY BY AUGUST 15 OF EACH YEAR,
11 INSTEAD OF THE REPORT REQUIRED IN § 3-1002(C) OF THIS SUBTITLE.

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

15 7-121.

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

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

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

22 (ii) requested for the next fiscal year;

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

25 (i) spent during the last full fiscal year;

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

28 (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

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

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

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

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

1 (3) determining the reliability of performance measures, as defined in
2 § 3–1001(g) of the State Finance and Procurement Article, identified in:

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

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

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