

3946

2013-2014 Regular Sessions

I N   S E N A T E

February 28, 2013

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Introduced by Sen. SKELOS -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

AN ACT to amend the legislative law, in relation to establishing the legislative budget office; to amend the state finance law and the legislative law, in relation to enacting a balanced budget requirement; and to amend the state finance law, in relation to budget reform and enacting performance budgets

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1. The legislative law is amended by adding a new article 4-B  
2     to read as follows:

3                                     ARTICLE 4-B

4                     LEGISLATIVE BUDGET OFFICE

5     SECTION 75. POWERS AND DUTIES OF THE LEGISLATIVE BUDGET OFFICE.

6         76. DIRECTOR OF THE LEGISLATIVE BUDGET OFFICE.

7         S 75. POWERS AND DUTIES OF THE LEGISLATIVE BUDGET OFFICE. THERE SHALL  
8     HEREBY BE ESTABLISHED AN OFFICE OF THE STATE LEGISLATURE TO BE KNOWN AS  
9     THE LEGISLATIVE BUDGET OFFICE. 1. IT SHALL BE THE PRIMARY DUTY AND  
10    FUNCTION OF THE LEGISLATIVE BUDGET OFFICE TO PROVIDE THE MEMBERS AND  
11    COMMITTEES OF THE LEGISLATURE WITH INFORMATION WHICH WILL ASSIST SUCH  
12    OFFICIALS AND BODIES IN THE DISCHARGE OF MATTERS WITHIN THEIR JURISDIC-  
13    TION PERTAINING TO THE BUDGETARY PROCESS INCLUDING:

14        (A) INFORMATION WITH RESPECT TO THE BUDGET, APPROPRIATIONS BILLS AND  
15    OTHER BILLS AUTHORIZING OR PROVIDING FOR EXPENDITURES FROM  
16    GOVERNMENT-WIDE FUNDS OR REVENUES TO THOSE FUNDS; INCLUDING ANY BILLS  
17    THAT HAVE A DIRECT OR INDIRECT FISCAL IMPACT IN TERMS OF SPENDING OR  
18    REVENUE;

19        (B) INFORMATION WITH RESPECT TO ESTIMATED REVENUES AND RECEIPTS, AND  
20    CHANGING REVENUE CONDITIONS;

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

LBD09080-02-3

1 (C) INFORMATION WITH RESPECT TO THE PERFORMANCE AND EFFECTIVENESS OF  
2 STATE AGENCIES AND PROGRAMS; AND

3 (D) TO THE EXTENT PRACTICABLE, SUCH OTHER INFORMATION OR ANALYSES AS  
4 MAY BE REQUESTED BY SUCH OFFICIALS AND BODIES, AND THE GENERAL PUBLIC.

5 REQUESTS MADE BY THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF  
6 THE ASSEMBLY, THE CHAIR OF THE SENATE FINANCE COMMITTEE AND THE CHAIR OF  
7 THE ASSEMBLY WAYS AND MEANS COMMITTEE REGARDING THE BUDGET, REVENUES AND  
8 EXPENDITURES SHALL RECEIVE PRIORITY ATTENTION.

9 2. THE LEGISLATIVE BUDGET OFFICE SHALL COMPLETE A FISCAL IMPACT  
10 STATEMENT: (A) FOR ANY BILL BEING CONSIDERED ON AN ASSEMBLY WAYS AND  
11 MEANS COMMITTEE AGENDA OR A SENATE FINANCE COMMITTEE AGENDA, TO THE  
12 EXTENT POSSIBLE; (B) FOR ANY BILL AT THE REQUEST OF THE SPEAKER OR  
13 MINORITY LEADER OF THE ASSEMBLY OR THE TEMPORARY PRESIDENT OR MINORITY  
14 LEADER OF THE SENATE; AND (C) AT THE REQUEST OF A COMMITTEE CHAIR OR  
15 RANKING MEMBER OF A COMMITTEE FOR ANY BILL REFERRED TO THEIR RESPECTIVE  
16 COMMITTEE. FISCAL IMPACT STATEMENTS SHALL ESTIMATE THE IMPACT ON STATE  
17 REVENUES OR EXPENDITURES.

18 3. THE LEGISLATIVE BUDGET OFFICE SHALL SUBMIT AN ANALYSIS OF THE  
19 EXECUTIVE BUDGET BY MARCH FIRST OF EACH YEAR TO THE MEMBERS OF THE  
20 ASSEMBLY WAYS AND MEANS COMMITTEE AND THE SENATE FINANCE COMMITTEE, AND  
21 MAKE COPIES OF SUCH ANALYSIS AVAILABLE TO ALL OTHER MEMBERS OF THE  
22 LEGISLATURE AND ALL OTHER INDIVIDUALS, UPON REQUEST. THE LEGISLATIVE  
23 BUDGET OFFICE SHALL ALSO SUBMIT AN ANALYSIS OF AGENCY STRATEGIC AND  
24 PERFORMANCE PLANS DEVELOPED PURSUANT TO SECTION TWENTY-EIGHT OF THE  
25 STATE FINANCE LAW.

26 4. THE LEGISLATIVE BUDGET OFFICE SHALL, TO THE EXTENT PRACTICABLE,  
27 DEVELOP PROPOSALS FOR COST EFFECTIVE ALTERNATIVE APPROACHES TO MEET THE  
28 FINANCIAL OBLIGATIONS OF THE STATE, INCLUDING BUT NOT LIMITED TO,  
29 REVIEWING BOND REQUIREMENTS AND DEBT OBLIGATIONS OF THE STATE AND PUBLIC  
30 AUTHORITIES.

31 5. THE LEGISLATIVE BUDGET OFFICE SHALL PUBLISH A REPORT WITH RESPECT  
32 TO THE EXPECTED LEVELS OF STATE REVENUES BY THE FIRST DAY OF JANUARY,  
33 THE FIRST DAY OF APRIL, THE FIRST DAY OF JULY AND THE FIRST DAY OF OCTO-  
34 BER OF EACH YEAR.

35 6. THE LEGISLATIVE BUDGET OFFICE SHALL PUBLISH BY DECEMBER FIRST OF  
36 EACH YEAR A REPORT ANALYZING THE FISCAL OUTLOOK OF THE STATE FOR THE  
37 NEXT FIVE YEARS.

38 7. AT THE REQUEST OF ANY MEMBER OR COMMITTEE OF THE SENATE OR THE  
39 ASSEMBLY, THE LEGISLATIVE BUDGET OFFICE SHALL, TO THE EXTENT PRACTICA-  
40 BLE, CONSULT WITH AND ASSIST SUCH COMMITTEE IN ANALYZING THE BUDGETARY  
41 OR FINANCIAL IMPACT OF ANY PROPOSED LEGISLATION THAT MAY HAVE:

42 (A) A SIGNIFICANT BUDGETARY IMPACT ON LOCAL OR TRIBAL GOVERNMENTS;

43 (B) A SIGNIFICANT FINANCIAL IMPACT ON THE PRIVATE SECTOR; OR

44 (C) A SIGNIFICANT EMPLOYMENT IMPACT ON THE PRIVATE SECTOR.

45 8. (A) THE DIRECTOR OF THE LEGISLATIVE BUDGET OFFICE SHALL CONDUCT  
46 CONTINUING STUDIES ON FISCAL MATTERS INCLUDING WAYS TO ENHANCE COMPAR-  
47 ISONS OF BUDGET AUTHORITY AND OUTLAYS, DEBT AUTHORITY, AND TAX POLICY.

48 (B) (1) AT THE REQUEST OF ANY CHAIR OR RANKING MEMBER OF THE MINORITY  
49 OF A COMMITTEE OF THE SENATE OR THE ASSEMBLY, THE DIRECTOR SHALL, TO THE  
50 EXTENT PRACTICABLE, CONDUCT A STUDY OF A LEGISLATIVE PROPOSAL CONTAINING  
51 A STATE MANDATE.

52 (2) IN CONDUCTING A STUDY ON INTERGOVERNMENTAL MANDATES UNDER THIS  
53 PARAGRAPH, THE DIRECTOR SHALL:

54 (I) SOLICIT AND CONSIDER INFORMATION OR COMMENTS FROM ELECTED OFFI-  
55 CIALS (INCLUDING THEIR DESIGNATED REPRESENTATIVES) OF STATE, LOCAL, OR  
56 TRIBAL GOVERNMENTS AS MAY PROVIDE HELPFUL INFORMATION OR COMMENTS;

(II) CONSIDER ESTABLISHING ADVISORY PANELS OF ELECTED OFFICIALS OR THEIR DESIGNATED REPRESENTATIVES, OF LOCAL OR TRIBAL GOVERNMENTS IF THE DIRECTOR DETERMINES THAT SUCH ADVISORY PANELS WOULD BE HELPFUL IN PERFORMING RESPONSIBILITIES OF THE DIRECTOR UNDER THIS SECTION; AND

(III) IF, AND TO THE EXTENT THAT THE DIRECTOR DETERMINES THAT ACCURATE ESTIMATES ARE REASONABLY FEASIBLE, INCLUDE ESTIMATES OF:

(A) THE FUTURE DIRECT COST OF THE STATE MANDATE TO THE EXTENT THAT SUCH COSTS SIGNIFICANTLY DIFFER FROM OR EXTEND BEYOND THE FIVE-YEAR PERIOD AFTER THE MANDATE IS FIRST EFFECTIVE; AND

(B) ANY DISPROPORTIONATE BUDGETARY EFFECTS OF STATE MANDATES UPON PARTICULAR INDUSTRIES OR SECTORS OF THE ECONOMY, REGIONS, AND URBAN OR RURAL OR OTHER TYPES OF COMMUNITIES, AS APPROPRIATE.

(3) IN CONDUCTING A STUDY ON STATE MANDATES UNDER SUBPARAGRAPH ONE OF THIS PARAGRAPH, THE DIRECTOR SHALL PROVIDE ESTIMATES, IF AND TO THE EXTENT THAT THE DIRECTOR DETERMINES THAT SUCH ESTIMATES ARE REASONABLY FEASIBLE, OF:

(I) FUTURE COSTS OF STATE MANDATES ON PRIVATE SECTOR ENTITIES AND LOCAL GOVERNMENTS TO THE EXTENT THAT SUCH MANDATES DIFFER SIGNIFICANTLY FROM OR EXTEND BEYOND THE FIVE-YEAR TIME PERIOD REFERRED TO IN ITEM (A) OF CLAUSE (III) OF SUBPARAGRAPH TWO OF THIS PARAGRAPH;

(II) ANY DISPROPORTIONATE FINANCIAL EFFECTS OF STATE PRIVATE SECTOR MANDATES AND OF ANY STATE FINANCIAL ASSISTANCE IN THE BILL OR JOINT RESOLUTION UPON ANY PARTICULAR INDUSTRIES OR SECTORS OF THE ECONOMY, REGIONS, AND URBAN OR RURAL OR OTHER TYPES OF COMMUNITIES; AND

(III) THE EFFECT OF STATE MANDATES IN THE BILL OR JOINT RESOLUTION ON THE ECONOMY OF THE STATE, INCLUDING THE EFFECT ON PRODUCTIVITY, ECONOMIC GROWTH, FULL EMPLOYMENT, CREATION OF PRODUCTIVE JOBS, AND COMPETITIVENESS OF GOODS AND SERVICES.

9. THE LEGISLATIVE BUDGET OFFICE SHALL, FROM TIME TO TIME, PUBLISH SUCH REPORTS AS MAY BE APPROPRIATE TO ENHANCE THE OFFICIAL AND PUBLIC UNDERSTANDING OF THE BUDGETARY PROCESS AND OF THE BUDGET DOCUMENTS. SUCH OFFICE SHALL, FROM TIME TO TIME, PUBLISH SUCH REPORTS AS MAY BE NECESSARY OR APPROPRIATE TO PROVIDE SUCH INFORMATION, DATA AND ANALYSIS AS WILL ENHANCE OFFICIAL AND PUBLIC UNDERSTANDING OF MATTERS RELATING TO STATE REVENUES, EXPENDITURES, MANAGEMENT PRACTICES AND RELATED MATTERS.

10. ALL INFORMATION, DATA, ESTIMATES AND STATISTICS, AND ALL STUDIES AND REPORTS PREPARED BY THE LEGISLATIVE BUDGET OFFICE SHALL BE MADE AVAILABLE TO THE PUBLIC AND SHALL ALSO BE MADE AVAILABLE BY ELECTRONIC MEANS TO THE EXTENT PRACTICABLE OVER THE INTERNET.

11. NOTHING IN THIS SECTION SHALL BE CONSTRUED TO REQUIRE THE DISCLOSURE OF INFORMATION THAT IS OTHERWISE PROTECTED AS CONFIDENTIAL BY OTHER PROVISIONS OF STATE OR FEDERAL LAW.

S 76. DIRECTOR OF THE LEGISLATIVE BUDGET OFFICE. 1. THE LEGISLATIVE BUDGET OFFICE SHALL BE HEADED BY A DIRECTOR WHO SHALL BE APPOINTED, FROM ONE OR MORE CANDIDATES RECOMMENDED BY THE LEGISLATIVE BUDGET OFFICE BOARD OF DIRECTORS (ALSO REFERRED TO IN THIS SECTION AS THE "BOARD"), BY THE SPEAKER OF THE ASSEMBLY AND THE TEMPORARY PRESIDENT OF THE SENATE. THE RECOMMENDATIONS FOR THE INITIAL APPOINTMENT OF SUCH DIRECTOR SHALL BE MADE NO LATER THAN JANUARY FIFTEENTH, TWO THOUSAND FOURTEEN TO THE SPECIAL COMMITTEE. SUBSEQUENT RECOMMENDATIONS SHALL BE MADE BETWEEN JANUARY SECOND AND JANUARY FIFTEENTH EVERY SIXTH YEAR THEREAFTER. THE SPEAKER OF THE ASSEMBLY AND TEMPORARY PRESIDENT OF THE SENATE SHALL APPOINT THE INITIAL DIRECTOR NO LATER THAN FEBRUARY FIFTEENTH, TWO THOUSAND FOURTEEN AND SUCH INITIAL DIRECTOR SHALL TAKE OFFICE BEGINNING APRIL FIRST, TWO THOUSAND FOURTEEN. SUBSEQUENT APPOINTMENTS SHALL BE MADE NO LATER THAN FEBRUARY FIFTEENTH EVERY SIXTH YEAR THEREAFTER.

1       2. (A) THERE SHALL BE A LEGISLATIVE BUDGET OFFICE BOARD OF DIRECTORS  
2       CONSISTING OF (1) ONE PERSON APPOINTED BY EACH OF THE FOLLOWING OFFI-  
3       CIALS AND WHO SHALL SERVE AT THE PLEASURE OF SUCH OFFICIALS; THE CHAIR  
4       AND RANKING MEMBER OF THE ASSEMBLY WAYS AND MEANS COMMITTEE AND THE  
5       CHAIR AND RANKING MEMBER OF THE SENATE FINANCE COMMITTEE, AND (2) SIX  
6       OTHER MEMBERS JOINTLY APPOINTED BY THE SPEAKER OF THE ASSEMBLY AND THE  
7       TEMPORARY PRESIDENT OF THE SENATE, WHO SHALL SERVE FOR SIX YEAR TERMS,  
8       PROVIDED, HOWEVER THAT OF THE MEMBERS FIRST APPOINTED, TWO SHALL SERVE  
9       FOR TERMS EXPIRING ON MARCH THIRTY-FIRST, TWO THOUSAND FIFTEEN; TWO  
10      SHALL SERVE FOR TERMS EXPIRING ON MARCH THIRTY-FIRST, TWO THOUSAND  
11      SEVENTEEN; AND TWO SHALL SERVE FOR TERMS EXPIRING ON MARCH THIRTY-FIRST,  
12      TWO THOUSAND NINETEEN. THE MEMBERS SHALL ALL BE INDIVIDUALS WITH EXTEN-  
13      SIVE EXPERIENCE AND KNOWLEDGE IN THE FIELDS OF FINANCE, ECONOMICS,  
14      ACCOUNTING, PUBLIC ADMINISTRATION AND PUBLIC POLICY ANALYSIS INCLUDING  
15      AT LEAST ONE NATIONALLY RECOGNIZED EXPERT IN THE FIELDS OF BUDGET THEORY  
16      AND THE BUDGET PROCESS; ONE DEAN OR DIRECTOR OR FORMER DEAN OR DIRECTOR  
17      OF A GRADUATE SCHOOL OF BUSINESS ADMINISTRATION, PUBLIC AFFAIRS OR  
18      PUBLIC ADMINISTRATION LOCATED IN THE STATE; ONE OFFICER OR FORMER OFFI-  
19      CER OR ECONOMIC ADVISOR OF A LABOR UNION; ONE OFFICER OR FORMER OFFICER  
20      OR ECONOMIC ADVISOR TO A BUSINESS CORPORATION; ONE OFFICER OR FORMER  
21      OFFICER OF A CITY WITH A POPULATION OF ONE MILLION OR MORE; ONE OFFICER  
22      OR FORMER OFFICER OF A COUNTY; AND ONE OFFICER OR FORMER OFFICER OF A  
23      CIVIC OR PUBLIC INTEREST ADVOCACY ORGANIZATION DIRECTLY INVOLVED IN  
24      BUDGET MATTERS. NO INDIVIDUAL SHALL SERVE CONSECUTIVE TERMS.

25      (B) THE LEGISLATIVE BUDGET OFFICE BOARD OF DIRECTORS SHALL DEVELOP  
26      GUIDELINES FOR THE BEST PRACTICES OF THE LEGISLATIVE BUDGET OFFICE. THE  
27      LEGISLATIVE BUDGET OFFICE BOARD OF DIRECTORS SHALL MEET ANNUALLY WITH  
28      THE DIRECTOR TO REVIEW SUCH GUIDELINES AND TO MAKE COMMENTS AND  
29      SUGGESTIONS ON THE OVERALL PRACTICES OF THE OFFICE. IN DEVELOPING  
30      GUIDELINES FOR BEST PRACTICES, SUCH STANDARDS SHALL BE IN COMPLIANCE  
31      WITH STANDARDS PROMULGATED BY THE GOVERNMENTAL ACCOUNTING STANDARDS  
32      BOARD OR ANOTHER COMPARABLE STANDARD SETTING ENTITY WHEN PRACTICABLE.  
33      NOTHING IN THIS SECTION SHALL PRECLUDE THE BOARD FROM USING PRONOUNCE-  
34      MENTS; STANDARDS AND OTHER DOCUMENTS DEVELOPED AND PUBLISHED BY ORGAN-  
35      IZATIONS THAT ARE NATIONALLY RECOGNIZED AUTHORITIES IN MATTERS PERTAIN-  
36      ING TO PUBLIC FINANCE EXCEPT THAT THE BOARD SHALL DEVELOP SUCH BEST  
37      PRACTICES WITH THE INTENT OF COMPLYING WITH THE GOVERNMENTAL ACCOUNTING  
38      STANDARDS BOARD WHERE PRACTICABLE AND APPLICABLE.

39      (C) MEMBERS OF THE BOARD OF DIRECTORS SHALL RECEIVE NO COMPENSATION  
40      BUT SHALL BE REIMBURSED FOR REASONABLE EXPENSES INCURRED IN CONNECTION  
41      WITH THEIR DUTIES.

42      3. THE DIRECTOR OF THE LEGISLATIVE BUDGET OFFICE SHALL BE APPOINTED  
43      WITHOUT REGARD TO POLITICAL AFFILIATION AND SOLELY ON THE BASIS OF  
44      FITNESS TO PERFORM THE DUTIES ASSIGNED BY THIS ARTICLE. THE TERM OF  
45      OFFICE OF THE DIRECTOR FIRST APPOINTED SHALL EXPIRE ON FEBRUARY  
46      FIFTEENTH, TWO THOUSAND TWENTY, AND THE TERMS OF OFFICE OF DIRECTORS  
47      SUBSEQUENTLY APPOINTED SHALL EXPIRE ON SUCH DATE IN EACH SIXTH YEAR  
48      THEREAFTER. ANY INDIVIDUAL APPOINTED TO FILL A VACANCY PRIOR TO THE  
49      EXPIRATION OF A TERM SHALL SERVE ONLY FOR THE UNEXPIRED PORTION OF SUCH  
50      TERM. AN INDIVIDUAL SERVING AS DIRECTOR AT THE EXPIRATION OF THE TERM  
51      MAY CONTINUE TO SERVE UNTIL A SUCCESSOR IS APPOINTED. ANY DIRECTOR  
52      SERVING CONSECUTIVE TERMS SHALL BE RECOMMENDED BY THE LEGISLATIVE BUDGET  
53      OFFICE BOARD OF DIRECTORS AND APPOINTED BY THE SPEAKER OF THE ASSEMBLY  
54      AND THE TEMPORARY PRESIDENT OF THE SENATE FOR THE SECOND TERM. NO DIREC-  
55      TOR SHALL SERVE MORE THAN TWO TERMS CONSECUTIVELY.

1 4. TWENTY PERCENT OF THE APPROPRIATIONS MADE TO THE DIVISION OF THE  
2 BUDGET SHALL BE AVAILABLE TO PAY FOR THE EXPENSES OF THE LEGISLATIVE  
3 BUDGET OFFICE DURING EACH FISCAL YEAR BEGINNING WITH THE FIRST DAY OF  
4 APRIL AFTER THIS SECTION SHALL HAVE BECOME A LAW. THE DIRECTOR OF THE  
5 LEGISLATIVE BUDGET OFFICE SHALL APPOINT SUCH PERSONNEL AND PROCURE THE  
6 SERVICES OF SUCH EXPERTS AND CONSULTANTS, WITHIN THE APPROPRIATIONS  
7 AVAILABLE THEREFOR, AS MAY BE NECESSARY FOR SUCH DIRECTOR TO CARRY OUT  
8 THE DUTIES AND FUNCTIONS ASSIGNED PURSUANT TO THIS ARTICLE. SUCH  
9 PERSONNEL AND EXPERTS SHALL PERFORM SUCH DUTIES AS MAY BE ASSIGNED TO  
10 THEM BY THE DIRECTOR.

11 5. THE DIRECTOR MAY BE REMOVED BY EITHER A JOINT RESOLUTION OF THE  
12 SENATE AND ASSEMBLY OR BY A VOTE OF SEVEN OUT OF TEN MEMBERS OF THE  
13 BOARD.

14 6. (A) THE DIRECTOR AND DEPUTY DIRECTOR SHALL RECEIVE COMPENSATION IN  
15 AN AMOUNT TO BE DETERMINED PURSUANT TO A CHAPTER OF THE LAWS OF TWO  
16 THOUSAND THIRTEEN.

17 (B) THE DIRECTOR SHALL APPOINT AND FIX THE COMPENSATION OF SUCH  
18 PERSONNEL AS MAY BE NECESSARY TO CARRY OUT THE DUTIES AND FUNCTIONS OF  
19 THE OFFICE. ALL PERSONNEL OF THE OFFICE SHALL BE APPOINTED WITHOUT  
20 REGARD TO POLITICAL AFFILIATION AND SOLELY ON THE BASIS OF THEIR FITNESS  
21 TO PERFORM THEIR DUTIES. THE DIRECTOR MAY PRESCRIBE THE DUTIES AND  
22 RESPONSIBILITIES OF THE PERSONNEL OF THE OFFICE, AND DELEGATE TO THEM  
23 AUTHORITY TO PERFORM ANY OF THE DUTIES, POWERS, AND FUNCTIONS IMPOSED ON  
24 THE OFFICE OR ON THE DIRECTOR. FOR PURPOSES OF PAY AND EMPLOYMENT BENE-  
25 FITS, RIGHTS, AND PRIVILEGES, ALL PERSONNEL OF THE OFFICE SHALL BE  
26 TREATED AS IF THEY WERE EMPLOYEES OF THE STATE.

27 7. THE DIRECTOR OF THE LEGISLATIVE BUDGET OFFICE SHALL HAVE ACCESS AT  
28 ALL REASONABLE TIMES TO OFFICES OF STATE DEPARTMENTS, COMMISSIONS,  
29 BOARDS, BUREAUS AND OFFICES, TO INSTITUTIONS AND TO ALL STATE AUTHORI-  
30 TIES AND PUBLIC WORKS OF THE STATE AND THEY MAY, FOR THE PURPOSE OF  
31 OBTAINING INFORMATION AS TO THE METHOD OF OPERATION, GENERAL CONDITION,  
32 MANAGEMENT AND NEEDS THEREOF, EXAMINE THE BOOKS, PAPERS AND PUBLIC  
33 RECORDS THEREIN. NOTWITHSTANDING ANY OTHER PROVISION OF LAW SUCH STATE  
34 DEPARTMENTS, COMMISSIONS, BOARDS, BUREAUS, DIVISIONS, OFFICES, STATE  
35 AUTHORITIES AND OTHER INSTITUTIONS SHALL, THROUGH THEIR PROPER OFFICERS  
36 OR DEPUTIES, FURNISH TO THE DIRECTOR SUCH DATA, INFORMATION OR STATE-  
37 MENTS AS MAY BE NECESSARY FOR THE PROPER EXERCISE OF HIS OR HER POWERS  
38 AND DUTIES AND FOR THE PURPOSE OF CARRYING INTO EFFECT THE PROVISIONS OF  
39 THIS ARTICLE.

40 8. FOR THE PURPOSES OF REVENUE LEGISLATION WHICH IS INCOME, ESTATE AND  
41 GIFT, EXCISE, AND PAYROLL TAXES, CONSIDERED OR ENACTED IN ANY SESSION OF  
42 THE LEGISLATURE, THE LEGISLATIVE BUDGET OFFICE SHALL CONSIDER DURING  
43 THAT LEGISLATIVE SESSION REVENUE ESTIMATES PROVIDED TO IT BY THE DEPART-  
44 MENT OF AUDIT AND CONTROL OR THE STATE COMPTROLLER. DURING THAT SESSION  
45 OF THE LEGISLATURE SUCH REVENUE ESTIMATES SHALL BE TRANSMITTED BY THE  
46 LEGISLATIVE BUDGET OFFICE TO ANY COMMITTEE OF THE ASSEMBLY OR THE SENATE  
47 REQUESTING SUCH ESTIMATES, AND SHALL BE USED BY SUCH COMMITTEES IN  
48 DETERMINING SUCH ESTIMATES. THE FISCAL COMMITTEES OF THE SENATE AND  
49 ASSEMBLY SHALL DETERMINE ALL ESTIMATES WITH RESPECT TO THE EXECUTION OF  
50 THE PURPOSES OF THIS ARTICLE. THIS SUBDIVISION SHALL NOT REQUIRE NOR  
51 PRECLUDE THE LEGISLATIVE BUDGET OFFICE FROM USING ESTIMATES OF THE STATE  
52 COMPTROLLER IN THE CALCULATION OF THE REVENUE FORECAST AS STIPULATED IN  
53 SUBDIVISION FIVE OF SECTION SEVENTY-FIVE OF THIS ARTICLE.

54 S 2. Section 22 of the state finance law is amended by adding three  
55 new subdivisions 17, 18 and 19 to read as follows:

17. DEVELOPMENT OF THE EXECUTIVE BUDGET SUBMISSION AND ENACTED BUDGET. FOR FISCAL YEARS BEGINNING ON AND AFTER APRIL FIRST, TWO THOUSAND FOURTEEN, THE EXECUTIVE BUDGET SUBMISSION AND THE ENACTED BUDGET COVERING ALL EXPENDITURES OTHER THAN CAPITAL ITEMS SHALL BE PREPARED AND BALANCED SO THE RESULTS THEREOF WOULD NOT SHOW A DEFICIT WHEN REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AS DEFINED IN SECTION TWO OF THIS CHAPTER.

18. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, BUDGETS SUBMITTED PURSUANT TO THIS SECTION SHALL INCLUDE:

A. A DESCRIPTION OF ALL OF THE EXPENDITURES ESTIMATED TO BE MADE BEFORE THE CLOSE OF THE CURRENT FISCAL YEAR AND ALL OF THE EXPENDITURES PROPOSED TO BE MADE DURING THE ENSUING FISCAL YEAR, BOTH IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AS DEFINED IN SECTION TWO OF THIS CHAPTER; AND

B. A DESCRIPTION OF ALL THE REVENUES ESTIMATED TO ACCRUE BEFORE THE CLOSE OF THE CURRENT FISCAL YEAR AND DURING THE ENSUING FISCAL YEAR, INCLUSIVE OF ANY REVENUES WHICH ARE EXPECTED TO RESULT FROM THE PROPOSED LEGISLATION WHICH THE GOVERNOR DEEMS NECESSARY TO PROVIDE RECEIPTS SUFFICIENT TO MEET PROPOSED DISBURSEMENTS, ALL IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AS DEFINED IN SECTION TWO OF THIS CHAPTER.

19. THE DIVISION OF THE BUDGET SHALL PREPARE THE REPORTS, SCHEDULES, AND OTHER INFORMATION DESCRIBED IN THIS SUBDIVISION. TO THE EXTENT PRACTICABLE, SUCH REPORTS, SCHEDULES, AND INFORMATION SHALL BE IN A FORM, AND PRESENTED AT A LEVEL OF DETAIL, THAT FACILITATES COMPARISON ON AN ANNUAL BASIS AND AGAINST ACTUAL RESULTS, AS APPROPRIATE, AND IN A MANNER CONSISTENT WITH THE OTHER REPORTING REQUIREMENTS ENUMERATED IN THIS SECTION. THE REPORTS, SCHEDULES, AND OTHER INFORMATION REQUIRED BY THIS SUBDIVISION SHALL BE SUBMITTED TO THE CHAIR OF THE SENATE FINANCE COMMITTEE, THE CHAIR OF THE ASSEMBLY WAYS AND MEANS COMMITTEE, THE MINORITY LEADERS OF BOTH HOUSES, AND THE COMPTROLLER ACCORDING TO THE SCHEDULES SET FORTH IN THIS SUBDIVISION. IN DETERMINING THE FINAL CONTENT AND FORMAT OF THE INFORMATION REQUIRED BY THIS SECTION, THE DIVISION SHALL CONSULT ANNUALLY WITH THE DIRECTOR OF THE LEGISLATIVE BUDGET OFFICE, THE DESIGNEES OF THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE MINORITY LEADERS OF BOTH HOUSES, AND THE COMPTROLLER. ALL INFORMATION DESCRIBED IN THIS SUBDIVISION SHALL BE MADE AVAILABLE TO THE PUBLIC.

A. THE SUMMARY FINANCIAL PLAN SUBMITTED BY THE GOVERNOR TO THE LEGISLATURE, IN ADDITION TO THE INFORMATION DESCRIBED IN SUBDIVISION ONE OF THIS SECTION, SHALL INCLUDE:

(1) A SCHEDULE OF RECEIPTS FOR THE PRIOR, CURRENT, AND NEXT FIVE FISCAL YEARS. SUCH SCHEDULE SHALL PRESENT THE MAJOR REVENUE SOURCES FOR EACH FUND, INCLUDING DETAIL FOR EACH MAJOR TAX AND MAJOR COMPONENTS OF MISCELLANEOUS RECEIPTS.

(2) A DESCRIPTION OF EMPLOYMENT LEVELS FOR EACH STATE DEPARTMENT, DIVISION OR OFFICE FOR THE PRIOR, CURRENT, AND NEXT ENSUING FISCAL YEAR CONTAINING (A) SEPARATE SCHEDULES FOR EACH FUND TYPE AND (B) AN ALL FUNDS SUMMARY. SUCH INFORMATION SHALL BE PRESENTED IN A FORM THAT FACILITATES COMPARISONS AMONG AGENCIES AND ACROSS FISCAL YEARS, AND SHALL INCLUDE (I) ACTUAL AND PROJECTED FULL-TIME EQUIVALENTS AND (II) PROPOSED CHANGES TO THE WORKFORCE IN THE EXECUTIVE BUDGET, INCLUDING NEW POSITIONS, LAYOFFS, ATTRITIONS, AND CHANGES IN FUNDING SOURCES. TO THE EXTENT PRACTICABLE, THE DIVISION OF THE BUDGET SHALL FACILITATE THE PROVISION OF OTHER RELEVANT INFORMATION ON EMPLOYMENT TO THE LEGISLATURE IN A TIMELY MANNER DURING THE STATE FISCAL YEAR.

1 B. THE EXECUTIVE BUDGET, THE ENACTED BUDGET REPORT AND EACH QUARTERLY  
2 UPDATE TO THE FINANCIAL PLAN SHALL INCLUDE THE FOLLOWING INFORMATION, IN  
3 ADDITION TO THE INFORMATION REQUIRED ELSEWHERE IN THIS SECTION AND OTHER  
4 SECTIONS OF LAW.

5 (1) AN UPDATED GENERAL FUND FORECAST OF RECEIPTS AND DISBURSEMENTS FOR  
6 THE CURRENT AND FIVE SUCCEEDING FISCAL YEARS. SUCH UPDATED FORECAST  
7 SHALL CLEARLY IDENTIFY AND EXPLAIN THE REVISIONS TO THE RECEIPTS AND  
8 DISBURSEMENTS PROJECTIONS FROM THE MOST RECENT PRIOR UPDATE TO THE  
9 FINANCIAL PLAN, AND ANY SIGNIFICANT REVISIONS TO THE UNDERLYING FACTORS  
10 AFFECTING RECEIPTS AND DISBURSEMENTS BY MAJOR FUNCTION, AND MAY INCLUDE,  
11 BUT NOT BE LIMITED TO: CASELOAD, SERVICE, AND UTILIZATION RATES; DEMO-  
12 GRAPHIC TRENDS; ECONOMIC VARIABLES; PENSION FUND PERFORMANCE; INCARCERA-  
13 TION RATES; PRESCRIPTION DRUG PRICES; HEALTH INSURANCE PREMIUMS;  
14 INFLATION; CONTRACTUAL OBLIGATIONS; LITIGATION; AND STATE EMPLOYMENT  
15 TRENDS.

16 (2) A REVISED MONTHLY GENERAL FUND CASH FLOW PROJECTION OF RECEIPTS  
17 AND DISBURSEMENTS FOR THE CURRENT FISCAL YEAR THAT (A) COMPARES ACTUAL  
18 RESULTS TO (I) ACTUAL RESULTS THROUGH THE SAME PERIOD FOR THE PRIOR YEAR  
19 AND (II) THE MOST RECENT PRIOR UPDATE TO THE FINANCIAL PLAN AND TO THE  
20 ENACTED BUDGET FINANCIAL PLAN, (B) SUMMARIZES THE REASONS FOR ANY VARI-  
21 ANCES, AND (C) DESCRIBES THE REVISIONS TO THE CASH FLOW PROJECTIONS. THE  
22 MONTHLY GENERAL FUND CASH FLOW PROJECTION SHALL BE STATED BY MAJOR CATE-  
23 GORY OF LOCAL ASSISTANCE, PERSONAL SERVICE, NONPERSONAL SERVICE, GENERAL  
24 STATE CHARGES, AND DEBT SERVICE, AND BY MAJOR CATEGORY OF REVENUE.

25 C. THE CAPITAL PROGRAM AND FINANCING PLAN SUBMITTED PURSUANT TO  
26 SECTION TWENTY-TWO-C OF THIS ARTICLE, AND THE UPDATE THERETO REQUIRED  
27 PURSUANT TO SECTION TWENTY-THREE OF THIS ARTICLE, SHALL INCLUDE A REPORT  
28 ON THE MANAGEMENT OF STATE-SUPPORTED DEBT. SUCH REPORT MAY INCLUDE, BUT  
29 IS NOT LIMITED TO: (1) AN ASSESSMENT OF THE AFFORDABILITY OF STATE DEBT,  
30 INCLUDING DEBT AS A PERCENT OF PERSONAL INCOME, DEBT PER CAPITA, AND  
31 DEBT SERVICE COSTS AS A PERCENT OF THE BUDGET, (2) A SUMMARY AND ANALY-  
32 SIS OF THE INTEREST RATE EXCHANGE AGREEMENTS AND VARIABLE RATE EXPOSURE,  
33 AND (3) AN ASSESSMENT OF FINANCING OPPORTUNITIES RELATED TO THE STATE'S  
34 DEBT PORTFOLIO.

35 S 3. Paragraph (a) of subdivision 2 of section 54 of the legislative  
36 law, as added by chapter 1 of the laws of 2007, is amended and a new  
37 paragraph (d) is added to read as follows:

38 (a) The legislature shall enact a budget for the upcoming fiscal year  
39 that it determines is balanced [in the] ON A general fund, STATE FUNDS  
40 AND ALL FUNDS BASIS. THE LEGISLATURE SHALL MAKE THIS DETERMINATION IN  
41 ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AS DEFINED IN  
42 SECTION TWO OF THE STATE FINANCE LAW.

43 (D) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, BUDGETS  
44 SUBMITTED PURSUANT TO THIS SECTION SHALL INCLUDE:

45 (I) ALL OF THE EXPENDITURES ESTIMATED TO BE MADE BEFORE THE CLOSE OF  
46 THE CURRENT FISCAL YEAR AND ALL OF THE EXPENDITURES PROPOSED TO BE MADE  
47 DURING THE ENSUING FISCAL YEAR, BOTH IN ACCORDANCE WITH GENERALLY  
48 ACCEPTED ACCOUNTING PRINCIPLES AS DEFINED IN SECTION TWO OF THE STATE  
49 FINANCE LAW; AND

50 (II) A DESCRIPTION OF ALL OF THE REVENUES ESTIMATED TO ACCRUE BEFORE  
51 THE CLOSE OF THE CURRENT FISCAL YEAR AND DURING THE ENSUING FISCAL YEAR,  
52 INCLUSIVE OF ANY REVENUES WHICH ARE EXPECTED TO RESULT FROM THE PROPOSED  
53 LEGISLATION WHICH THE LEGISLATURE DEEMS NECESSARY TO PROVIDE RECEIPTS  
54 SUFFICIENT TO MEET PROPOSED DISBURSEMENTS, ALL IN ACCORDANCE WITH GENER-  
55 ALLY ACCEPTED ACCOUNTING PRINCIPLES AS DEFINED IN SECTION TWO OF THE  
56 STATE FINANCE LAW.

1 S 4. The state finance law is amended by adding a new section 28 to  
2 read as follows:

3 S 28. AGENCY STRATEGIC AND PERFORMANCE PLANS AND PERFORMANCE BUDGET-  
4 ING REQUIREMENTS. 1. DEFINITIONS. WHEN USED IN THIS SECTION:

5 (A) "AGENCY" MEANS AND INCLUDES "STATE AGENCY" AND "COVERED AUTHORITY"  
6 AS DEFINED IN SECTION TWO-A OF THIS CHAPTER;

7 (B) "OUTCOME MEASURE" MEANS AN ASSESSMENT OF THE RESULTS OF A PROGRAM  
8 ACTIVITY COMPARED TO ITS INTENDED PURPOSE;

9 (C) "OUTPUT MEASURE" MEANS THE TABULATION, CALCULATION, OR RECORDING  
10 OF ACTIVITY OR EFFORT AND CAN BE EXPRESSED IN A QUANTITATIVE OR QUALITA-  
11 TIVE MANNER;

12 (D) "PROGRAM ASSESSMENT RATING TOOL" MEANS A TOOL DEVELOPED BY THE  
13 DIVISION OF THE BUDGET TO EVALUATE THE EFFECTIVENESS OF PROGRAMS AND  
14 PROGRAM ACTIVITY;

15 (E) "PERFORMANCE GOAL" MEANS A TARGET LEVEL OF PERFORMANCE EXPRESSED  
16 AS A TANGIBLE, MEASURABLE OBJECTIVE, AGAINST WHICH ACTUAL ACHIEVEMENT  
17 CAN BE COMPARED, INCLUDING A GOAL EXPRESSED AS A QUANTITATIVE STANDARD,  
18 VALUE, OR RATE;

19 (F) "PERFORMANCE INDICATOR" MEANS A PARTICULAR VALUE OR CHARACTERISTIC  
20 USED TO MEASURE OUTPUT OR OUTCOME;

21 (G) "PROGRAM ACTIVITY" MEANS A SPECIFIC ACTIVITY OR PROJECT OF THE  
22 PROGRAM AND MEANS AND INCLUDES ANY EXPENDITURE FOR ANY PURPOSE TO ANY  
23 CLASS OR GROUPING OF VENDORS THAT INCLUDES MORE THAN ONE VENDOR; AND

24 (H) "PROGRAM EVALUATION" MEANS AN ASSESSMENT, THROUGH OBJECTIVE MEAS-  
25 UREMENT AND SYSTEMATIC ANALYSIS, OF THE MANNER AND EXTENT TO WHICH  
26 PROGRAMS ACHIEVE INTENDED OBJECTIVES.

27 2. STRATEGIC PLAN. (A) NOT LATER THAN THE START OF THE FISCAL YEAR  
28 BEGINNING IN TWO THOUSAND FOURTEEN EACH AGENCY SHALL SUBMIT TO THE  
29 DIRECTOR OF THE BUDGET AND TO THE DIRECTOR OF THE LEGISLATIVE BUDGET  
30 OFFICE A STRATEGIC PLAN FOR PROGRAM ACTIVITIES. SUCH PLAN SHALL INCLUDE:

31 (1) A COMPREHENSIVE MISSION STATEMENT COVERING THE MAJOR FUNCTIONS AND  
32 OPERATIONS OF THE AGENCY;

33 (2) GENERAL GOALS AND OBJECTIVES, INCLUDING OUTCOME-RELATED GOALS AND  
34 OBJECTIVES, FOR THE MAJOR FUNCTIONS AND OPERATIONS OF THE AGENCY;

35 (3) A DESCRIPTION OF HOW THE GOALS AND OBJECTIVES ARE TO BE ACHIEVED,  
36 INCLUDING A DESCRIPTION OF THE OPERATIONAL PROCESSES, SKILLS AND TECH-  
37 NOLOGY, AND THE HUMAN, CAPITAL, INFORMATION, AND OTHER RESOURCES  
38 REQUIRED TO MEET THOSE GOALS AND OBJECTIVES;

39 (4) A DESCRIPTION OF HOW THE PERFORMANCE GOALS INCLUDED IN THE  
40 PERFORMANCE PLAN REQUIRED BY THIS SECTION SHALL BE RELATED TO THE GENER-  
41 AL GOALS AND OBJECTIVES IN THE STRATEGIC PLAN;

42 (5) AN IDENTIFICATION OF KEY FACTORS EXTERNAL TO THE AGENCY AND BEYOND  
43 ITS CONTROL THAT COULD SIGNIFICANTLY AFFECT THE ACHIEVEMENT OF THE  
44 GENERAL GOALS AND OBJECTIVES; AND

45 (6) A DESCRIPTION OF THE PROGRAM EVALUATIONS USED IN ESTABLISHING OR  
46 REVISING GENERAL GOALS AND OBJECTIVES, WITH A SCHEDULE FOR FUTURE  
47 PROGRAM EVALUATIONS.

48 (B) THE STRATEGIC PLAN SHALL COVER A PERIOD OF NOT LESS THAN FIVE  
49 YEARS FORWARD FROM THE FISCAL YEAR IN WHICH IT IS SUBMITTED, AND SHALL  
50 BE UPDATED AND REVISED AT LEAST EVERY THREE YEARS.

51 (C) WHEN DEVELOPING A STRATEGIC PLAN, THE AGENCY SHALL CONSULT WITH  
52 THE APPROPRIATE COMMITTEE OR COMMITTEES OF THE LEGISLATURE, INCLUDING  
53 COMMITTEES WHICH OVERSEE THEIR AREA OF OPERATIONS PROGRAMMATICALLY OR  
54 FISCALLY, AND SHALL SOLICIT AND CONSIDER THE VIEWS OF ENTITIES POTEN-  
55 Tially AFFECTED BY OR INTERESTED IN SUCH A PLAN.



1 3. PERFORMANCE PLANS AND REPORTS. (A) ANY OTHER PROVISION OF ANY  
2 OTHER LAW TO THE CONTRARY NOTWITHSTANDING, BEGINNING WITH FISCAL YEAR  
3 TWO THOUSAND FOURTEEN, THE DIRECTOR OF THE BUDGET SHALL INCLUDE A  
4 PERFORMANCE PLAN AS PART OF THE BUDGET SUBMITTED ANNUALLY BY THE GOVER-  
5 NOR TO THE LEGISLATURE, IN ACCORDANCE WITH ARTICLE SEVEN OF THE CONSTI-  
6 TUTION. IN SUCH SUBMISSION, THE DIRECTOR SHALL REPORT TO THE GOVERNOR  
7 AND THE LEGISLATURE CONCERNING ANY SIGNIFICANT DIFFICULTIES EXPERIENCED  
8 BY AGENCIES IN PREPARING PLANS AND REPORTS AND SET FORTH ANY RECOMMENDED  
9 CHANGES IN THE REQUIREMENTS OF THIS SECTION. THE DIRECTOR OF THE BUDGET  
10 MAY EXEMPT FROM THE REQUIREMENTS OF THIS SECTION ANY AGENCY WITH AN  
11 ALL-FUNDS ANNUAL BUDGET OF TEN MILLION DOLLARS OR LESS.

12 (B) THE PERFORMANCE PLAN SUBMITTED BY EACH AGENCY SHALL BE CONSISTENT  
13 WITH THE AGENCY'S STRATEGIC PLAN. A PERFORMANCE PLAN MAY NOT BE SUBMIT-  
14 TED FOR A FISCAL YEAR NOT COVERED BY A CURRENT STRATEGIC PLAN UNDER THIS  
15 SECTION. IN ADDITION TO ANY OTHER REQUIREMENTS OF THIS SECTION, THE  
16 PERFORMANCE PLAN SHALL USE THE PROGRAM ASSESSMENT RATING TOOL TO EVALU-  
17 ATE ITS PROGRAMS.

18 (C) ON AND AFTER FISCAL YEAR TWO THOUSAND FOURTEEN, THE DIRECTOR OF  
19 THE BUDGET SHALL REQUIRE EACH AGENCY TO PREPARE AN ANNUAL PERFORMANCE  
20 PLAN COVERING EACH PROGRAM ACTIVITY SET FORTH IN THE BUDGET OF SUCH  
21 AGENCY. SUCH PLAN SHALL:

22 (1) ESTABLISH PERFORMANCE GOALS TO DEFINE THE LEVEL OF PERFORMANCE TO  
23 BE ACHIEVED BY A PROGRAM ACTIVITY;

24 (2) EXPRESS SUCH GOALS IN AN OBJECTIVE, QUANTIFIABLE, AND MEASURABLE  
25 FORM UNLESS AUTHORIZED TO BE IN AN ALTERNATIVE FORM PURSUANT TO THIS  
26 SUBDIVISION;

27 (3) BRIEFLY DESCRIBE THE OPERATIONAL PROCESSES, SKILLS AND TECHNOLOGY,  
28 AND THE HUMAN, CAPITAL, INFORMATION, OR OTHER RESOURCES REQUIRED TO MEET  
29 THE PERFORMANCE GOALS;

30 (4) ESTABLISH PERFORMANCE INDICATORS TO BE USED IN MEASURING OR  
31 ASSESSING THE RELEVANT OUTPUTS, SERVICE LEVELS, AND OUTCOMES OF EACH  
32 PROGRAM ACTIVITY;

33 (5) PROVIDE A BASIS FOR COMPARING ACTUAL PROGRAM RESULTS WITH THE  
34 ESTABLISHED PERFORMANCE GOALS; AND

35 (6) DESCRIBE THE MEANS TO BE USED TO VERIFY AND VALIDATE MEASURED  
36 VALUES.

37 (D) IF AN AGENCY, IN CONSULTATION WITH THE DIRECTOR OF THE BUDGET,  
38 DETERMINES THAT IT IS NOT FEASIBLE TO EXPRESS THE PERFORMANCE GOALS FOR  
39 A PARTICULAR PROGRAM ACTIVITY IN AN OBJECTIVE, QUANTIFIABLE, AND MEASUR-  
40 ABLE FORM, THE DIRECTOR MAY AUTHORIZE AN ALTERNATIVE FORM. SUCH ALTERNA-  
41 TIVE SHALL BE IN A FORM AUTHORIZED BY THE DIRECTOR, AND

42 (1) SHALL HAVE SUFFICIENT PRECISION AND BE IN TERMS THAT ALLOW FOR AN  
43 ACCURATE, INDEPENDENT DETERMINATION OF WHETHER THE PROGRAM ACTIVITY'S  
44 PERFORMANCE MEETS THE CRITERIA OF THE DESCRIPTION; OR

45 (2) BE A STATEMENT AS TO WHY IT IS INFEASIBLE OR IMPRACTICAL FOR THE  
46 AGENCY TO EXPRESS A PERFORMANCE GOAL IN ANY FORM FOR THE PROGRAM ACTIV-  
47 ITY.

48 (E) FOR THE PURPOSE OF COMPLYING WITH THIS SECTION, AN AGENCY MAY  
49 AGGREGATE, DISAGGREGATE, OR CONSOLIDATE PROGRAM ACTIVITIES, EXCEPT THAT  
50 ANY AGGREGATION OR CONSOLIDATION MAY NOT OMIT OR MINIMIZE THE SIGNIF-  
51 ICANCE OF ANY PROGRAM ACTIVITY CONSTITUTING A MAJOR FUNCTION OR OPERA-  
52 TION FOR THE AGENCY.

53 (F) ON A DATE SET BY THE DIRECTOR OF THE BUDGET, EACH AGENCY SHALL  
54 PREPARE AND SUBMIT TO THE DIRECTOR A REPORT ON PROGRAM PERFORMANCE FOR  
55 THE PREVIOUS FISCAL YEAR FOR INCLUSION IN THE STATE BUDGET SUBMITTED

1 ANNUALLY BY THE GOVERNOR TO THE LEGISLATURE, IN ACCORDANCE WITH ARTICLE  
2 SEVEN OF THE CONSTITUTION.

3 (G) EACH PROGRAM PERFORMANCE REPORT SHALL SET FORTH THE PERFORMANCE  
4 INDICATORS ESTABLISHED IN THE AGENCY PERFORMANCE PLAN, ALONG WITH THE  
5 ACTUAL PROGRAM PERFORMANCE ACHIEVED COMPARED WITH THE PERFORMANCE GOALS  
6 EXPRESSED IN THE PLAN FOR THE PRECEDING FISCAL YEAR.

7 (H) IF PERFORMANCE GOALS ARE SPECIFIED IN AN ALTERNATIVE FORM AS  
8 AUTHORIZED BY THIS SECTION, THE RESULTS OF SUCH PROGRAM SHALL BE  
9 DESCRIBED IN RELATION TO SUCH SPECIFICATIONS.

10 (I) THE REPORT FOR FISCAL YEAR TWO THOUSAND FOURTEEN SHALL INCLUDE  
11 ACTUAL RESULTS FOR THE PRECEDING FISCAL YEAR, THE REPORT FOR FISCAL YEAR  
12 TWO THOUSAND FIFTEEN SHALL INCLUDE ACTUAL RESULTS FOR THE TWO PRECEDING  
13 FISCAL YEARS, AND THE REPORT FOR FISCAL YEAR TWO THOUSAND SIXTEEN AND  
14 ALL SUBSEQUENT REPORTS SHALL INCLUDE ACTUAL RESULTS FOR THE THREE  
15 PRECEDING FISCAL YEARS.

16 4. EACH REPORT SHALL: (A) REVIEW THE SUCCESS OF ACHIEVING THE PERFORM-  
17 ANCE GOALS OF THE FISCAL YEAR;

18 (B) EVALUATE THE PERFORMANCE PLAN FOR THE CURRENT FISCAL YEAR RELATIVE  
19 TO THE PERFORMANCE ACHIEVED TOWARD THE PERFORMANCE GOALS IN THE FISCAL  
20 YEAR COVERED BY THE REPORT;

21 (C) EXPLAIN AND DESCRIBE, WHERE A PERFORMANCE GOAL HAS NOT BEEN MET  
22 WHY THE GOAL WAS NOT MET, PLANS AND SCHEDULES FOR ACHIEVING THE ESTAB-  
23 LISHED PERFORMANCE GOAL, AND IF THE PERFORMANCE GOAL IS IMPRACTICAL OR  
24 INFEASIBLE, WHY THAT IS THE CASE AND WHAT ACTION IS RECOMMENDED; AND

25 (D) INCLUDE THE SUMMARY FINDINGS OF THOSE PROGRAM EVALUATIONS  
26 COMPLETED DURING THE FISCAL YEAR COVERED BY THE REPORT.

27 5. MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY. (A) ANY OTHER PROVISION  
28 OF ANY OTHER LAW TO THE CONTRARY NOTWITHSTANDING, PERFORMANCE PLANS  
29 REQUIRED HEREUNDER MAY INCLUDE PROPOSALS TO WAIVE ADMINISTRATIVE PROCE-  
30 DURAL REQUIREMENTS AND CONTROLS IN RETURN FOR SPECIFIC INDIVIDUAL OR  
31 ORGANIZATION ACCOUNTABILITY TO ACHIEVE A PERFORMANCE GOAL. IN PREPARING  
32 AND SUBMITTING THE PERFORMANCE PLAN THE DIRECTOR OF THE BUDGET SHALL  
33 REVIEW AND MAY APPROVE ANY PROPOSED WAIVERS. A WAIVER SHALL TAKE EFFECT  
34 AT THE BEGINNING OF THE FISCAL YEAR FOR WHICH THE WAIVER IS APPROVED.

35 (B) ANY SUCH PROPOSAL FOR WAIVER SHALL DESCRIBE THE ANTICIPATED  
36 EFFECTS ON PERFORMANCE RESULTING FROM GREATER MANAGERIAL OR ORGANIZA-  
37 TIONAL FLEXIBILITY, DISCRETION, AND AUTHORITY, AND SHALL QUANTIFY THE  
38 EXPECTED IMPROVEMENTS IN PERFORMANCE RESULTING FROM ANY WAIVER. THE  
39 EXPECTED IMPROVEMENTS SHALL BE COMPARED TO CURRENT ACTUAL PERFORMANCE,  
40 AND TO THE PROJECTED LEVEL OF PERFORMANCE THAT WOULD BE ACHIEVED INDE-  
41 PENDENT OF ANY WAIVER.

42 (C) A PROPOSED WAIVER OF PROCEDURAL REQUIREMENTS OR CONTROLS IMPOSED  
43 SHALL NOT BE INCLUDED IN A PERFORMANCE PLAN UNLESS IT IS ENDORSED BY THE  
44 AGENCY THAT ESTABLISHED THE REQUIREMENT, AND THE ENDORSEMENT INCLUDED IN  
45 THE PROPOSING AGENCY'S PERFORMANCE PLAN.

46 (D) A WAIVER SHALL BE IN EFFECT FOR ONE OR TWO YEARS AS SPECIFIED BY  
47 THE DIRECTOR OF THE BUDGET IN APPROVING THE WAIVER. A WAIVER MAY BE  
48 RENEWED FOR A SUBSEQUENT YEAR. AFTER A WAIVER HAS BEEN IN EFFECT FOR  
49 THREE CONSECUTIVE YEARS, THE PERFORMANCE PLAN MAY PROPOSE THAT A WAIVER  
50 BE MADE PERMANENT.

51 (E) THE DIRECTOR SHALL NOT BE EMPOWERED TO WAIVE ANY STATUTORY  
52 REQUIREMENT, BUT MAY SUBMIT LEGISLATION WITH THE BUDGET ALLOWING FOR  
53 SUCH WAIVER.

54 6. PERFORMANCE BUDGETING. (A) THE DIRECTOR OF THE BUDGET, AFTER  
55 CONSULTATION WITH EACH AGENCY AND THE DIRECTOR OF THE LEGISLATIVE BUDGET  
56 OFFICE, SHALL DESIGNATE NOT LESS THAN FIVE AGENCIES AS PILOT PROJECTS IN

1 PERFORMANCE BUDGETING FOR FISCAL YEARS TWO THOUSAND FIFTEEN AND TWO  
2 THOUSAND SIXTEEN. THE AGENCIES SHALL REFLECT A REPRESENTATIVE RANGE OF  
3 GOVERNMENT FUNCTIONS AND CAPABILITIES IN MEASURING AND REPORTING PROGRAM  
4 PERFORMANCE.

5 (B) PILOT PROJECTS IN THE DESIGNATED AGENCIES SHALL COVER THE PREPARA-  
6 TION OF PERFORMANCE BUDGETS. SUCH BUDGETS SHALL PRESENT, FOR ONE OR  
7 MORE OF THE MAJOR FUNCTIONS AND OPERATIONS OF THE AGENCY, THE VARYING  
8 LEVELS OF PERFORMANCE, INCLUDING OUTCOME-RELATED PERFORMANCE, THAT WOULD  
9 RESULT FROM DIFFERENT BUDGETED AMOUNTS.

10 (C) THE DIRECTOR OF THE BUDGET SHALL INCLUDE, AS AN ALTERNATIVE BUDGET  
11 PRESENTATION IN THE BUDGET SUBMITTED FOR FISCAL YEAR TWO THOUSAND  
12 FIFTEEN, THE PERFORMANCE BUDGETS OF THE DESIGNATED AGENCIES FOR THIS  
13 FISCAL YEAR.

14 (D) NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND SIXTEEN, THE DIREC-  
15 TOR OF THE BUDGET SHALL TRANSMIT A REPORT TO THE GOVERNOR, THE LEGISLA-  
16 TURE AND THE LEGISLATIVE BUDGET OFFICE ON PERFORMANCE BUDGETING. SUCH  
17 REPORT SHALL:

18 (1) ASSESS THE FEASIBILITY AND ADVISABILITY OF INCLUDING A PERFORMANCE  
19 BUDGET AS PART OF THE ANNUAL BUDGET;

20 (2) DESCRIBE ANY DIFFICULTIES ENCOUNTERED IN PREPARING A PERFORMANCE  
21 BUDGET;

22 (3) RECOMMEND WHETHER LEGISLATION REQUIRING PERFORMANCE BUDGETS SHOULD  
23 BE PROPOSED AND THE GENERAL PROVISIONS OF ANY LEGISLATION; AND

24 (4) SET FORTH ANY RECOMMENDED CHANGES IN THE OTHER REQUIREMENTS OF  
25 THIS SECTION.

26 7. REPORT BY THE DIVISION OF THE BUDGET. THE DIRECTOR OF THE BUDGET,  
27 AFTER CONSULTATION WITH EACH AGENCY, SHALL ESTABLISH TIMELINES, PROCE-  
28 DURES, FORMS AND OTHER NECESSARY MEASUREMENTS AND DOCUMENTATION REQUIRED  
29 BY THIS SECTION NOT LATER THAN SEPTEMBER FIRST, TWO THOUSAND THIRTEEN,  
30 AND SHALL SHARE SUCH SCHEDULES AND DATA WITH THE FISCAL COMMITTEES OF  
31 THE LEGISLATURE AND THE LEGISLATIVE BUDGET OFFICE. SUCH REPORT SHALL  
32 INCLUDE THE PROGRAM ASSESSMENT RATING TOOL.

33 8. TRAINING. THE DIRECTOR OF THE BUDGET, AFTER CONSULTATION WITH THE  
34 OFFICE OF EMPLOYEE RELATIONS, THE DEPARTMENT OF CIVIL SERVICE, AND THE  
35 DEPARTMENT OF LABOR, SHALL DEVELOP A STRATEGIC PLANNING AND PERFORMANCE  
36 MEASUREMENT TRAINING COMPONENT FOR MANAGEMENT TRAINING PROGRAMS AND  
37 OTHERWISE PROVIDE MANAGERS WITH AN ORIENTATION ON THE DEVELOPMENT AND  
38 USE OF STRATEGIC PLANNING AND PROGRAM PERFORMANCE MEASUREMENT.

39 9. APPLICATION. NO PROVISION OR AMENDMENT MADE BY THIS SECTION SHALL  
40 BE CONSTRUED AS CREATING ANY RIGHT, PRIVILEGE, BENEFIT, OR ENTITLEMENT  
41 FOR ANY PERSON WHO IS NOT AN OFFICER OR EMPLOYEE OF THE STATE ACTING IN  
42 SUCH CAPACITY, AND NO PERSON WHO IS NOT AN OFFICER OR EMPLOYEE OF THE  
43 STATE ACTING IN SUCH CAPACITY SHALL HAVE STANDING TO FILE ANY CIVIL  
44 ACTION IN A COURT OF THIS STATE TO ENFORCE ANY PROVISION OR AMENDMENT  
45 MADE BY THIS SECTION.

46 S 5. This act shall take effect immediately.