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## FISCAL IMPACT REPORT

SPONSOR: HAFC DATE TYPED: 02/27/01 HB 972/HAFCS  
 SHORT TITLE: Supplemental Performance Measures and Targets Act SB \_\_\_\_\_  
 ANALYST: Padilla

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

Companion to HAFC substitute for House Bills 2, 3, 4, 5, 6, 7 and 8 (the General Appropriation Act of 2001)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

The House Appropriations and Finance Committee substitute for House Bill 972 establishes supplemental performance measures and targets for agencies that submitted performance-based budget requests and for which appropriations are made in Section 5 of the General Appropriation Act of 2001.

The agencies include:

- (218) Administrative Office of the Courts, except magistrate courts
- (333) Taxation and Revenue Department
- (341) Department of Finance and Administration, except dues and special DFA appropriations
- (350) General Services Department
- (418) Tourism Department
- (419) Economic Development Department
- (420) Regulation and Licensing Department
- (505) Office of Cultural Affairs
- (521) Energy, Minerals and Natural Resources Department
- (550) Office of the State Engineer
- (624) State Agency on Aging
- (630) Human Services Department
- (631) Labor Department

(644) Division of Vocational Rehabilitation  
(665) Department of Health  
(667) Department of Environment  
(690) Children, Youth and Families Department  
(770) Corrections Department  
(790) Department of Public Safety  
(805) State Highway and Transportation Department  
(924) State Department of Public Education  
(950) Commission on Higher Education

### Significant Issues

This bill, the Supplemental Performance Measures and Targets Act, furthers the implementation of the Accountability in Government Act of 1999.

Most of the performance measures in this bill were originally in the General Appropriation Act of 2001. In order to keep the measures in that bill focused on the most important program outcomes, the Supplemental Measures and Targets Act was conceived. The General Appropriation Act of 2001 contains 432 measures, while the Supplemental Performance Measures and Targets Act has 405 measures. Another 193 measures that were developed by agencies in consultation with the Department of Finance and Administration (DFA) and the Legislative Finance Committee are not addressed in either bill.

The twenty-two performance-based budgeting (PBB) agencies listed above developed a total of 103 programs. This bill contains, on average, four measures per program.

### **PERFORMANCE IMPLICATIONS**

Performance measures are designed to give policymakers, managers and the users of government programs a means to assess how well a program is working. Measures include outcomes, outputs, quality measures and efficiency measures. Explanatory data are also used to help users understand other factors that may affect performance.

### **FISCAL IMPLICATIONS**

This bill contains no appropriations.

The performance targets established in this bill are tied to the funding levels established for agency programs in the General Appropriation Act of 2001. Appropriations for PBB agencies in that bill are in four categories by program.

### **ADMINISTRATIVE IMPLICATIONS**

Performance-based budgeting calls for agency managers and policymakers to use information on past performance to assess a program's results. This requires regular reporting of information that describes an agency's success in meeting established performance targets. DFA has developed a semi-annual schedule for the reporting of performance information. This bill calls for annual reporting of the performance measures in this bill.

DFA is incurring minimal costs to develop information systems to manage reported performance data. Most agencies should be able to integrate the new reporting requirements into their existing workloads.

**COMPANIONSHIP**

This bill is a companion to the General Appropriation Act of 2001 (HAFCS substitute for House Bills 2, 3, 4, 5, 6, 7 and 8).

LP/ar