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HOUSE BILL NO. 2097**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the Senate Committee on General Laws
on February 12, 2004)

(Patron Prior to Substitute—Delegate McQuigg)

A BILL to amend and reenact §§ 2.2-1501, 2.2-1509, 2.2-1511, and 2.2-2101 of the Code of Virginia; to amend the Code of Virginia by adding in Chapter 26 of Title 2.2 an article numbered 28, consisting of sections numbered 2.2-2681 through 2.2-2687, and by adding in Title 2.2 a chapter numbered 55.1, consisting of sections numbered 2.2-5510 and 2.2-5511; and to repeal the second enactment of Chapter 424 of the Acts of Assembly of 2000, relating to the administration of government; long-term planning; Roadmap for Virginia's Future.

Be it enacted by the General Assembly of Virginia:

1. That §§ 2.2-1501, 2.2-1509, 2.2-1511 and 2.2-2101 of the Code of Virginia are amended and reenacted, and that the Code of Virginia is amended by adding in Chapter 26 of Title 2.2 an article numbered 28, consisting of sections numbered 2.2-2681 through 2.2-2687, and by adding in Title 2.2 a chapter numbered 55.1, consisting of sections numbered 2.2-5510 and 2.2-5511, as follows:

§ 2.2-1501. Duties of Department.

The Department shall have the following duties:

1. Development and direction of an integrated policy analysis, planning, and budgeting process within state government.

2. Review and approval of all sub-state district systems boundaries established or proposed for establishment by state agencies.

3. Formulation of an executive budget as required in this chapter. In implementing this provision, the Department shall utilize the resources and determine the manner of participation of any executive agency as the Governor may determine necessary to support an efficient and effective budget process notwithstanding any contrary provision of law. The budget shall include reports, or summaries thereof, provided by agencies of the Commonwealth pursuant to subsection E of § 2.2-603.

4. Conduct of policy analysis and program evaluation for the Governor.

5. Continuous review of the activities of state government focusing on budget requirements in the context of the goals and objectives determined by the Governor and the General Assembly and monitoring the progress of agencies in achieving goals and objectives.

6. Operation of a system of budgetary execution to ensure that agency activities are conducted within fund limitations provided in the appropriation act and in accordance with gubernatorial and legislative intent. The Department shall make an appropriate reduction in the appropriation and maximum employment level of any state agency or institution in the executive branch of government that reports involuntary separations from employment with the Commonwealth due to budget reductions, agency reorganizations, or workforce down-sizings, or voluntary separations from employment with the Commonwealth as provided in the second and third enactments of the act of the General Assembly creating the Workforce Transition Act of 1995 (§ 2.2-3200.). In the event an agency reduces its workforce through privatization of certain functions, the funds associated with such functions shall remain with the agency to the extent of the savings resulting from the privatization of such functions.

7. Development and operation of a system of standardized reports of program and financial performance for management.

8. Coordination of statistical data by reviewing, analyzing, monitoring, and evaluating statistical data developed and used by state agencies and by receiving statistical data from outside sources, such as research institutes and the federal government.

9. Assessment of the impact of federal funds on state government by reviewing, analyzing, monitoring, and evaluating the federal budget, as well as solicitations, applications, and awards for federal financial aid programs on behalf of state agencies.

10. Review and verify the accuracy of agency estimates of receipts from donations, gifts or other nongeneral fund revenue.

11. Development, coordination and implementation of a performance management system involving strategic planning, performance measurement, evaluation, and performance budgeting within state government. The Department shall ensure that information generated from these processes is useful for managing and improving the efficiency and effectiveness of state government operations, and is available to citizens and public officials. The Department shall submit annually on or before the second Tuesday in January to the Chairman of the House Appropriations Committee and the Chairman of the Senate Finance Committee a report that sets forth state agencies' strategic planning information and

60 performance measurement results pursuant to this subdivision for the immediately preceding fiscal year.

61 12. Development, implementation and management of an Internet-based information technology
62 system to ensure that citizens have access to performance information.

63 13. Development, implementation and management of an Internet-based information technology
64 system to ensure that citizens have access to meeting minutes and information pertaining to the
65 development of regulatory policies.

66 § 2.2-1509. Budget bill.

67 A. On or before December 20 of the year immediately prior to the beginning of each regular session
68 of the General Assembly held in an even-numbered year, the Governor also shall submit to the presiding
69 officer of each house of the General Assembly, at the same time he submits "The Executive Budget,"
70 copies of a tentative bill for all proposed appropriations of the budget, for each year in the ensuing
71 biennial appropriation period, which shall be known as "The Budget Bill." "The Budget Bill" shall be
72 organized by function, primary agency, and proposed appropriation item and shall include (i) an
73 identification of, and authorization for, common programs and (ii) the appropriation of funds according
74 to programs. *Strategic plan information and performance measurement results developed by each agency*
75 *shall be made available to the General Assembly as it considers "The Budget Bill."* Except as expressly
76 provided in an appropriation act, whenever the amounts in a schedule for a single appropriation item are
77 shown in two or more lines, the portions of the total amount shown on separate lines are for information
78 purposes only and are not limiting. No such bill shall contain any appropriation the expenditure of
79 which is contingent upon the receipt of revenues in excess of funds unconditionally appropriated.

80 B. The salary proposed for payment for the position of each cabinet secretary and administrative
81 head of each agency and institution of the executive branch of state government shall be specified in
82 "The Budget Bill," showing the salary ranges and levels proposed for such positions.

83 C. "The Budget Bill" shall include all proposed capital appropriations, including each capital project
84 to be financed through revenue bonds or other debt issuance, the amount of each project, and the
85 identity of the entity that will issue the debt.

86 D. Concurrently with the submission of "The Budget Bill," the Governor shall submit a tentative bill
87 involving a request for authorization of additional bonded indebtedness if its issuance is authorized by,
88 or its repayment is proposed to be made in whole or in part, from revenues or appropriations contained
89 in "The Budget Bill."

90 E. On or before December 20 of the year immediately prior to the beginning of each regular session
91 held in an odd-numbered year of the General Assembly, the Governor shall submit to the presiding
92 officer of each house printed copies of all gubernatorial amendments proposed to the general
93 appropriation act adopted in the immediately preceding even-numbered year session. In preparing the
94 amendments, the Governor may obtain estimates in the manner prescribed in §§ 2.2-1504, 2.2-1505, and
95 2.2-1506. On the same date he shall also submit a tentative bill during the second year of the
96 appropriation period, a request for authorization of additional bonded indebtedness if its issuance is
97 authorized by, or its repayment is proposed to be made in whole or in part, from revenues or
98 appropriations contained in the proposed gubernatorial amendments.

99 F. The proposed capital appropriations or capital projects described in, or for which proposed
100 appropriations are made pursuant to, this section shall include the capital outlay projects required to be
101 included in "The Budget Bill" pursuant to § 2.2-1509.1. The Governor shall propose appropriations for
102 such capital outlay projects in "The Budget Bill" in accordance with the minimum amount of funding
103 and the designated sources of funding for such projects as required under § 2.2-1509.1.

104 § 2.2-1511. Consideration of budget by committees.

105 The standing committees of the House of Delegates and of the Senate in charge of appropriation
106 measures shall begin consideration of the budget within five calendar days after the convening of the
107 regular session of the General Assembly to which the budget is submitted. The committees or
108 subcommittees thereof, may meet jointly on matters concerning the budget at such times as the chairmen
109 of the two committees deem appropriate. The committees or subcommittees may cause the attendance of
110 heads or responsible representatives of the departments, institutions and all other agencies of the
111 Commonwealth to furnish such information and answer such questions as they require. *The committees*
112 *shall consider strategic plan information and performance-measurement results developed by each*
113 *agency pursuant to Chapter 55.1 (§ 2.2-5510 et seq.) of this title and submitted by the Governor*
114 *pursuant to § 2.2-1509.* All persons interested in the matters under consideration shall be admitted to the
115 meetings and shall have the right to be heard.

116 § 2.2-2101. Prohibition against service by legislators on boards, commissions, and councils within the
117 executive branch; exceptions.

118 Members of the General Assembly shall be ineligible to serve on boards, commissions, and councils
119 within the executive branch of state government who are responsible for administering programs
120 established by the General Assembly. Such prohibition shall not extend to boards, commissions, and
121 councils engaged solely in policy studies or commemorative activities. If any law directs the

appointment of any member of the General Assembly to a board, commission, or council in the executive branch of state government that is responsible for administering programs established by the General Assembly, such portion of such law shall be void, and the Governor shall appoint another person from the Commonwealth at large to fill such a position.

The provisions of this section shall not apply to members of the Board for Branch Pilots, who shall be appointed as provided for in § 54.1-901; to members of the Board on Veterans' Affairs, who shall be appointed as provided for in § 2.2-2421; to members of the Council on Indians, who shall be appointed as provided for in § 2.2-2628; to members of the Board of Trustees of the Southwest Virginia Higher Education Center, who shall be appointed as provided for in § 23-231.3; to members of the Maternal and Child Health Council, who shall be appointed as provided for in § 2.2-2642; to members of the Virginia Interagency Coordinating Council who shall be appointed as provided for in § 2.2-5204; to members of the Advisory Council on the Virginia Business-Education Partnership Program, who shall be appointed as provided in § 2.2-2600; to members of the Virginia Correctional Enterprises Advisory Board, who shall be appointed as provided for in § 53.1-45.3; to members appointed to the Virginia Veterans Cemetery Board pursuant to § 2.2-2438; to members appointed to the Board of Trustees of the Roanoke Higher Education Authority pursuant to § 23-231.15; to members of the Commonwealth Competition Commission, who shall be appointed as provided for in § 2.2-2621; to members of the Virginia Geographic Information Network Advisory Board, who shall be appointed as provided for in § 2.2-2423; to members of the Advisory Commission on the Virginia Schools for the Deaf and the Blind, who shall be appointed as provided for in § 22.1-346.1; to members of the Substance Abuse Services Council, who shall be appointed as provided for in § 37.1-207; to members of the Criminal Justice Services Board, who shall be appointed as provided in § 9.1-108; to members of the Council on Virginia's Future, who shall be appointed as provided in § 2.2-2683; or to members of the Virginia Workforce Council, who shall be appointed as provided for in § 2.2-2669.

Article 28.

Council on Virginia's Future.

§ 2.2-2681. Definitions.

As used in this article:

"Long-term objective" means a measurable standard of desired performance achievement extending at least five years into the future.

"Roadmap" or "Roadmap for Virginia's Future" means a planning process that may include some or all of the following sequential steps: (i) developing a set of guiding principles that are reflective of public sentiment and relevant to critical decision-making; (ii) establishing a long-term vision for the Commonwealth; (iii) conducting a situation analyses of core state service categories; (iv) setting long-term objectives for state services; (v) aligning state services to the long-term objectives; (vi) instituting a planning and performance management system consisting of strategic planning, performance measurement, program evaluation, and performance budgeting; and (vii) performing plan adjustments based on public input and evaluation of the results of the Roadmap.

"Situational analyses" means the assessment of state agency performance in core service areas.

"Strategic planning" means the systematic clarification and documentation of what a state agency wishes to achieve and how to achieve it. The objective of strategic planning is a set of goals, action steps, and measurements constructed to guide performance.

"Strategic performance and productivity measures" means the use of data to review the current performance, improvement in productivity, and progress against the long-term objectives.

"Performance budgeting" means a systematic incorporation of planning, strategic performance and productivity measurement, and program evaluation information into the budgetary process.

"Performance management" means a management system consisting of strategic planning, strategic performance and productivity measurement, program evaluation, and performance budgeting.

"Program evaluation" means an evaluation of the progress made toward the achievement of long-term objectives, current initiatives, and increased productivity.

"Vision" means an aspirational expression of a future condition for the Commonwealth that is both essential and desirable and extends at least 10 years into the future.

§ 2.2-2682. Council on Virginia's Future; purpose.

The Council on Virginia's Future (the "Council") is established as an advisory council, within the meaning of § 2.2-2100, in the executive branch of state government. The purpose of the Council is to advise the Governor and the General Assembly on the implementation of the Roadmap for Virginia's Future process.

§ 2.2-2683. Membership; terms; chairman and vice chairman; quorum; meetings.

The Council shall be composed of 19 members that include 8 legislative members and 11 nonlegislative members as follows:

1. The Governor;

183 2. *The Speaker of the House;*
184 3. *The majority and minority leaders of the House of Delegates;*
185 4. *The Chairman of the House Committee on Appropriations;*
186 5. *The President Pro Tempore of the Senate;*
187 6. *The majority and minority leaders of the Senate;*
188 7. *The Chairman of the Senate Finance Committee;*
189 8. *One nonlegislative citizen member appointed by the Speaker of the House;*
190 9. *One nonlegislative citizen member appointed by the Senate Committee on Privileges and Elections;*
191 10. *Two Cabinet Secretaries appointed by the Governor; and*
192 11. *Six nonlegislative citizen members appointed by the Governor. Of the nonlegislative members*
193 *appointed by the Governor, one member shall be appointed from a list of three persons provided by the*
194 *Joint Rules Committee.*

195 B. *Legislative members and the two Cabinet Secretaries appointed by the Governor shall serve terms*
196 *coincident with their terms of office. In the event that a legislative member holds more than one of the*
197 *positions listed in Subsection A, such legislative member shall designate another legislative member or*
198 *members, as applicable, to serve as the representative for the other position or positions. The initial*
199 *appointments of nonlegislative citizen members shall be staggered as follows: 1 member for a term of*
200 *three years appointed by the Speaker of the House of Delegates; 1 member for a term of three years*
201 *appointed by the Senate Committee on Privileges and Elections; 2 members for a term of one year, 2*
202 *members for a term of two years, and 2 members for a term of three years appointed by the Governor.*
203 *Thereafter, nonlegislative citizen members appointed by the Speaker of the House of Delegates or the*
204 *Senate Committee on Privileges and Elections shall be appointed for a term of two years, and*
205 *nonlegislative citizen members appointed by the Governor shall be appointed for a term of four years.*
206 *Appointments to fill vacancies, other than by expiration of a term, shall be for the unexpired terms. All*
207 *members may be reappointed. No nonlegislative citizen member appointed by the Speaker of the House*
208 *of Delegates or the Senate Committee on Privileges and Elections shall serve more than four*
209 *consecutive two-year terms and no nonlegislative citizen member appointed by the Governor shall serve*
210 *more than two consecutive four-year terms. The remainder of any term to which a member is appointed*
211 *to fill a vacancy shall not constitute a term in determining the member's eligibility for reappointment.*
212 *Vacancies shall be filled in the same manner as the original appointments.*

213 *The Governor shall serve as the chairman of the Council. The Council shall elect a vice chairman*
214 *from its membership. A majority of members of the Council shall constitute a quorum. The Council shall*
215 *meet at least four times each year. The meetings of the Council shall be held at the call of the chairman*
216 *or whenever four or more members so request.*

217 § 2.2-2684. *Duties of the Council.*

218 A. *The Council shall have the following duties:*

219 1. *Recommend a timetable for phasing in and establishing guiding principles for the Roadmap;*
220 2. *Recommend long-term objectives for the Commonwealth and monitor and advise the Governor and*
221 *the General Assembly regarding the progress toward the objectives;*
222 3. *Provide advice on the implementation of the performance-management system across state*
223 *government;*

224 4. *Disseminate information to the public on the Commonwealth's performance-management system;*

225 5. *Recommend a systematic process for the periodic evaluation of the Roadmap and adherence to the*
226 *long-term goals and recommend improvements to the Governor and the General Assembly. The periodic*
227 *evaluation process shall provide for enhanced opportunities for public participation and input;*

228 6. *Beginning November 1, 2004, develop and submit annually to the General Assembly and the*
229 *Governor and publish to the public a balanced accountability scorecard containing an assessment of (i)*
230 *current service performance, (ii) productivity improvement, and (iii) progress against long-term*
231 *objectives. The balanced scorecard shall also contain other evaluative recommendations that will*
232 *enhance the provision of state services and suggested measures to evaluate progress against long-term*
233 *objectives; and*

234 7. *Solicit public input on appropriate aspects of the roadmap as determined by the Council.*

235 B. *By January 1, 2004, the Council shall recommend to the Governor and the General Assembly*
236 *legislation defining the vision, long-term objectives, and appropriate performance measures for state*
237 *government. The Council shall review the long-term objectives for state government every two years.*

238 § 2.2-2685. *Advisory committees.*

239 *The Council may form such advisory committees as it deems necessary, convenient, or desirable to*
240 *advise and assist in performing the duties conferred by this article. The disclosure requirements of*
241 *subsection B of § 2.2-3114 of the State and Local Government Conflict of Interests Act shall apply to*
242 *members of the advisory committees.*

243 § 2.2-2686. *Staff; cooperation and assistance.*

244 A. *The Department of Planning and Budget shall provide staff assistance to the Council. Additional*

assistance as needed shall be provided by the Joint Legislative Audit and Review Commission, the Auditor of Public Accounts, and the staffs of the House Committee on Appropriations and the Senate Finance Committee. All agencies, authorities, and institutions of the Commonwealth shall cooperate and provide such assistance to the Commission as the Commission may request.

B. The Chairman, in consultation with the Council, may hire or appoint an Executive Director for the Council if deemed appropriate.

§ 2.2-2687. Chairman's executive summary of activity and work of the Council.

The chairman shall submit to the Governor and the General Assembly an annual executive summary of the interim activity and work of the Council no later than the first day of each regular session of the General Assembly. The executive summary shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

CHAPTER 55.1.

GOVERNMENT PERFORMANCE AND RESULTS ACT.

§ 2.2-5510. Strategic plan.

A. Each agency shall develop and maintain a strategic plan for its operations. The plan shall include:

1. A statement of the mission, goals, strategies, and performance measures of the agency that are linked into the performance management system directed by long-term objectives;

2. Identification of priority and other service populations under current law and how those populations are expected to change within the time period of the plan; and

3. An analysis of any likely or expected changes in the services provided by the agency. B. Strategic plans shall also include the following information:

1. Input, output, and outcome measures for the agency;

2. A description of the use of current agency resources in meeting current needs and expected future needs, and additional resources that may be necessary to meet future needs; and

3. A description of the activities of the agency that have received either a lesser priority or have been eliminated from the agency's mission or work plan over the previous year because of changing needs, conditions, focus, or mission.

C. The strategic plan shall cover a period of at least two years forward from the fiscal year in which it is submitted and shall be reviewed by the agency annually.

D. Each agency shall post its strategic plan on the Internet.

§ 2.2-5511. Review of strategic plan information.

The Governor shall develop an implementation plan providing for each agency to develop a strategic plan. Such implementation plan shall provide for agency submission of individual strategic plans over a three-year period beginning December 1, 2003, and ending December 1, 2006, and require, at a minimum, one-third of state agencies each year to so submit. Thereafter, each agency shall submit, on a biennial basis by December 1 in even-numbered years, its strategic plan including goals, strategies, and performance measures for consideration and review by the Council on Virginia's Future. After review, the Council may submit comments to the Governor regarding any concerns about the strategic plan or recommendations to improve the plan.

2. That the second enactment of Chapter 424 of the Acts of the Assembly of 2000 is repealed.

3. That the provisions of this act shall expire on July 1, 2008.