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SENATE BILL NO. 304

Offered January 14, 2004

Prefiled January 14, 2004

A *BILL to amend and reenact § 2.2-603 of the Code of Virginia, relating to authority of state agency directors; performance-based budgeting.*

Patron—O'Brien

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-603 of the Code of Virginia is amended and reenacted as follows:

§ 2.2-603. Authority of agency directors.

A. Notwithstanding any provision of law to the contrary, the agency director of each agency in the executive branch of state government shall have the power and duty to (i) supervise and manage the department or agency and (ii) prepare, approve, and submit to the Governor all requests for appropriations and to be responsible for all expenditures pursuant to appropriations.

B. The director of each agency in the executive branch of state government, except those that by law are appointed by their respective boards, shall not proscribe any agency employee from discussing the functions and policies of the agency, without prior approval from his supervisor or superior, with any person unless the information to be discussed is protected from disclosure by the Virginia Freedom of Information Act (§ 2.2-3700 et seq.) or any other provision of state or federal law.

C. Subsection A shall not be construed to restrict any other specific or general powers and duties of executive branch boards granted by law.

D. This section shall not apply to those agency directors that are appointed by their respective boards or by the Board of Education. Directors appointed in this manner shall have the powers and duties assigned by law or by the board.

E. In addition to the requirements of subsection C of § 2.2-619, the director of each agency in any branch of state government shall, at the end of each fiscal year, report to (i) the Secretary of Finance and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance a listing and general description of any federal contract, grant, or money in excess of \$1,000,000 for which the agency was eligible, whether or not the agency applied for, accepted, and received such contract, grant, or money, and, if not, the reasons therefore, and a listing and cost of any federal mandate or regulation affecting the agency, and the dollar amount and corresponding percentage of the agency's total annual budget that was supplied by funds from the federal government and (ii) the Chairmen of the House Committees on Appropriations and Finance, and the Senate Committee on Finance any amounts owed to the agency from any source that are more than six months delinquent, the length of such delinquencies, and the total of all such delinquent amounts in each six-month interval. Clause (i) shall not be required of public institutions of higher education.

F. On or before December 1, 1999, the director of every department in the executive branch of state government shall appoint an agency information officer from among the department's employees to (i) ensure the coordinated planning, practical acquisition, effective development, and efficient use of information technology resources and communications services to meet the department's needs and (ii) serve as the department's liaison to the Secretary of Technology.

G. *On or before December 1, 2005, the director of each agency in the executive branch of state government, pursuant to a plan approved by the Governor, shall (i) identify each job training or drug treatment programs the agency administers; (ii) identify program objectives; (iii) identify high quality outcome measures for each program objective; (iv) identify program actions to achieve the objectives; and (v) estimate the costs necessary to implement the program actions.*

At the end of each fiscal year following fiscal year 2005, each agency director shall report to the Secretary of Finance and the Chairmen of the House Committee on Appropriations and the Senate Committee on Finance the following information for each job training or drug treatment program that agency administers: (i) the amount of funding expended under such program for the prior fiscal year; (ii) the number of individuals served by the program using that funding; (iii) the extent to which program objectives have been accomplished as reflected by an evaluation of the high quality outcome measures; and (iv) how effectiveness could be improved.

Each director shall present such information in a standard format, as prescribed by the Secretary of Finance, that includes (i) a summary comparison of the per person cost for each program; (ii) a comparative rating of each program based on success in meeting program objectives; and (iii) an

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59 *explanation of the extent to which the director's appropriation requests pursuant to subsection A*
60 *incorporates the data reflected in the summary cost comparison and the comparative rating. Such*
61 *explanation shall specify whether the director proposes proportionately more or less funding for a given*
62 *job training or drug treatment program, and describe how the comparative rating and summary cost*
63 *comparison affected that proposal.*

64 *The Secretary of Finance shall compile the summary comparisons in a report to the Governor that*
65 *(i) identifies the most effective drug treatment and job training programs, based on a combination of per*
66 *person costs and success in meeting program objectives, and (ii) recommends redirection of program*
67 *funding on that basis. Any proposed increase in appropriations for a program that does not perform at*
68 *a level equivalent to at least 90 percent effectiveness, as established by the Secretary, shall be identified*
69 *and the reason for the proposed increase explained.*

70 *The Governor shall summarize in the Executive Budget, submitted pursuant to § 2.2-1507, the*
71 *recommendations and the extent to which the Executive Budget incorporates those recommendations,*
72 *including the reasons any recommendation is not accepted for inclusion in the Executive Budget.*