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Bill Analysis
Legislative Service Commission

H.B. 132

126th General Assembly
(As Introduced)

Reps. Strahorn, Beatty, Brown, Carano, DeGeeter, Garrison, Hartnett, Key, Miller, Otterman, S. Patton, Perry, Raussen, S. Smith, Ujvagi, Yuko

BILL SUMMARY

- Requires each state agency to biennially submit performance data to the Director of Budget and Management along with its budget request.
- Establishes a six-year phase-in schedule for agencies to submit their initial performance data, beginning with budget requests for the biennium ending June 30, 2009.
- Requires performance data to include indicators of output, efficiency, outcomes, and other measures relevant to each program and activity of the agency.
- Exempts the Attorney General, Auditor of State, Governor, Secretary of State, Treasurer of State, and agencies of the legislative and judicial branches from the requirement to submit performance data.
- Beginning with the biennium ending June 30, 2009, and each biennium thereafter, requires the Auditor of State to conduct performance audits of four state agencies selected by the Auditor that have been required to file performance data with the Director of Budget and Management for at least one biennium.

CONTENT AND OPERATION

State agencies to file performance data

(R.C. 126.02, 126.022, and 126.04)

Current law requires the Director of Budget and Management to prepare and submit to the Governor, biennially, not later than the first day of January

preceding the convening of a new General Assembly, state budget estimates of revenues and expenditures for each state fund and budget estimates for each state agency. Not later than September 15 of the year preceding the first regular session of that General Assembly, the Director, in consultation with the Legislative Service Commission, must distribute forms to state agencies necessary for the preparation of revenue and expenditure estimates known as budget requests. Not later than November 1 of that year, each agency must submit to the Director its budget requests for the succeeding biennium. Further, each agency is required, not later than December 1 of that year, to file with the chairperson of the finance committees of the Senate and House of Representatives and the Legislative Service Commission a duplicate copy of the agency's budget request.

The bill requires each state agency to include with its biennial budget request data that measure the performance of the programs and activities of the agency in meeting program goals and objectives. All state agencies are required under the bill to submit performance data with the exception of the Attorney General, Auditor of State, Governor, Secretary of State, Treasurer of State, and agencies of the legislative and judicial branches. The performance data must include indicators of output, efficiency, outcomes, and other measures relevant to each program and activity of the agency. The agency also must include historical data needed for an understanding of major trends and must set targets for future performance where feasible and appropriate. All such data must be presented in a manner that serves to assist legislative review of and decision making concerning the programs and activities of the agency.

The bill requires the Director of Budget and Management to provide forms to state agencies necessary to submit the performance data and requires each agency to submit a comprehensive and integrated statement of agency missions and outcome and performance measures. The Director of Budget and Management also must provide the General Assembly with agency performance data along with budget estimates for agencies for which appropriations are made in the biennial budget related to the Tobacco Master Settlement Agreement, as applicable. Each state agency affected by budget estimates for the Master Settlement Agreement biennial budget must, where required, submit to the Director of Budget and Management a comprehensive integrated statement of agency missions and outcome and performance measures.

The Director of Budget and Management must provide all agencies submitting performance data with substantial technical assistance in carrying out the bill's requirements. The Director must review the appropriateness, validity, and reliability of agency performance measures and data. Further, beginning with the biennium after the biennium for which the Ohio Board of Regents first must submit performance data with its budget requests, the Board must offer assistance

to each state university or college in developing relevant performance measures for the university's or college's programs and activities and in setting targets for future performance where feasible and appropriate.

Timetable for state agencies to begin submitting performance data

(R.C. 126.04)

Each agency required to submit performance data must begin to do so in accordance with a schedule established by the bill and thereafter must continue to submit performance data each biennium. The first agencies required to submit data are the Department of Education, the Department of Job and Family Services, and two other state agencies selected by the Director of Budget and Management beginning with their budget requests for the biennium ending June 30, 2009. Thereafter, the Director of Budget and Management must assign all other state agencies that are required to submit performance data into three categories: those that are required to submit the data beginning with their budget requests for the biennium ending June 30, 2011; those that are required to submit the data beginning with their budget requests for the biennium ending June 30, 2013; and those that are required to submit the data beginning with their requests for the biennium ending June 30, 2015.

Auditor of State to conduct performance audits

(R.C. 117.53; Section 3)

Under the bill, beginning with the biennium ending June 30, 2009, and each biennium thereafter, the Auditor of State must conduct performance audits of four state agencies selected by the Auditor that have been required to file performance data with the Director of Budget and Management for at least one biennium. As explained above, for the biennium ending June 30, 2009, only the Department of Education, the Department of Job and Family Services, and two other state agencies selected by the Director of Budget and Management will have been required to submit performance data. Therefore, the first four performance audits conducted by the Auditor of State will be of those four agencies.

With respect to performance audits in each subsequent biennium, two of the audits must be of any of the following agencies: the Office of Budget and Management; the Environmental Protection Agency; or the Departments of Education, Commerce, Administrative Services, Transportation, Agriculture, Natural Resources, Health, Job and Family Services, Public Safety, Mental Health, Mental Retardation and Developmental Disabilities, Insurance, Development, Youth Services, Rehabilitation and Correction, Aging, or Alcohol and Drug

Addiction Services. The remaining two performance audits are required to be of state agencies other than those listed above.

The cost of performance audits conducted by the Auditor of State must be paid from appropriations made to the Auditor for that purpose. Appropriations necessary for conducting performance audits must be requested by the Auditor each biennium.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-15-05	p. 318

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