

Fifty-eighth  
Legislative Assembly  
of North Dakota

## ENGROSSED HOUSE BILL NO. 1497

Introduced by

Representatives Carlson, Berg, Svedjan

Senators Holmberg, Stenehjem

1 A BILL for an Act to provide for state government performance and accountability; and to create  
2 and enact a new subsection to section 54-44.1-06, relating to information included in the  
3 executive budget.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. Government performance and accountability committee -**  
6 **Appointment - Acceptance of funds - Expenditures.** The legislative council, during each  
7 biennium, shall appoint an eight-member government performance and accountability  
8 committee in the same manner as the council appoints other interim committees. The council  
9 shall appoint at least four legislators to the committee. The council may appoint two citizen  
10 members to the committee. The council may also include the governor, or the governor's  
11 designee, and the state auditor as ex officio voting members of the committee. The council  
12 shall designate the chairman of the committee. The council shall consider reappointment of  
13 members to the committee to maintain continuity. A member may serve a maximum of eight  
14 years. New members may be appointed by the committee to fill any vacancy from nominees  
15 submitted to the committee. The committee shall operate in accordance with the statutes and  
16 procedures governing the operation of other legislative council interim committees. The  
17 committee may accept and use gifts, grants, or assistance to accomplish its purposes.

18 **SECTION 2. Government performance and accountability committee - Powers**  
19 **and duties.** The government performance and accountability committee has continuing  
20 existence and may meet and conduct its business during the legislative session and in the  
21 interim between sessions. The purpose of the committee is to improve program effectiveness  
22 and accountability by focusing on program impact and results, service quality, and customer  
23 satisfaction. During the initial biennium, the committee shall select at least five state agencies  
24 or departments to develop and implement strategic planning and performance reporting

1 pursuant to provisions of this chapter. At least one of the five state agencies or departments  
2 selected must be an agency or department that spends state funding to provide development  
3 assistance to private businesses. The committee may select additional agencies or  
4 departments. For each agency or department selected, the committee shall:

- 5 1. Establish performance indicators for each agency or department to measure  
6 agency or department performance.
- 7 2. Receive status reports from each agency or department on the development of the  
8 agency or department's four-year strategic plan.
- 9 3. Receive performance reports from each state agency or department.
- 10 4. Receive performance validation reports from the state auditor's office.
- 11 5. Receive public input regarding agency and department strategic plans and  
12 performance results.
- 13 6. Report agency or department noncompliance with provisions of this chapter to the  
14 appropriations committees during the next legislative assembly.

15 **SECTION 3. Agency and department cooperation and staff assistance.** Each state  
16 agency and department selected and the office of management and budget and the state  
17 auditor's office shall provide information and assistance as requested by the government  
18 performance and accountability committee to perform its duties and responsibilities.

19 **SECTION 4. Strategic planning.** Each department and agency of state government  
20 selected by the government performance and accountability committee shall prepare a  
21 strategic plan for the agency or department's operations for the next four fiscal years. A copy of  
22 the strategic plan must be submitted to the office of management and budget and the  
23 legislative council by March fifteenth of each even-numbered year. The strategic plan must be  
24 prepared in accordance with guidelines developed by the governor and approved by the  
25 government performance and accountability committee. The strategic plan must include:

- 26 1. The purpose of the agency or department.
- 27 2. The agency or department's overall goals and objectives to accomplish its  
28 purpose.
- 29 3. A description of the indicators developed under this chapter and used to measure  
30 the performance results of the agency or department.

1           4.    An analysis of the use of the agency or department's resources to achieve the  
2                   agency or department's goals and objectives.

3           5.    An analysis of the agency or department's performance results compared to the  
4                   results anticipated by the legislative assembly.

5    The office of management and budget shall provide training for agency and department  
6    personnel in the preparation of strategic plans and reporting of performance results. The office  
7    of management and budget shall develop methods of making agency and department strategic  
8    plans available to the public.

9           **SECTION 5. Performance reporting.** Each agency or department selected by the  
10   government performance and accountability committee shall annually prepare and present its  
11   performance report to the government performance and accountability committee. The report  
12   must include an analysis of the agency or department's actual performance results to the  
13   performance results anticipated by the legislative assembly and explanatory information on any  
14   deviation from the anticipated performance results. During each session of the legislative  
15   assembly, each selected agency or department shall present its most recent performance  
16   report to the appropriations committees of the legislative assembly.

17          **SECTION 6. Performance validating.** The state auditor, as requested by the  
18   government performance and accountability committee, shall review and validate agency and  
19   department performance results.

20          **SECTION 7.** A new subsection to section 54-44.1-06 of the North Dakota Century  
21   Code is created and enacted as follows:

22                 For those budget units involved in strategic planning and performance reporting,  
23                 statements of each agency or department's strategic plan for the next biennium  
24                 and for the subsequent biennium with comparisons of actual to anticipated  
25                 performance for recent fiscal years. The statements must identify the relationship  
26                 of the governor's recommendation for appropriations for each budget unit to the  
27                 anticipated strategic plan and performance results of the budget unit.

28          **SECTION 8. BUDGET SECTION REPORT AND RECOMMENDATIONS TO THE**  
29   **LEGISLATIVE COUNCIL.** The government performance and accountability committee shall  
30   report to the budget section by May 2004 on the status of the development of a strategic  
31   planning and performance review system for the selected state agencies or departments and

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1 shall make recommendations relating to the continuation or expansion of the strategic planning  
2 and performance review system, including the provision of incentives for agencies to  
3 participate, along with any legislation required to implement the recommendations, to the  
4 legislative council. The legislative council shall report its findings and recommendations,  
5 together with any legislation required to implement the recommendations, to the fifty-ninth  
6 legislative assembly.