

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 253

Short Title: GPAC/State Strategic Planning Process.

(Public)

Sponsors: Senators Perdue; and Martin of Guilford.

Referred to: Government Performance Audit.

February 19, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT PERFORMANCE AUDIT COMMITTEE TO ESTABLISH AND IMPLEMENT A STATE STRATEGIC PLANNING PROCESS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 143A-17 is repealed.

Sec. 2. G.S. 143-3.5 reads as rewritten:

"§ 143-3.5. Coordination of statistics.

It shall be the duty of the ~~Director~~ Director, through the Office of State Budget and Management and the Office of State Planning, to coordinate the efforts of governmental agencies in the collection, development, dissemination and analysis of official economic, demographic and social statistics pertinent to State budgeting. The ~~Office shall~~ Director shall:

- (1) Prepare and release the official demographic and economic estimates and projections for the State;
- (2) Conduct special economic and demographic analyses and studies to support statewide budgeting;
- (3) Develop and coordinate cooperative arrangements with federal, State and local governmental agencies to facilitate the exchange of data to support State budgeting;
- (4) Compile, maintain, and disseminate information about State programs which involve the distribution of State aid funds to local governments including those variables used in their allocation; and,

- 1 (5) Develop and maintain in cooperation with other State and local  
2 governmental agencies, an information system providing comparative  
3 data on resources and expenditures of local governments.

4 Every fiscal analysis prepared by the Director or the Office of State Budget and  
5 Management addressing the State budget outlook shall encompass the upcoming five-  
6 year period. Every fiscal analysis prepared by the Director or the Office of State Budget  
7 and Management addressing the impact of proposed legislation on the State budget shall  
8 estimate the impact for the first five fiscal years the legislation would be in effect. To  
9 minimize duplication of effort in collecting or developing new statistical series pertinent  
10 to State planning and budgeting, including contractual arrangements, State agencies  
11 must submit to the Director proposed procedures and funding requirements.

12 This section shall not apply to the General Assembly, any of its committees and  
13 subcommittees, the Legislative Research Commission, the Legislative Services  
14 Commission, or any other committee or commission in the legislative branch."

15 Sec. 3. Article 1 of Chapter 143 of the General Statutes is amended by  
16 adding a new section to read:

17 **"§ 143-10.3. Strategic planning process.**

18 The Director, through the Office of State Budget and Management and the Office of  
19 State Planning, shall establish and implement a strategic planning process for the State.  
20 The strategic planning process shall address the following elements:

- 21 (1) Vision. – The State shall consider alternative futures as they pertain to  
22 quality of life, safety, health, and the environment.  
23 (2) Statewide Goals. – The State shall establish concrete goals for the  
24 entire State in those areas that matter most to citizens.  
25 (3) External Assessment. – The State shall solicit ideas, opinions, and  
26 concerns from citizens, both as recipients of government services and  
27 as taxpayers, regarding how well the State is meeting its goals.  
28 (4) Internal Assessment. – The process shall involve legislators, top  
29 executive branch management, and selected personnel at all levels of  
30 State government.  
31 (5) Agency Goals. – State agencies shall develop clearly defined goals that  
32 are consistent with statewide goals.  
33 (6) Objectives and Measurable Results. – The State shall develop  
34 performance measures and indicators of program results or outcome  
35 indicators to track the State's progress toward achieving statewide and  
36 agency goals.  
37 (7) Planning/Budget Document. – The State's long-range plans shall be  
38 reflected in the budget proposed by the Governor, as provided in G.S.  
39 143-10.4(b).  
40 (8) Performance Measuring and Monitoring. – The State shall review the  
41 performance of State programs periodically."

42 Sec. 4. Article 1 of Chapter 143 of the General Statutes is amended by  
43 adding a new section to read:

44 **"§ 143-10.4. Departmental plans.**

1       (a) The Director, through the Office of State Budget and Management and the  
2 Office of State Planning, shall have prepared biennially in the even-numbered years, a  
3 comprehensive plan for each department, agency, and institution, for which the Director  
4 may recommend an appropriation of State funds in the next biennial period. The plans  
5 shall implement the statewide and agency goals contained in the strategic plans  
6 developed in accordance with G.S. 143-10.3. The plans shall provide the objectives,  
7 activities, strategies, and supporting statistics, for each department, agency, and  
8 institution for the current biennium and for the following three biennial periods. The  
9 plans shall also provide the performance measures and outcome indicators for each  
10 department, agency, and institution. These same performance measures and outcome  
11 indicators shall be used for ongoing program monitoring and reported in the Governor's  
12 biennial budget submission.

13       All organizational levels of each department, agency, and institution shall be  
14 involved in preparing the department, agency, or institution's plan. The Office of State  
15 Planning shall provide guidance to the departments, agencies, and institutions in the  
16 planning process, and shall provide on-site technical assistance and process leadership  
17 to the departments, agencies, and institutions, as needed in the course of the planning  
18 process.

19       (b) The Director shall provide unified planning and budgeting instructions to the  
20 departments, agencies, and institutions for use in developing long-range plans and  
21 biennial budgets. The plans shall serve as the basis for the development of biennial  
22 budgets for each department, agency, and institution of State government that the  
23 Director submits to the General Assembly. Departments, agencies, and institutions shall  
24 cooperate in the development of these plans and shall provide the necessary information  
25 and data required to prepare these plans, in the format prescribed by the Director."

26       Sec. 5. G.S. 143-11 reads as rewritten:

27       "**§ 143-11. Survey of departments.**

28       On or before the fifteenth day of December, biennially in the even-numbered years,  
29 the Director shall make a complete, careful survey of the operation and management of  
30 all the departments, bureaus, divisions, officers, boards, commissions, institutions, and  
31 agencies and undertakings of the State and all persons or corporations who use or  
32 expend State funds, in the interest of economy and efficiency, and of obtaining a  
33 working knowledge upon which to base recommendations to the General Assembly as  
34 to appropriations for maintenance and special funds and capital expenditures for the  
35 succeeding biennium. If the Director and the Commission shall agree in their  
36 recommendations for the budget for the next biennial period, he shall prepare their  
37 report in the form of a proposed budget, together with such comment and  
38 recommendations as they may deem proper to make. If the Director and Commission  
39 shall not agree in substantial particulars, the Director shall prepare the proposed budget  
40 based on his own conclusions and judgment, and the Commission or any of its members  
41 retain the right to submit separately to the General Assembly such statement of  
42 disagreement and the particulars thereof as representing their views. The budget report  
43 shall reflect the State's long-range plans, developed in accordance with G.S. 143-10.4.  
44 The budget report shall contain a complete and itemized plan of all proposed

1 expenditures for each State department, bureau, board, division, institution,  
2 commission, State agency or undertaking, person or corporation who receives or may  
3 receive for use and expenditure any State funds, in accordance with the classification  
4 adopted by the State Controller, and of the estimated revenues and borrowings for each  
5 year in the ensuing biennial period beginning with the first day of July thereafter.  
6 Opposite each item of the proposed expenditures, the budget shall show in separate  
7 parallel columns the amount expended for the last preceding appropriation year, for the  
8 current appropriation year, and the increase or decrease. The budget shall clearly  
9 differentiate between general fund expenditures for operating and maintenance, special  
10 fund expenditures for any purpose, and proposed capital outlays.

11 The Director shall accompany the budget with:

- 12 (1) A budget message supporting his recommendations and outlining a  
13 financial policy and program for the ensuing biennium. The message  
14 will include an explanation of increase or decrease over past  
15 expenditures, a discussion of proposed changes in existing revenue  
16 laws and proposed bond issues, their purpose, the amount, rate of  
17 interest, term, the requirements to be attached to their issuance and the  
18 effect such issues will have upon the redemption and annual interest  
19 charges of the State debt.
- 20 (2) State Controller reports including:
  - 21 a. An itemized and complete financial statement for the State at  
22 the close of the last preceding fiscal year ending June 30.
  - 23 b. A statement of special funds.
- 24 (2a) A statement showing the itemized estimates of the condition of the  
25 State treasury as of the beginning and end of each of the next two  
26 appropriation years.
- 27 (3) A report on the fees charged by each State department, bureau,  
28 division, board, commission, institution, and agency during the  
29 previous fiscal year, the statutory or regulatory authority for each fee,  
30 the amount of the fee, when the amount of the fee was last changed,  
31 the number of times the fee was collected during the prior fiscal year,  
32 and the total receipts from the fee during the prior fiscal year.
- 33 (4) A statement showing the State Board of Education's request, in  
34 accordance with G.S. 115C-96, for sufficient funds to provide  
35 textbooks to public school students.

36 It shall be a compliance with this section by each incoming Governor, at the first  
37 session of the General Assembly in his term, to submit the budget report with the  
38 message of the outgoing Governor, if he shall deem it proper to prepare such message,  
39 together with any comments or recommendations thereon that he may see fit to make,  
40 either at the time of the submission of the said report to the General Assembly, or at  
41 such other time, or times, as he may elect and fix.

42 The function of the Advisory Budget Commission under this section applies only if  
43 the Director of the Budget consults with the Commission in preparation of the budget."

44 Sec. 6. This act becomes effective July 1, 1993.