

## **Sponsor Statement**

### **Senate Bill 192: State Government Missions: General & HSS**

This bill, if enacted, will more clearly specify the respective mission of the Department of Health and Social Services and delineate the desired results the legislature, on behalf of the people of Alaska, expects the department to achieve in return for the moneys appropriated to them.

The mission and desired results for the Department of Health and Social Services is being addressed separately from other state agencies because of the magnitude of the department's budget, and to avoid delays which might occur if grouped with other state agencies.

“What gets measured gets managed,” goes the old adage. Traditionally, the department has used such things as amount of funding, level of staffing, or number of tasks completed as measurements of their performance. Increasingly citizens nationwide are demanding to know what results are being achieved rather than how much was spent on the effort. They want to know, “What are the real, tangible, measurable results Alaskans are getting in return for the money appropriated to the agency.” Performance measurement requires managers to examine how operational processes are linked to “Desired Results” established by the legislature and, ultimately, to the agency's stated mission -- their purpose for existence.

If the agency knew what outcomes the legislature wanted and how to measure them, the next logical thing to do would be to assess exactly how well the department is doing at achieving those outcomes. It would then forecast, as fiscally responsible people do, whether things were likely to get better or worse if they just kept doing what they were doing. Thus, performance would be evaluated not on the basis of the amount of money that was spent or the types of activities that were conducted, but on whether or not a program has produced real, tangible results. This is what fiscally responsible people do. This is what military people do. This is what athletes and managers do. This is what all successful people do. This is what government should do. Alaskans not only want to know what specifically the agency does, and what it costs to perform those functions, but also that meaningful results, and substantial progress, are being realized.

It is incumbent on the legislature to clearly specify the ultimate outcomes, the “Desired Results,” it expects of the department. When appropriating funds the legislature must not merely add or subtract from the agency's previous year's budget. Rather the legislature must provide sufficient funding to accomplish the missions and desired results established for the agency. To determine the appropriate funding the legislature must ascertain the agency's success, or lack of success, at accomplishing their respective missions and desired results. Without such guidance, the agency can only guess at what is expected of it.

Alaska Statute 37.07.014 directs the legislature to issue a mission statement for each agency and the desired results it wishes the agency to achieve. Alaska Statute 37.07.050 then requires the state agencies to develop strategies, targets and measurements for accomplishing those missions and desired results. This Missions & Measures program is intended as the framework under which agencies establish strategic plans for achieving the desired results, set targets to measure

the effectiveness of their respective strategies, and report back to the legislature on their degree of success at achieving those targets.

Alaska's Missions and Measures program is a results-based government tool for evaluating these aspects of government. The use of performance measures is a key element of a long range fiscal plan, providing a tool to assist the legislature in determining appropriations, if any, to the agencies. But the program also provides a mechanism for the legislature to clearly express its priorities. Results-based government also ensures that agencies follow legislative intent in carrying out programs and are good stewards of the state's funds. When contemplating the funding to appropriate to various state agencies, it is incumbent upon legislators to not only to consider such factors as inflation, population growth, and increases in medical and retirement costs. They must also consider agency productivity, and whether the agencies are performing those functions for which they were originally established and funded.

This bill:

- A. Reaffirms the legislature's intent to continue this program of results-based government;
- B. Updates the mission statement to reflect evolving agency responsibilities;
- C. Provides updated Desired Results to reflect evolving agency performance and changing priorities; and
- D. Establishes minimum criteria for analyzing the agency's performance.

The bill reaffirms the legislature's desire for the agency to report to the legislature twice yearly of the agency's success at achieving its respective mission and the specified desired results. One of the two reports is included as part of the annual budget submittal. In the reports, the agency is to review and discuss its performance relative to the established desired results and targets. When a target is not met, the report is to explain the reasons why it was not met; the plans and schedules for meeting the target; and, if the target was impractical or not feasible, the reasons why and recommended alternative targets or actions. Such recommendations could include legislative, regulatory, or other actions.

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