SB 193-FN - AS AMENDED BY THE SENATE

03/06/2025 0751s

2025 SESSION

25-1129
08/09

SENATE BILL ***193-FN***

AN ACT requiring the head of each state agency to submit a strategic plan for program activities.

SPONSORS: Sen. Sullivan, Dist 18; Sen. Lang, Dist 2; Sen. Murphy, Dist 16; Sen. Pearl, Dist 17; Rep. Alexander Jr., Hills. 29; Rep. Hill, Merr. 2

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill creates the state commission on program efficiency. This bill also requires the head of each state agency to submit a strategic plan for program activities to such commission and enables the commission to report to the finance committee of the house of representatives budget recommendations based on such plans.

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Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT requiring the head of each state agency to submit a strategic plan for program activities.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Chapter; State Commission on Program Efficiency. Amend RSA by inserting after chapter 12-P the following new chapter:

CHAPTER 12-Q

STATE COMMISSION ON PROGRAM EFFICIENCY

12-Q:1 Commission Established.

I. There is established a state commission on program efficiency. Members of the commission shall be members of the New Hampshire business community appointed by the governor. The commission shall be comprised of no more than 20 members. The term of office of each member shall be 4 years and until a successor is appointed and qualified. Vacancies shall be filled in the same manner for the unexpired terms. Members shall serve without compensation. The commission shall elect a chair by a simple majority.

II. The commission shall meet no less than monthly. Members of the commission may offer suggestions for programs to evaluate.

III. The commission shall closely examine the budget, spending, administration, execution, and outcomes of the programs chosen at commission meetings in order to develop its report to the house finance committee.

IV. If the commission believes that a program is not meeting efficiency and budget goals, the commission shall send recommendations to the house finance committee in advance of the budget process.

12-Q:2 Definitions.

In this chapter:

I. "Agency" means any department, office, commission, board, or other unit, however designated, of the executive branch of state government.

II. "Outcome measure" means an assessment of the results of a program activity compared to its intended purpose.

III. "Output measure" means the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner.

IV. "Performance goal" means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate.

V. "Performance indicator" means a particular value or characteristic used to measure output or outcome.

VI. "Program" means a set of actions clearly defining the key allocation of resources, the main objective, the main workers involved, and their respective work load and intended outcomes.

VII. "Program evaluation" means an assessment, through objective measurement and systemic analysis, of the manner and extent to which state programs achieve intended objectives.

12-Q:3 Strategic Plans.

I. No later than September 30, 2026, the head of each agency shall submit to the chair of the state commission on program efficiency and to the general court a strategic plan for program activities. Such plan shall contain the following:

(a) A comprehensive mission statement covering the major functions and operations of the agency.

(b) The general goals and objectives, including outcome-related goals and objectives, for the major functions and operations of the agency.

(c) A description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives.

(d) An identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives.

(e) A description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

II. The strategic plan shall cover a period for not less than 2 years forward from the fiscal year in which it is submitted and shall be updated and revised at least every 2 years.

12-Q:4 Performance Plans.

I. The governor shall require each agency to prepare an annual performance plan covering each program activity set forth in the budget of such agency. Such plan shall:

(a) Establish performance goals to define the level of performance to be achieved by a program activity;

(b) Express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form under paragraph II;

(c) Briefly describe the operational processes, skills, and technology, and the human, capital, information, or other resources required to meet the performance goals;

(d) Establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

(e) Provide a basis for comparing actual program results with the established performance goals; and

(f) Describe the means to be used to verify and validate measured values.

II. If an agency, in consultation with the commission, determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the commission may authorize an alternative form. Such alternative form shall:

(a) Include separate descriptive statements of:

(1)(A) A minimally effective program; and

(B) A successful program, or

(2) Such alternative as authorized by the commission with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of the description; or

(b) State why it is infeasible or impractical to express a performance goal in any form for the program activity.

III. For the purpose of complying with this section, an agency may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

IV. The functions and activities of this section shall be considered to be inherently governmental functions. The drafting of performance plans under this section shall only be performed by state employees.

12-Q:5 Program Performance Reports.

I. No later than September 30, 2026 and no later than September 30 of each year thereafter, the head of each agency shall prepare and submit to the governor and the commission a report on program performance for the previous fiscal year.

II.(a) Each program performance report shall set forth the performance indicators established in the agency performance plan under RSA 12-Q:4, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

(b) If performance goals are specified in an alternative form under RSA 12-Q:4, II, the results of such program shall be described in relation to such specifications, including whether the performance failed to meet the criteria of a minimally effective or successful program.

III. The report for fiscal year 2026 shall include actual results for the preceding year, the report for 2027 shall include results for the preceding 2 fiscal years, and the report for fiscal year 2028 and all subsequent reports shall include actual results for the 3 preceeding fiscal years.

IV. Each report shall:

(a) Review the success of achieving the performance goals of the fiscal year;

(b) Evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;

(c) Explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under RSA 12-Q:4 or a corresponding level of achievement if another alternative form is used:

(1) Why the goal was not met;

(2) Those plans and schedules for achieving the established performance goal; and

(3) If the performance goal is impractical or infeasible, why that is the case and what action is recommended;

(d) Describe the use and assess the effectiveness in achieving performance goals of waivers under RSA 12-Q:4, II; and

(e) Include the summary findings of those program evaluations completed during the fiscal year covered by the report.

V. The functions and activities of this section shall be considered to be inherently governmental functions. The drafting of program performance reports under this section shall be performed only by state employees.

12-Q:5 Managerial Accountability and Flexibility.

I. Beginning with fiscal year 2027, the performance plans required may include proposals to waive administrative procedural requirements and controls, including specification of personnel staffing levels, limitations on compensation or remuneration, and prohibitions or restrictions on funding transfers, in return for specific individual or organization accountability to achieve a performance goal. In preparing and submitting the performance plan under RSA 12-Q:4, the commission shall review and may approve any proposed waivers. A waiver shall take effect at the beginning of the fiscal year for which the waiver is approved.

II. Any such proposal under paragraph I shall describe the anticipated effects on performance resulting from greater managerial or organizational flexibility, discretion, and authority, and shall quantify the expected improvements in performance resulting from any waiver. The expected improvements shall be compared to current actual performance, and to the projected level of performance that would be achieved independent of any waiver.

III. Any proposal waiving limitations on compensation or remuneration shall precisely express the monetary change in compensation or remuneration amounts, such as bonuses or awards, that shall result from meeting, exceeding, or failing to meet performance goals.

IV. Any proposed waiver of procedural requirements or controls imposed by an agency other than the proposing agency may not be included in a performance plan unless it is endorsed by the agency that established the requirement, and the endorsement is included in the proposing agency's performance plan.

V. A waiver shall be in effect for one or 2 years as specified by a supermajority vote of the commission. A waiver may be renewed for a subsequent year. After a waiver has been in effect for 3

consecutive years, the performance plan prepared under RSA 12-Q:4 may propose that a waiver, other than a waiver of limitations on compensation or remuneration, be made permanent.

12-Q:6 Reporting.

I. The commission, after consultation with the head of each agency, shall designate not less than 5 programs as projects in performance measurement for fiscal years 2026, 2028, and 2030. The selected agencies shall reflect a representative range of government functions and capabilities in measuring and reporting program performance.

II. Projects in the designated agencies shall undertake the preparation of performance plans under RSA 12-Q:4 and program performance reports under RSA 12-Q:5 for one or more of the major functions and operations of the agency. A strategic plan shall be used when preparing agency performance plans.

III. No later than September 30, 2028, the commission shall report the following to the house finance committee:

(a) Assessing the benefits, costs, and usefulness of the plans and reports prepared by the agencies in meeting the purposes of this chapter.

(b) Identifying any significant difficulties experienced by the agencies in preparing plans and reports; and

(c) Setting forth any recommended changes in the requirements of the provisions of this chapter.

2 Effective Date. This act shall take effect upon its passage.

LBA
25-1129
3/7/25

SB 193-FN- FISCAL NOTE
AS AMENDED BY THE SENATE (AMENDMENT #2025-0751s)

AN ACT requiring the head of each state agency to submit a strategic plan for program activities.

FISCAL IMPACT: This bill does not provide funding, nor does it authorize new positions.

Estimated State Impact				
	FY 2025	**FY 2026**	**FY 2027**	**FY 2028**
Revenue	$0	$0	$0	$0
Revenue Fund(s)	None			
Expenditures*	$0	Indeterminable Increase		
Funding Source(s)	General Fund and Various Agency Funds			
Appropriations*	$0	$0	$0	$0
Funding Source(s)	None			

***Expenditure = Cost of bill** ***Appropriation = Authorized funding to cover cost of bill**

METHODOLOGY:

This bill creates the state commission on program efficiency requiring the head of each state agency to submit a strategic plan for program activities to such commission and enables the commission to report to the finance committee of the House of Representatives budget recommendations based on such plans.

The Department of Administrative Services states that this bill would create an increase in expenditures to the state due to the reporting requirements by agency heads in this bill. However, these expenditures are deemed indeterminable as it is unknown what programs would be deemed inefficient of not meeting budgeting goals, if any.

AGENCIES CONTACTED:

Department of Administrative Services