

SB 193-FN - AS INTRODUCED

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

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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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 1 New Chapter; State Commission on Program Efficiency. Amend RSA by inserting after  
2 chapter 12-P the following new chapter:

3 CHAPTER 12-Q

4 STATE COMMISSION ON PROGRAM EFFICIENCY

5 12-Q:1 Commission Established.

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

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

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

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

20 12-Q:2 Definitions.

21 In this chapter:

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

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

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

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

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

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

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

7           12-Q:3 Strategic Plans.

8           I. No later than September 30, 2029, the head of each agency shall submit to the chair of the  
9 state commission on program efficiency and to the general court a strategic plan for program  
10 activities. Such plan shall contain the following:

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

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

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

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

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

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

24           12-Q:4 Performance Plans.

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

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

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

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

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

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

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

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

4 (a) Include separate descriptive statements of:

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

6 (B) A successful program, or

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

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

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

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

19 12-Q:5 Program Performance Reports.

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

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

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

30 III. The report for fiscal year 2026 shall include actual results for the preceding year, the  
31 report for 2027 shall include results for the preceding 2 fiscal years, and the report for fiscal year  
32 2028 and all subsequent reports shall include actual results for the 3 preceding fiscal years.

33 IV. Each report shall:

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

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

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

5 (1) Why the goal was not met;

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

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

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

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

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

16 12-Q:5 Managerial Accountability and Flexibility.

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

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

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

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

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

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

3 12-Q:6 Reporting.

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

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

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

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

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

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

20 2 Effective Date. This act shall take effect upon its passage.

**SB 193-FN FISCAL NOTE**  
 AS INTRODUCED

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.

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