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DELAWARE STATE SENATE
149th GENERAL ASSEMBLY

SENATE BILL NO. 263

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE DELAWARE GOVERNMENTAL ACCOUNTABILITY ACT.

WHEREAS, the State of Delaware is committed to the most transparent and responsible use of taxpayer funds as it strives to overcome fiscal challenges, while promoting a smarter and more efficient State government; and

WHEREAS, the State has periodically undertaken top to bottom reviews of State spending with the goal to institute a permanent and ongoing program to continuously identify, monitor, and implement programs, policies and processes that bend the cost curve downwards, boost efficiency and cut costs elsewhere within State government; and

WHEREAS, the Governor's Government Efficiency and Accountability Review Board (GEAR) is responsible for recommending changes to the Delaware Governmental Accountability Act that will better drive strategic planning, help develop meaningful performance metrics, foster more effective monitoring of performance and allocation of scarce resources as part of the budget process, and promote continuous improvement programs throughout State government.

NOW, THEREFORE:

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 10502, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10502 Purpose.

(a) ~~The General Assembly believes that it is desirable to gather additional program information in order to make better informed policy decisions on statewide programs and services. The General Assembly believes that the annual budget process should support a performance management system that incentivizes continuous process improvement in the services delivered to taxpayers and customers. Continuous process improvement is to be based on principles of widely accepted business process improvement systems (e.g., Lean, Six Sigma, Baldrige Excellence Framework) by which an agency engages in specific activities that have the purpose of increasing efficiency and effectiveness and eliminating waste in the processes used to deliver goods and services to taxpayers and customers of State government. It includes measuring the outcomes of such improvements.~~

(b) The General Assembly further believes that the development of performance measures and standards for governmental programs will result in a more efficient and effective allocation and utilization of state resources.

~~(c) The purpose of this chapter shall be to enable the Director of the Office of Management and Budget to assist the General Assembly in reviewing the appropriate information and documentation by agencies and the budget office for distribution to the Joint Finance Committee.~~

~~(d) The Director of the Office of Management and Budget and the Controller General shall work in concert to revise budget documents to include the following:~~

- ~~(1) A comprehensive mission statement inclusive of the major functions and operations of the agency;~~
- ~~(2) A performance measure for each Internal Program Unit;~~
- ~~(3) An organizational chart for each department;~~
- ~~(4) A section in the budget book detailing an agency's background and accomplishments; and~~
- ~~(5) A section in the budget book describing the link between the proposed allocation of services and what programs and/or services the agency will be able to accomplish.~~

Section 2. Amend § 10503, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10503 ~~Budget products.~~ Performance management

~~(a) No later than January 30 of each year, the Director of the Office of Management and Budget will submit annual budget documents and supporting information inclusive of the recommended additions detailed above. The Director of the Office of Management and Budget and the Controller General shall develop, coordinate and implement a performance management system involving strategic planning, performance measurement, evaluation and performance budgeting within State government. This performance management system must address, among other strategic goals and objectives that are consistent with the mission of each agency, strategies for enhancing productivity, improving efficiency and effectiveness, reducing costs and eliminating waste in the processes and operations that deliver goods and services to taxpayers, customers and employees of State government. The Director of the Office of Management and Budget and the Controller General shall ensure that information generated from this system is useful for managing and improving the efficiency and effectiveness of State government operations, and is available to public officials, citizens, employees and other stakeholders.~~

~~(b) The secretary or director of each agency shall discuss the mission statement, performance measures and funding requests with the General Assembly's Joint Finance Committee Budget Hearing.~~

Section 3. Amend Chapter 105, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10504 Budget products.

The Director of the Office of Management and Budget and the Controller General shall work in concert to present budgetary information as part of an agency's annual budget request that utilizes information and metrics resulting from the implementation of the performance management system established in § 10503.

§ 10505 Budget allocation decisions.

(a) It is the intent of the General Assembly that the Governor consider estimated performance of any new programs or program enhancements as the basis for any increase in funds recommended for appropriation.

(b) Based on its review of strategic plans and performance metrics and its consideration of each agency's legal responsibilities and strategic goals and objectives, the Joint Finance Committee may prioritize agencies' requests for new funding that are expressly intended to enhance productivity, improve efficiency and effectiveness, reduce costs and eliminate waste in the processes and operations that deliver goods and services to taxpayers and customers of State Government.

§ 10506 Transparency.

(a) Any agency receiving appropriations through the State's annual Appropriation Act shall maintain, on a publicly accessible website, the agency's strategic plan and a scorecard that identifies, tracks and regularly updates key metrics that are used to monitor and improve agency performance.

(b) Performance measures should be understandable to public officials, citizens, employees, and other agency stakeholders.

§ 10507 Implementation

(a) Strategic Planning. The Director of the Office of Management and Budget and the Controller General shall develop a strategic planning process with particular attention on the creation of goals and objectives, the foundation blocks for defining the performance metrics. To facilitate strategic planning, a strategic plan template shall be created to help agencies construct basic plan elements and make these elements operationally useful. Strategic plans will cover a multi-year period (generally three to five years).

(b) Performance Metrics. The Director of the Office of Management and Budget and the Controller General shall work with agencies to develop performance metrics; identifying their definitions, data requirements and data collection efforts. Ideally, performance metrics will focus on outcomes. In addition to their use in the annual budget process,

performance metrics will be reviewed periodically regarding accuracy, relevance, timeliness and durability over the strategic plan time span.

(c) Review of Strategic Plans and Agency Performance. To ease the potential burden on agency resources, strategic plans, performance metrics and agency performance will be reviewed on a quadrennial basis (each agency is to be reviewed at least once every four years). When reviewing agency strategic plans, performance metrics and agency performance, the Director of the Office of Management and Budget and the Controller General may consider grouping agencies into policy areas for the purpose of staggering said reviews. When agencies are already undertaking significant measurement or reporting responsibilities, the Director of the Office of Management and Budget and the Controller General may consider that these responsibilities can be used to meet the performance management system requirements under this Act.

(d) Miscellaneous.

(1) The Director of the Office of Management and Budget and the Controller General may select agencies to pilot the performance management and budget system.

(2) The Director of the Office of Management and Budget and the Controller General shall annually require that each agency designate and report the name or names of an employee or a standing team to ensure employee engagement in and the development, documentation, implementation, and execution of the performance management system.

(3) Technical assistance and support will be provided through the Office of Management and Budget and the Office of the Controller General.

Section 4. Implementation for all agencies receiving operating budget appropriations through the annual Appropriation Act shall be effective for fiscal years beginning Fiscal Year 2022.

SYNOPSIS

This Act amends the Delaware Governmental Accountability Act to make the annual budget process part of a performance management system of strategic planning, performance metrics and performance budgeting, dedicated to continuous process improvement that makes government more efficient, reduces costs and eliminates waste in the process and operations that deliver goods and services to taxpayers, customers and employees of State government.

Author: Senator McDowell