

Elgin chair

Bradley

T. Taylor

HSB 219

STATE GOVERNMENT

Succeeded By

7687

SENATE/HOUSE FILE

BY (PROPOSED GOVERNOR'S BILL)

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to government accountability, by providing for
2 strategic planning, performance measurement and reporting,
3 performance audits, performance contracting, return on
4 investment, and oversight, and providing for its
5 implementation.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 8.22, unnumbered paragraph 1, Code
2 2001, is amended to read as follows:

3 The budget shall consist of ~~three~~ four parts, the nature
4 and contents of which shall be as follows:

5 Sec. 2. Section 8.22, Code 2001, is amended by adding the
6 following new part:

7 NEW PART. PART IV

8 STRATEGIC PLAN. Part IV shall include an explanation that
9 correlates the budget with the enterprise strategic plan
10 adopted pursuant to section 8E.204. The budget shall provide
11 an explanation of appropriations recommended for the
12 administration and maintenance of an agency as defined in
13 section 8E.103 with the general evaluation of the agency in
14 meeting enterprise strategic goals, including identifying
15 goals that require legislation.

16 Sec. 3. Section 8.23, unnumbered paragraph 1, Code 2001,
17 is amended to read as follows:

18 On or before October 1, prior to each legislative session,
19 all departments and establishments of the government shall
20 transmit to the director, on blanks to be furnished by the
21 director, estimates of their expenditure requirements,
22 including every proposed expenditure, for the ensuing fiscal
23 year, classified so as to distinguish between expenditures
24 estimated for administration, operation, and maintenance, and
25 the cost of each project involving the purchase of land or the
26 making of a public improvement or capital outlay of a
27 permanent character, together with supporting data and
28 explanations as called for by the director.

29 1. The budget estimates shall include for those agencies
30 which pay for energy directly a line item for energy expenses
31 itemized by type of energy and location.

32 2. The estimates of expenditure requirements shall be
33 based upon seventy-five percent of the funding provided for
34 the current fiscal year accounted for by program reduced by
35 the historical employee vacancy factor in form specified by

1 the director and the remainder of the estimate of expenditure
2 requirements prioritized by program. The estimates shall be
3 accompanied with performance measures for evaluating the
4 effectiveness of the program.

5 3. The budget estimates for an agency as defined in
6 section 8E.103 shall be based on achieving goals contained in
7 the enterprise strategic plan and the agency's strategic plan
8 as provided for in chapter 8E. The estimates shall be
9 accompanied by a description of the measurable and other
10 results to be achieved by the agency. Performance measures
11 shall be based on the goals developed pursuant to sections
12 8E.205, 8E.206, and 8E.208. The estimates shall be
13 accompanied by an explanation of the manner in which
14 appropriations requested for the administration and
15 maintenance of the agency meet goals contained in the
16 enterprise strategic plan and the agency's strategic plan,
17 including identifying goals that require legislation.

18 4. If a department or establishment fails to submit
19 estimates within the time specified, the legislative fiscal
20 bureau shall use the amounts of the appropriations to the
21 department or establishment for the fiscal year in process at
22 the time the estimates are required to be submitted as the
23 amounts for the department's or establishment's request in the
24 documents submitted to the general assembly for the ensuing
25 fiscal year and the governor shall cause estimates to be
26 prepared for that department or establishment as in the
27 governor's opinion are reasonable and proper.

28 5. The director shall furnish standard budget request
29 forms to each department or agency of state government.

30 Sec. 4. Section 8.35A, Code 2001, is amended by adding the
31 following new subsection:

32 NEW SUBSECTION. 5. The department shall transmit the
33 enterprise strategic plan and related information and an
34 agency shall transmit its agency strategic plan, performance
35 report, and related information as required by chapter 8E to

1 the legislative fiscal bureau.

2 Sec. 5. NEW SECTION. 8.47 SERVICE CONTRACTS.

3 1. The department of general services, in cooperation with
4 the office of attorney general, the department of management,
5 the department of personnel, and the department of revenue and
6 finance, shall adopt uniform terms and conditions for service
7 contracts executed by a department or establishment benefiting
8 from service contracts. The terms and conditions shall
9 include but are not limited to all of the following:

10 a. The amount or basis for paying consideration to the
11 party based on the party's performance under the service
12 contract.

13 b. Methods to effectively oversee the party's compliance
14 with the service contract by the department or establishment
15 receiving the services during performance, including the
16 delivery of invoices itemizing work performed under the
17 service contract prior to payment.

18 c. Methods to effectively review performance of a service
19 contract, including but not limited to performance
20 measurements developed pursuant to chapter 8E.

21 2. Departments or establishments, with the approval of the
22 department of management acting in cooperation with the office
23 of attorney general, the department of general services, the
24 department of personnel, and the department of revenue and
25 finance, may adopt special terms and conditions for use by the
26 departments or establishments in their service contracts.

27 Sec. 6. Section 8.52, subsections 1 and 5, Code 2001, are
28 amended to read as follows:

29 1. Provide coordination of state ~~policy~~ planning,
30 performance measurement, and management of interagency
31 programs of the state, and recommend policies to the governor
32 and the general assembly.

33 5. Inquire into methods of planning, performance
34 measurement, and program development, and the conduct of
35 affairs of state government; prescribe adequate systems of

1 records for planning, performance measurement, and
2 programming; establish standards for effective planning,
3 performance measurement, and programming in consultation with
4 affected state agencies; and exercise all other powers
5 necessary in discharging the powers and duties of this
6 chapter.

7 Sec. 7. Section 8.52, Code 2001, is amended by adding the
8 following new subsection:

9 NEW SUBSECTION. 6. Administer the accountable government
10 act as provided in chapter 8E.

11 SUBCHAPTER 1
12 GENERAL

13 Sec. 8. NEW SECTION. 8E.101 TITLE.

14 1. This chapter shall be known and may be cited as the
15 "Accountable Government Act".

16 Sec. 9. NEW SECTION. 8E.102 PURPOSES.

17 This chapter is intended to create mechanisms to most
18 effectively and efficiently respond to the needs of Iowans and
19 continuously improve state government performance, including
20 by doing all of the following:

21 1. Allocating human and material resources available to
22 state government to maximize measurable results for Iowans.

23 2. Improving decision making at all levels of state
24 government.

25 3. Enhancing state government's relationship with citizens
26 and taxpayers, by providing for the greatest possible
27 accountability of the government to the public.

28 Sec. 10. NEW SECTION. 8E.103 DEFINITIONS.

29 As used in this chapter, unless the context otherwise
30 requires:

31 1. "Agency" means a principal central department
32 enumerated in section 7E.5. For purposes of this chapter,
33 each division within the department of commerce shall be
34 considered an agency, and each bureau within a division of the
35 department of commerce shall be considered a division, as

1 otherwise provided in chapter 7E.

2 2. "Agency performance plan" means an action plan based on
3 an agency strategic plan which utilizes performance measures,
4 data sources, and performance targets to achieve the agency's
5 goals adopted pursuant to section 8E.208.

6 3. "Agency strategic plan" means the strategic plan for
7 the agency adopted pursuant to section 8E.206.

8 4. "Department" means the department of management.

9 5. "Enterprise strategic plan" means the strategic plan
10 for the executive branch of state government adopted pursuant
11 to section 8E.204.

12 6. "Performance target" means a desired level of
13 performance, demonstrating specific progress toward the
14 attainment of a goal which is part of a strategic plan as
15 provided in section 8E.208.

16 7. "Strategic plan" means an enterprise strategic plan or
17 an agency strategic plan.

18 Sec. 11. NEW SECTION. 8E.104 ADMINISTRATION.

19 The department shall oversee the administration of this
20 chapter in cooperation with agencies as provided in this
21 chapter. The department shall adopt rules as necessary in
22 order to administer this chapter.

23 Sec. 12. NEW SECTION. 8E.105 CHAPTER EVALUATION.

24 The department shall conduct an evaluation of the
25 effectiveness of this chapter in carrying out the purposes of
26 this chapter as provided in section 8E.102. The department
27 shall submit a report of its findings and recommendations to
28 the governor and general assembly not later than January 10,
29 2006.

30 SUBCHAPTER 2

31 STRATEGIC PLANNING AND PERFORMANCE MEASUREMENT

32 Sec. 13. NEW SECTION. 8E.201 AGENCY DUTIES AND POWERS.

33 Each agency shall administer the application of this
34 chapter to the agency in cooperation with the department.
35 Each agency shall measure and monitor progress toward

1 achieving goals which relate to programs administered by the
2 agency pursuant to the enterprise strategic plan, the agency
3 strategic plan, and the agency performance plan.

4 Sec. 14. NEW SECTION. 8E.202 REPORTS AND RECORDS --
5 ACCESS AND PURPOSE.

6 1. The department and each agency shall provide for the
7 widest possible dissemination of information between agencies
8 and the public, relating to the enterprise strategic plan and
9 agency strategic plans including but not limited to internet
10 access. This section does not require the department or an
11 agency to release information which is classified as a
12 confidential record under this Code including but not limited
13 to section 22.7.

14 a. In administering this subsection, the department shall
15 provide for the dissemination of all of the following:

16 (1) The enterprise strategic plan, performance measures,
17 performance targets based on performance data, performance
18 data, and data sources used to evaluate agency performance,
19 and explanations of the plan's provisions.

20 (2) Methods for the public and state employees to provide
21 input including written and oral comments for the enterprise
22 strategic plan, including a schedule of any public hearings
23 relating to the plan or revisions.

24 b. In administering this subsection, each agency shall
25 provide for the dissemination of all of the following:

26 (1) The agency strategic plan, performance measures,
27 performance targets based on performance data, performance
28 data, and data sources used by the agency to evaluate its
29 performance, and explanations of the plan's provisions.

30 (2) Methods for the public and agency employees to provide
31 input including written and oral comments for the agency
32 strategic plan, including a schedule of any public hearings
33 relating to the plan or revisions.

34 2. The department may review any records of an agency that
35 relate to an agency strategic plan, an agency performance

1 plan, or a performance audit conducted pursuant to section
2 8E.209.

3 3. A record which is confidential under this Code
4 including but not limited to section 22.7 shall not be
5 released to the public under this section.

6 Sec. 15. NEW SECTION. 8E.203 STRATEGIC PLAN -- PURPOSES.

7 The purposes of strategic plans are to promote long-term
8 and broad thinking, focus on results for Iowans, and guide the
9 allocation of human and material resources and day-to-day
10 activities.

11 Sec. 16. NEW SECTION. 8E.204 ADOPTION AND REVISION OF AN
12 ENTERPRISE STRATEGIC PLAN AND AGENCY STRATEGIC PLANS.

13 1. The department, in consultation with agencies, shall
14 adopt an enterprise strategic plan. Each agency shall adopt
15 an agency strategic plan aligned with the enterprise strategic
16 plan.

17 2. The department or an agency shall adopt and revise a
18 strategic plan which includes input from customers and
19 stakeholders following an opportunity for broad public
20 participation in strategic planning. The department or an
21 agency developing or revising a strategic plan shall include
22 input from state employees, including written and oral
23 comments. Upon adoption of the enterprise strategic plan by
24 the department, the plan shall be disseminated to each agency
25 and made available to all state employees. Upon adoption of
26 the agency's strategic plan, the agency shall provide the
27 department with a copy of the agency strategic plan and make
28 the strategic plan available to all agency employees. The
29 enterprise strategic plan and all agency strategic plans shall
30 be available to the public.

31 3. The department and agencies shall annually review the
32 enterprise strategic plan. An agency shall conduct an annual
33 review of its agency strategic plan. Revisions in the
34 strategic plan may be prompted by a reexamination of
35 priorities or the need to redirect state resources based on

1 new circumstances, including events or trends.

2 Sec. 17. NEW SECTION. 8E.205 ENTERPRISE STRATEGIC PLAN.

3 The enterprise strategic plan shall identify major policy
4 goals of the state. The enterprise strategic plan shall also
5 describe multiagency strategies to achieve major policy goals,
6 and establish the means to gauge progress toward achieving the
7 major policy goals.

8 Sec. 18. NEW SECTION. 8E.206 AGENCY STRATEGIC PLANS.

9 1. An agency shall adopt an agency strategic plan which
10 shall follow a format and include elements as determined by
11 the department in consultation with agencies.

12 2. An agency shall align its agency strategic plan with
13 the enterprise strategic plan and show the alignment.

14 Sec. 19. NEW SECTION. 8E.207 AGENCY PERFORMANCE PLANS.

15 Each agency shall develop an annual performance plan to
16 achieve the goals provided in the agency strategic plan,
17 including the development of performance targets using its
18 performance measures. The agency shall use its performance
19 plan to guide its day-to-day operations and track its progress
20 in achieving the goals specified in its agency strategic plan.

21 1. An agency shall align its agency performance plan with
22 the agency strategic plan and show the alignment in the agency
23 performance plan.

24 2. An agency shall align individual performance
25 instruments with its agency performance plan.

26 Sec. 20. NEW SECTION. 8E.208 PERFORMANCE MEASURES,
27 PERFORMANCE TARGETS, AND PERFORMANCE DATA.

28 The department, in consultation with agencies, shall
29 establish guidelines that will be used to create performance
30 measures, performance targets, and data sources for each
31 agency and each agency's functions.

32 Sec. 21. NEW SECTION. 8E.209 PERIODIC PERFORMANCE AUDITS
33 AND PERFORMANCE DATA VALIDATION.

34 1. The department, in consultation with the legislative
35 fiscal bureau, the auditor of state, and agencies, shall

1 establish and implement a system of periodic performance
2 audits. The purpose of a performance audit is to assess the
3 performance of an agency in carrying out its programs in light
4 of the agency strategic plan, including the effectiveness of
5 its programs, based on performance measures, performance
6 targets, and performance data. The department may make
7 recommendations to improve agency performance which may
8 include modifying, streamlining, consolidating, expanding,
9 redesigning, or eliminating programs.

10 2. The department, in cooperation with the legislative
11 fiscal bureau and the auditor of state, shall provide for the
12 analysis of the integrity and validity of performance data.

13 Sec. 22. NEW SECTION. 8E.210 REPORTING REQUIREMENTS.

14 1. Each agency shall prepare an annual performance report
15 stating the agency's progress in meeting performance targets
16 and achieving its goals consistent with the enterprise
17 strategic plan, its agency strategic plan, and its performance
18 plan. An annual performance report shall include a
19 description of how the agency has reallocated human and
20 material resources in the previous fiscal year. The
21 department in conjunction with agencies, shall develop
22 guidelines for annual performance reports, including but not
23 limited to a reporting schedule. An agency may incorporate
24 its annual performance report into another report that the
25 agency is required to submit to the department.

26 2. The annual performance reporting required under this
27 section shall be used to improve performance, improve
28 strategic planning and policy decision making, better allocate
29 human and material resources, recognize superior performance,
30 and inform Iowans about their return from investment in state
31 government.

32 SUBCHAPTER 3

33 INVESTMENT DECISIONS

34 Sec. 23. NEW SECTION. 8E.301 SCOPE.

35 The department, in cooperation with agencies, shall

1 establish methodologies for use in making major investment
 2 decisions, including methodologies based on return on
 3 investment and cost-benefit analysis. The department and
 4 agencies may also utilize these methodologies to review
 5 current investment decisions. The department shall establish
 6 procedures for implementing the methodologies, requiring
 7 independent verification and validation of investment results,
 8 and providing reports to the governor and the legislative
 9 fiscal bureau regarding the implementation.

10 Sec. 24. IMPLEMENTATION. The department shall implement
 11 chapter 8E as enacted in this Act as soon as practical
 12 according to a multiyear schedule adopted by the department.

13 EXPLANATION

14 This bill establishes a new Code chapter 8E largely
 15 administered by the department of management (referred to as
 16 the "department") and principal state departments, including
 17 divisions of the department of commerce (referred to as
 18 "agencies"), and which are responsible for carrying out many
 19 of its provisions. The bill also provides for cooperation
 20 between the department, the department of general services,
 21 the department of personnel, and the department of revenue and
 22 finance, and the attorney general.

23 The new Code chapter is entitled the "Accountable
 24 Government Act". The bill provides for the review of state
 25 government agency performance and operations and provides for
 26 a system of planning, performance measurement, investment, and
 27 oversight.

28 STRATEGIC PLANNING. Many of the bill's provisions concern
 29 strategic planning by the department and other agencies. The
 30 department of management is responsible for developing a state
 31 plan (referred to as an enterprise strategic plan). Agencies
 32 are responsible for developing their own plans (referred to as
 33 agency strategic plans) based on the enterprise strategic plan
 34 and requirements of the chapter.

35 The bill provides for the development and revision of the

1 strategic plans at the state and agency level, and requires
2 broad public participation in formulating the plans, and
3 review of agency planning by the department.

4 Agencies are expected to carry out plans and achieve goals
5 through the use of performance targets and performance
6 measures. The bill also provides for performance measures
7 used to evaluate an agency's progress in reaching performance
8 targets as well as data sources used in performance
9 measurement. In addition, the bill requires agencies to
10 develop performance plans based on their own strategic plans.

11 The bill requires agencies to prepare reports describing
12 progress in achieving its goals, and performance targets
13 consistent with the strategic and performance planning.

14 INVESTMENT DECISIONS. The bill also provides that agencies
15 must incorporate methodologies in decisions to make major
16 investments, which may be based on return on investment and
17 cost-benefit analysis.

18 CONTRACTS FOR SERVICES. The bill requires that all
19 contracts for services benefiting an agency include uniform
20 terms and conditions as adopted by the department of general
21 services, in cooperation with the office of the attorney
22 general, the department of management, the department of
23 personnel, the department of revenue and finance, and state
24 agencies. It requires that service contracts provide that
25 consideration is paid based on performance. It also requires
26 that contracts contain methods to oversee and review
27 performance and compliance.

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S-4/5/01, side Nov
S-4/5/01 Do Pass

S-4/12/01 UNFINISHED BUSINESS CALENDAR

MAR 2 2001

HOUSE FILE 687

Place On Calendar

BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 219)

Passed House, Date 4/5/01 (p.1092) Passed Senate, Date 5/7/01 (p.1539)
 Vote: Ayes 80 Nays 12 Vote: Ayes 45 Nays 0
 Approved June 1, 2001
 Re passed 5/7/01
 Vote 82-12 (p.1947)

A BILL FOR

1 An Act relating to government accountability, by providing for
 2 strategic planning, performance measurement and reporting,
 3 performance audits, performance contracting, return on
 4 investment, and oversight, and providing for its
 5 implementation.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 687

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2 2001, is amended to read as follows:

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6 following new part:

7 NEW PART. PART IV

8 STRATEGIC PLAN. Part IV shall include an explanation that
9 correlates the budget with the enterprise strategic plan
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11 an explanation of appropriations recommended for the
12 administration and maintenance of an agency as defined in
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14 meeting enterprise strategic goals, including identifying
15 goals that require legislation.

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30 which pay for energy directly a line item for energy expenses
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33 based upon seventy-five percent of the funding provided for
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1 the director and the remainder of the estimate of expenditure
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4 effectiveness of the program.

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29 forms to each department or agency of state government.

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5 necessary in discharging the powers and duties of this
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8 following new subsection:

9 NEW SUBSECTION. 6. Administer the accountable government
10 act as provided in chapter 8E.

11 SUBCHAPTER 1

12 GENERAL

13 Sec. 8. NEW SECTION. 8E.101 TITLE.

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15 "Accountable Government Act".

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18 effectively and efficiently respond to the needs of Iowans and
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1 otherwise provided in chapter 7E.

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7 the agency adopted pursuant to section 8E.206.

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10 for the executive branch of state government adopted pursuant
11 to section 8E.204.

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13 performance, demonstrating specific progress toward the
14 attainment of a goal which is part of a strategic plan as
15 provided in section 8E.208.

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17 an agency strategic plan.

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22 order to administer this chapter.

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31 STRATEGIC PLANNING AND PERFORMANCE MEASUREMENT

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2 8E.209.

3 3. A record which is confidential under this Code
4 including but not limited to section 22.7 shall not be
5 released to the public under this section.

6 Sec. 15. NEW SECTION. 8E.203 STRATEGIC PLAN -- PURPOSES.

7 The purposes of strategic plans are to promote long-term
8 and broad thinking, focus on results for Iowans, and guide the
9 allocation of human and material resources and day-to-day
10 activities.

11 Sec. 16. NEW SECTION. 8E.204 ADOPTION AND REVISION OF AN
12 ENTERPRISE STRATEGIC PLAN AND AGENCY STRATEGIC PLANS.

13 1. The department, in consultation with agencies, shall
14 adopt an enterprise strategic plan. Each agency shall adopt
15 an agency strategic plan aligned with the enterprise strategic
16 plan.

17 2. The department or an agency shall adopt and revise a
18 strategic plan which includes input from customers and
19 stakeholders following an opportunity for broad public
20 participation in strategic planning. The department or an
21 agency developing or revising a strategic plan shall include
22 input from state employees, including written and oral
23 comments. Upon adoption of the enterprise strategic plan by
24 the department, the plan shall be disseminated to each agency
25 and made available to all state employees. Upon adoption of
26 the agency's strategic plan, the agency shall provide the
27 department with a copy of the agency strategic plan and make
28 the strategic plan available to all agency employees. The
29 enterprise strategic plan and all agency strategic plans shall
30 be available to the public.

31 3. The department and agencies shall annually review the
32 enterprise strategic plan. An agency shall conduct an annual
33 review of its agency strategic plan. Revisions in the
34 strategic plan may be prompted by a reexamination of
35 priorities or the need to redirect state resources based on

1 new circumstances, including events or trends.

2 Sec. 17. NEW SECTION. 8E.205 ENTERPRISE STRATEGIC PLAN.

3 The enterprise strategic plan shall identify major policy
4 goals of the state. The enterprise strategic plan shall also
5 describe multiagency strategies to achieve major policy goals,
6 and establish the means to gauge progress toward achieving the
7 major policy goals.

8 Sec. 18. NEW SECTION. 8E.206 AGENCY STRATEGIC PLANS.

9 1. An agency shall adopt an agency strategic plan which
10 shall follow a format and include elements as determined by
11 the department in consultation with agencies.

12 2. An agency shall align its agency strategic plan with
13 the enterprise strategic plan and show the alignment.

14 Sec. 19. NEW SECTION. 8E.207 AGENCY PERFORMANCE PLANS.

15 Each agency shall develop an annual performance plan to
16 achieve the goals provided in the agency strategic plan,
17 including the development of performance targets using its
18 performance measures. The agency shall use its performance
19 plan to guide its day-to-day operations and track its progress
20 in achieving the goals specified in its agency strategic plan.

21 1. An agency shall align its agency performance plan with
22 the agency strategic plan and show the alignment in the agency
23 performance plan.

24 2. An agency shall align individual performance
25 instruments with its agency performance plan.

26 Sec. 20. NEW SECTION. 8E.208 PERFORMANCE MEASURES,
27 PERFORMANCE TARGETS, AND PERFORMANCE DATA.

28 The department, in consultation with agencies, shall
29 establish guidelines that will be used to create performance
30 measures, performance targets, and data sources for each
31 agency and each agency's functions.

32 Sec. 21. NEW SECTION. 8E.209 PERIODIC PERFORMANCE AUDITS
33 AND PERFORMANCE DATA VALIDATION.

34 1. The department, in consultation with the legislative
35 fiscal bureau, the auditor of state, and agencies, shall

1 establish and implement a system of periodic performance
2 audits. The purpose of a performance audit is to assess the
3 performance of an agency in carrying out its programs in light
4 of the agency strategic plan, including the effectiveness of
5 its programs, based on performance measures, performance
6 targets, and performance data. The department may make
7 recommendations to improve agency performance which may
8 include modifying, streamlining, consolidating, expanding,
9 redesigning, or eliminating programs.

10 2. The department, in cooperation with the legislative
11 fiscal bureau and the auditor of state, shall provide for the
12 analysis of the integrity and validity of performance data.

13 Sec. 22. NEW SECTION. 8E.210 REPORTING REQUIREMENTS.

14 1. Each agency shall prepare an annual performance report
15 stating the agency's progress in meeting performance targets
16 and achieving its goals consistent with the enterprise
17 strategic plan, its agency strategic plan, and its performance
18 plan. An annual performance report shall include a
19 description of how the agency has reallocated human and
20 material resources in the previous fiscal year. The
21 department in conjunction with agencies, shall develop
22 guidelines for annual performance reports, including but not
23 limited to a reporting schedule. An agency may incorporate
24 its annual performance report into another report that the
25 agency is required to submit to the department.

26 2. The annual performance reporting required under this
27 section shall be used to improve performance, improve
28 strategic planning and policy decision making, better allocate
29 human and material resources, recognize superior performance,
30 and inform Iowans about their return from investment in state
31 government.

32 SUBCHAPTER 3
33 INVESTMENT DECISIONS

34 Sec. 23. NEW SECTION. 8E.301 SCOPE.

35 The department, in cooperation with agencies, shall

1 establish methodologies for use in making major investment
2 decisions, including methodologies based on return on
3 investment and cost-benefit analysis. The department and
4 agencies may also utilize these methodologies to review
5 current investment decisions. The department shall establish
6 procedures for implementing the methodologies, requiring
7 independent verification and validation of investment results,
8 and providing reports to the governor and the legislative
9 fiscal bureau regarding the implementation.

10 Sec. 24. IMPLEMENTATION. The department shall implement
11 chapter 8E as enacted in this Act as soon as practical
12 according to a multiyear schedule adopted by the department.

13 EXPLANATION

14 This bill establishes a new Code chapter 8E largely
15 administered by the department of management (referred to as
16 the "department") and principal state departments, including
17 divisions of the department of commerce (referred to as
18 "agencies"), and which are responsible for carrying out many
19 of its provisions. The bill also provides for cooperation
20 between the department, the department of general services,
21 the department of personnel, and the department of revenue and
22 finance, and the attorney general.

23 The new Code chapter is entitled the "Accountable
24 Government Act". The bill provides for the review of state
25 government agency performance and operations and provides for
26 a system of planning, performance measurement, investment, and
27 oversight.

28 STRATEGIC PLANNING. Many of the bill's provisions concern
29 strategic planning by the department and other agencies. The
30 department of management is responsible for developing a state
31 plan (referred to as an enterprise strategic plan). Agencies
32 are responsible for developing their own plans (referred to as
33 agency strategic plans) based on the enterprise strategic plan
34 and requirements of the chapter.

35 The bill provides for the development and revision of the

1 strategic plans at the state and agency level, and requires
2 broad public participation in formulating the plans, and
3 review of agency planning by the department.

4 Agencies are expected to carry out plans and achieve goals
5 through the use of performance targets and performance
6 measures. The bill also provides for performance measures
7 used to evaluate an agency's progress in reaching performance
8 targets as well as data sources used in performance
9 measurement. In addition, the bill requires agencies to
10 develop performance plans based on their own strategic plans.

11 The bill requires agencies to prepare reports describing
12 progress in achieving its goals, and performance targets
13 consistent with the strategic and performance planning.

14 INVESTMENT DECISIONS. The bill also provides that agencies
15 must incorporate methodologies in decisions to make major
16 investments, which may be based on return on investment and
17 cost-benefit analysis.

18 CONTRACTS FOR SERVICES. The bill requires that all
19 contracts for services benefiting an agency include uniform
20 terms and conditions as adopted by the department of general
21 services, in cooperation with the office of the attorney
22 general, the department of management, the department of
23 personnel, the department of revenue and finance, and state
24 agencies. It requires that service contracts provide that
25 consideration is paid based on performance. It also requires
26 that contracts contain methods to oversee and review
27 performance and compliance.

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**HOUSE FILE 687
FISCAL NOTE**

A fiscal note for **House File 687** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 687 creates new Code Chapter 8E titled "Accountable Government Act." The Bill provides for the Department of Management to develop a State plan, termed "Enterprise Strategic Plan," and all other agencies to develop their own plans or "Agency Strategic Plans." The strategic plans require the development of performance targets and measures which the departments will use to carry out their plans and assess if they are meeting the goals set. Departments are required to report on the progress of achieving goals and performance targets consistent with strategic and performance planning.

House File 687 provides for agencies to incorporate methodologies in decisions to make major investments, which may be based on return-on-investment and cost-benefit analysis.

House File 687 requires that contracts for services include uniform terms and conditions as agreed upon by departments. Contracts will be entered based on performance.

ASSUMPTIONS

1. Most State agencies have developed performance measures and set program goals for budgeting for results purposes in recent years.
2. Most State agencies have current staff and resources dedicated for planning.
3. Performance audits are not mandated in the Bill, therefore, no additional costs are anticipated for the Office of the State Auditor.

FISCAL IMPACT

The impact of House File 687 is not expected to be significant.

SOURCES

Auditor of State
Department of Commerce
Department of Management
Department of Personnel
Department of Revenue and Finance

(LSB 1479hv, CRS)

FILED APRIL 5, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 687

S-3354

1 Amend House File 687, as passed by the House, as
2 follows:

3 1. Page 3, by inserting after line 26, the
4 following:

5 "____. The state board of regents shall establish
6 terms and conditions for service contracts executed by
7 institutions governed by the state board of regents."

8 2. Page 5, line 22, by inserting after the word
9 "chapter." the following: "However, the state board
10 of regents shall oversee and implement the provisions
11 of this chapter for institutions governed under
12 chapter 262."

adopted 4/23/01 P.1244

By RICHARD F. DRAKE

S-3354 FILED APRIL 12, 2001

HOUSE FILE 687

S-3384

1 Amend House File 687, as passed by the House, as
2 follows:

3 1. Page 4, by inserting after line 10, the
4 following:

5 "Sec. ____ . Section 8.54, subsections 7 and 8, Code
6 2001, are amended by striking the subsections and
7 inserting in lieu thereof the following:

8 7. The governor shall transmit to the general
9 assembly, in accordance with section 8.21, a budget
10 which does not exceed the state general fund
11 expenditure limitation. The general assembly shall
12 pass a budget which does not exceed the state general
13 fund expenditure limitation. The governor shall not
14 transmit a budget with recommended appropriations in
15 excess of the state general fund expenditure
16 limitation and the general assembly shall not pass a
17 budget with appropriations in excess of the state
18 general fund expenditure limitation. In complying
19 with the requirements of this subsection, the governor
20 and the general assembly shall not rely on any
21 anticipated reversion of appropriations in order to
22 meet the state general fund expenditure limitation."

23 2. Title page, line 2, by inserting before the
24 word "strategic" the following: "the state budget and
25 expenditures,".

By JEFF LAMBERTI

S-3384 FILED APRIL 18, 2001

w/d 5/7/01 (p.1537)

HOUSE FILE 687

S-3392

1 Amend House File 687, as passed by the House, as
2 follows:

3 1. Page 10, by inserting after line 9, the
4 following:

5 "Sec. ____ . Section 18.3, Code 2001, is amended by
6 adding the following new subsection:

7 NEW SUBSECTION. 2A. Approving and executing, in
8 accordance with rules adopted by the director, all
9 sole source contracts and all contracts with an
10 aggregate cost exceeding twenty thousand dollars, for
11 the purchase of equipment, supplies, or services, that
12 are proposed by a state agency, except for purchases
13 for equipment, supplies, or services used by the state
14 department of transportation, institutions under the
15 control of the state board of regents, the department
16 for the blind, and any other agencies exempted by law.

17 "Sole source contract" means a contract for the
18 purchase of equipment, supplies, or services that is
19 entered into or proposed to be entered into by a state
20 agency, after soliciting and negotiating with only one
21 source."

By JEFF LAMBERTI

S-3392 FILED APRIL 18, 2001

w/d 5/7/01 (p.1537)

HOUSE FILE 687**S-3495**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for economic development
6 purposes, in".

By PATRICK J. DELUHERY

S-3495 FILED APRIL 25, 2001 *o/o 5/7/01 (p. 1538)*

HOUSE FILE 687**S-3496**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for homemaker-home health
6 aide services, in".

By JOE BOLKCOM

S-3496 FILED APRIL 25, 2001 *o/o 5/7/01 (p. 1538)*

HOUSE FILE 687**S-3497**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for community empowerment
6 areas, family support programs, programs for at-risk
7 children, and other early childhood programs, in".

By JOE BOLKCOM

S-3497 FILED APRIL 25, 2001 *o/o 5/7/01 (p. 1538)*

HOUSE FILE 687**S-3498**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for the vision Iowa program
6 established in section 15F.302, in".

By ROBERT E. DVORSKY

S-3498 FILED APRIL 25, 2001 *o/o 5/7/01 (p. 1538)*

HOUSE FILE 687**S-3499**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for a program or purpose
6 which will draw down federal funding, in".

By ROBERT E. DVORSKY**S-3499** FILED APRIL 25, 2001 *o/o 5/7/01 (p.1538)***HOUSE FILE 687****S-3500**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for sex offender registry
6 and treatment costs, in".

By ROBERT E. DVORSKY**S-3500** FILED APRIL 25, 2001 *o/o 5/7/01 (p.1538)***HOUSE FILE 687****S-3501**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for the child protection
6 system, in".

By ROBERT E. DVORSKY**S-3501** FILED APRIL 25, 2001 *o/o 5/7/01 (p.1538)***HOUSE FILE 687****S-3502**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for class size reduction in
6 school programs, in".

By BILL FINK**S-3502** FILED APRIL 25, 2001 *o/o 5/7/01 (p.1538)*

HOUSE FILE 687**S-3503**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:

3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for teacher salaries, in".

By MIKE CONNOLLY

S-3503 FILED APRIL 25, 2001 % 5/7/01 (p.1538)

HOUSE FILE 687**S-3504**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:

3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for community empowerment
6 areas, family support programs, programs for at-risk
7 children, and other early childhood programs, in".

By MATT McCOY

S-3504 FILED APRIL 25, 2001 % 5/7/01 (p.1538)

HOUSE FILE 687**S-3505**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:

3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for the operation of adult
6 correctional facilities, in".

By MATT McCOY

S-3505 FILED APRIL 25, 2001 % 5/7/01 (p.1538)

HOUSE FILE 687**S-3506**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:

3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for the braille and sight
6 saving school or the school for the deaf, in".

By MICHAEL E. GRONSTAL

S-3506 FILED APRIL 25, 2001 % 5/7/01 (p.1538)

HOUSE FILE 687**S-3507**

1 Amend amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for lake dredging, in".

By DENNIS H. BLACK**S-3507** FILED APRIL 25, 2001 % 5/7/01 (p.1538)**HOUSE FILE 687****S-3508**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for the center for
6 excellence in fundamental plant sciences at Iowa state
7 university of science and technology, in".

By JOHNIE HAMMOND**S-3508** FILED APRIL 25, 2001 % 5/7/01 (p.1538)**HOUSE FILE 687****S-3509**

1 Amend amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for water quality
6 activities, in".

By DENNIS H. BLACK**S-3509** FILED APRIL 25, 2001 % 5/7/01 (p.1538)**HOUSE FILE 687****S-3510**

1 Amend amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for the university of
6 northern Iowa, in".

By PATRICIA HARPER**S-3510** FILED APRIL 25, 2001 % 5/7/01 (p.1538)

HOUSE FILE 687**S-3511**

1 Amend amendment S-3384 to House File 687, as passed
2 by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding designated for foster care and other
6 child welfare services, in".

By STEVEN D. HANSEN

S-3511 FILED APRIL 25, 2001 % 5/7/01 (p.1538)

HOUSE FILE 687**S-3512**

1 Amend amendment S-3384 to House File 687, as passed
2 by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding for a budget adjustment for those
6 school districts with declining enrollment, in".

By MIKE CONNOLLY

S-3512 FILED APRIL 25, 2001 % 5/7/01 (p.1538)

HOUSE FILE 687**S-3513**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding for school on-time funding budget
6 adjustments, in".

By MIKE CONNOLLY

S-3513 FILED APRIL 25, 2001 % 5/7/01 (p.1538)

HOUSE FILE 687**S-3514**

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, line 18, by striking the word "In" and
4 inserting the following: "Except as necessary to
5 provide funding for the establishment of the state
6 percent of growth for purposes of the state school
7 foundation program under section 257.8, in".

By MATT McCOY

S-3514 FILED APRIL 25, 2001 % 5/7/01 (p.1539)

HOUSE FILE 687

S-3515

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:

3 1. Page 1, by inserting after line 2, the
4 following:

5 " ____ . Page 1, by inserting before line 1 the
6 following:

7 "Section 1. Section 2.10, subsection 4, unnumbered
8 paragraph 1, Code 2001, is amended to read as follows:

9 The director of revenue and finance shall pay, from
10 moneys appropriated to the general assembly pursuant
11 to section 2.12, the travel and expenses of the
12 members of the general assembly commencing with the
13 first pay period after the names of such persons are
14 officially certified. The salaries of the members of
15 the general assembly shall be paid pursuant to any of
16 the following alternative methods:

17 Sec. ____ . Section 2.10, subsection 6, Code 2001,
18 is amended to read as follows:

19 6. If a special session of the general assembly is
20 convened, members of the general assembly shall
21 receive, in addition to their annual salaries, the sum
22 of eighty-six dollars per day for each day the general
23 assembly is actually in special session, and the same
24 travel allowances and expenses as authorized by this
25 section which shall be payable from moneys
26 appropriated to the general assembly pursuant to
27 section 2.12. A member of the general assembly shall
28 receive the additional per diem, travel allowances and
29 expenses only for the days of attendance during a
30 special session.

31 Sec. ____ . Section 2.11, unnumbered paragraph 1,
32 Code 2001, is amended to read as follows:

33 Each house of the general assembly may employ such
34 officers and employees as it ~~shall deem~~ deems
35 necessary for the conduct of its business. The
36 compensation of the chaplains, officers, and employees
37 of the general assembly shall be fixed by joint action
38 of the house and senate by resolution at the opening
39 of each session, or as soon ~~thereafter~~ after the
40 opening as conveniently can be done. Payment of the
41 compensation shall be from moneys appropriated to the
42 general assembly pursuant to section 2.12. Such
43 persons shall be furnished ~~by the state~~ such supplies
44 as may be necessary for the proper discharge of their
45 duties.

46 Sec. ____ . Section 2.12, Code 2001, is amended to
47 read as follows:

48 2.12 EXPENSES OF GENERAL ASSEMBLY AND LEGISLATIVE
49 AGENCIES -- BUDGETS.

50 1. ~~There is appropriated out of any funds in the~~

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1 ~~state treasury not otherwise appropriated a sum~~
2 ~~sufficient to pay for~~ The following expenses,
3 salaries, per diems, budgets, and other items shall be
4 paid from appropriations made to the general assembly
5 for these purposes:

6 a. For legislative printing and all current and
7 miscellaneous expenses of the general assembly,
8 authorized by either the senate or the house, ~~and the.~~
9 The director of revenue and finance shall issue
10 warrants for such items of expense upon requisition of
11 the president, majority leader, and secretary of the
12 senate or the speaker and chief clerk of the house.

13 b. ~~There is appropriated out of any funds in the~~
14 ~~state treasury not otherwise appropriated, such sums~~
15 ~~as are necessary, for~~ For each house of the general
16 assembly for the payment of any unpaid expense of the
17 general assembly incurred during or in the interim
18 between sessions of the general assembly, including
19 but not limited to salaries and necessary travel and
20 actual expenses of members, expenses of standing and
21 interim committees or subcommittees, and per diem or
22 expenses for members of the general assembly who serve
23 on statutory boards, commissions, or councils for
24 which per diem or expenses are authorized by law. The
25 director of revenue and finance shall issue warrants
26 for such items of expense upon requisition of the
27 president, majority leader, and secretary of the
28 senate for senate expense expenses or the speaker and
29 chief clerk of the house for house expense expenses.

30 c. ~~There is appropriated out of any funds in the~~
31 ~~state treasury not otherwise appropriated, such sums~~
32 ~~as are necessary for~~ For the renovation, remodeling,
33 or preparation of the legislative chambers,
34 legislative offices, or other areas or facilities used
35 or to be used by the legislative branch of government,
36 and for the purchase of legislative equipment and
37 supplies deemed necessary to properly carry out the
38 functions of the general assembly. The director of
39 revenue and finance shall issue warrants for such
40 items of expense, whether incurred during or between
41 sessions of the general assembly, upon requisition of
42 the president, majority leader, and secretary of the
43 senate for senate expense expenses or the speaker and
44 chief clerk of the house for house expense expenses.

45 d. ~~There is appropriated out of any funds in the~~
46 ~~state treasury not otherwise appropriated such sums as~~
47 ~~may be necessary for~~ For the fiscal year budgets of
48 the legislative service bureau, the legislative fiscal
49 bureau, the citizens' aide office and the computer
50 support bureau for salaries, support, maintenance, and

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1 miscellaneous purposes to carry out their statutory
2 responsibilities.
3 2. The director of revenue and finance shall issue
4 warrants for salaries, support, maintenance, and
5 miscellaneous purposes upon requisition by the
6 administrative head of each statutory agency. The
7 legislative service bureau, the legislative fiscal
8 bureau, the citizens' aide office, and the computer
9 support bureau shall submit their proposed budgets to
10 the legislative council not later than September 1 of
11 each year. The legislative council shall review and
12 approve the proposed budgets not later than December 1
13 of each year. The legislative council on behalf of
14 the general assembly shall propose a budget for the
15 general assembly for the payment of expenses,
16 salaries, per diems, and other items for which the
17 general assembly is required to pay. The proposed
18 budget shall include a budget for both houses of the
19 general assembly. The budget approved by the
20 legislative council for each of its statutory
21 legislative agencies and its proposed budget for the
22 general assembly shall be transmitted by the
23 legislative council to the department of management on
24 or before December 1 of each year for the fiscal year
25 beginning July 1 of the following year. The
26 department of management shall submit the approved
27 budgets received from the legislative council to the
28 governor for review and revision as necessary for
29 inclusion in the governor's proposed budget for the
30 succeeding fiscal year. The approved and proposed
31 budgets developed by the legislative council shall
32 also be submitted to the chairpersons of the
33 committees on appropriations. ~~The committees on~~
34 ~~appropriations may allocate from the funds~~
35 ~~appropriated by this section the funds contained in~~
36 ~~the approved budgets, or such other amounts as~~
37 ~~specified, pursuant to a concurrent resolution to be~~
38 ~~approved by both houses of the general assembly. The~~
39 ~~director of revenue and finance shall issue warrants~~
40 ~~for salaries, support, maintenance, and miscellaneous~~
41 ~~purposes upon requisition by the administrative head~~
42 ~~of each statutory legislative agency. If the~~
43 ~~legislative council elects to change the approved~~
44 ~~budget for a legislative agency prior to July 1, the~~
45 ~~legislative council shall transmit the amount of the~~
46 ~~budget revision to the department of management prior~~
47 ~~to July 1 of the fiscal year, however, if the general~~
48 ~~assembly approved the budget it cannot be changed~~
49 ~~except pursuant to a concurrent resolution approved by~~
50 ~~the general assembly.~~

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1 Sec. ____ . Section 2.13, Code 2001, is amended to
2 read as follows:

3 2.13 ISSUANCE OF WARRANTS.

4 The director of revenue and finance shall also
5 issue to each officer and employee of the general
6 assembly, during legislative sessions or interim
7 periods, upon vouchers signed by the president,
8 majority leader, and secretary of the senate or the
9 speaker and chief clerk of the house, warrants for the
10 amount due for services rendered. The warrants shall
11 ~~be paid out of any moneys in the treasury not~~
12 ~~otherwise appropriated~~ from moneys appropriated to the
13 general assembly pursuant to section 2.12.

14 Sec. ____ . Section 2.104, Code 2001, is amended to
15 read as follows:

16 2.104 BUDGET.

17 Expenses of the computer support bureau shall be
18 paid upon approval of the director of the bureau from
19 moneys appropriated to the general assembly pursuant
20 to section 2.12. The budget of the computer support
21 bureau for each fiscal year shall be prepared by the
22 director and submitted to the legislative council as
23 provided in section 2.12.

24 Sec. ____ . Section 2B.22, Code 2001, is amended to
25 read as follows:

26 2B.22 APPROPRIATION.

27 ~~There is hereby appropriated out of any money in~~
28 ~~the treasury not otherwise appropriated an amount~~
29 ~~sufficient to defray all~~ The expenses incurred in the
30 carrying out of the provisions of this chapter shall
31 be paid from moneys appropriated to the general
32 assembly pursuant to section 2.12."

33 2. Page 1, by inserting after line 22 the
34 following:

35 " ____ . Page 10, by inserting after line 9, the
36 following:

37 "Sec. ____ . Section 17A.8, subsection 3, Code 2001,
38 is amended to read as follows:

39 3. A committee member shall be paid the per diem
40 specified in section 2.10, subsection 5, for each day
41 in attendance and shall be reimbursed for actual and
42 necessary expenses. ~~There is appropriated from money~~
43 ~~in the general fund not otherwise appropriated an~~
44 ~~amount sufficient to pay~~ The costs incurred under this
45 section shall be paid from moneys appropriated to the
46 general assembly pursuant to section 2.12."

47 3. By renumbering as necessary.

By MICHAEL E. GRONSTAL

S-3515 FILED APRIL 25, 2001

o/o 5/7/01 (p.1539)

HOUSE FILE 687

S-3516

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:
3 1. Page 1, by inserting after 22 the following:
4 "____. Page 10, by inserting after line 9 the
5 following:
6 "Sec. 100. PILOT PROJECT FOR REFUND OF PROCESSING
7 FEES.
8 1. As used in this section:
9 a. "Customer" means a person paying a fee as
10 provided in paragraph "c", as part of an application
11 for the issuance of a renewed license or certification
12 by a participating agency.
13 b. "Participating agency" means the Iowa
14 department of public health or the professional
15 licensing division of the department of commerce that
16 elects to participate in the pilot project as provided
17 in subsection 2.
18 c. "Processing fee" means a fee that is required
19 to be paid to a participating agency as follows:
20 (1) The Iowa department of public health for
21 issuing a renewed emergency medical care provider
22 certification pursuant to section 147A.6 for which a
23 fee is required pursuant to rules adopted by the
24 department under section 147A.4.
25 (2) The professional licensing division, for
26 issuing any of the following:
27 (a) The renewal of a certificate of licensure as a
28 professional engineer pursuant to section 542B.18 for
29 which a fee is required pursuant to section 542B.30.
30 (b) The renewal of a license to practice as an
31 accounting practitioner pursuant to section 542C.20
32 for which a fee is required pursuant to section
33 542C.15.
34 (c) The renewal of a license as a real estate
35 broker or real estate salesperson pursuant to section
36 543B.28 for which a fee is required pursuant to
37 section 543B.27.
38 (d) The renewal of a certification as a real
39 estate appraiser pursuant to section 543D.7 for which
40 a fee is required pursuant to section 543D.6.
41 (e) The renewal of a certificate of registration
42 as an architect pursuant to section 544A.10 for which
43 a fee is required pursuant to section 544A.11.
44 (f) The renewal of a certificate of registration
45 as a landscape architect pursuant to section 544B.13
46 for which a fee is required pursuant to section
47 544B.14.
48 2. The department of management in cooperation
49 with a participating agency may establish a pilot
50 project for the refund of all or a portion of

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1 processing fees paid by customers. The following
2 shall apply to a participating agency:

3 a. The participating agency shall refund all or a
4 portion of a processing fee to a customer if the
5 participating agency fails to issue a license or
6 certification in a manner and within a period of time
7 customary for issuing similar licenses and
8 certifications.

9 b. The participating agency is not required to
10 refund any amount of a processing fee if the failure
11 to issue a license or certification is primarily
12 caused by the customer, including the customer's
13 failure to comply with legal requirements, furnish a
14 completed application or document, or cooperate with
15 the participating agency as required by the
16 participating agency.

17 3. Each participating agency shall adopt rules
18 pursuant to chapter 17A necessary in order to
19 administer this section. The participating agencies
20 shall cooperate in order to develop simple common
21 procedures for providing refunds, which may include a
22 uniform refund form. The agencies may cooperate with
23 the general assembly's joint oversight and
24 communications appropriations subcommittee or other
25 appropriate committee or subcommittee in carrying out
26 this section.

27 4. Each participating agency shall prepare a
28 report to the department of management. The report
29 shall analyze the administration of the pilot project,
30 including its effect on administrative efficiency, the
31 collection of revenue, and customer reactions. The
32 reports shall be delivered to the department of
33 management not later than November 1, 2002. The
34 department of management shall compile the reports and
35 include any findings or recommendations by the
36 department. The department's compiled report shall be
37 delivered to the governor and general assembly not
38 later than January 10, 2003."

39 _____. Page 10, by inserting after line 12 the
40 following:

41 "Sec. _____. Section 100 of this Act, enacting a
42 pilot project for refund of processing fees, is
43 repealed January 11, 2003.""

By MICHAEL E. GRONSTAL

S-3516 FILED APRIL 25, 2001

% 5/7/01 (p. 1539)

HOUSE FILE 687

S-3517

1 Amend the amendment, S-3384, to House File 687, as
2 passed by the House, as follows:

3 1. Page 1, by inserting after line 2 the
4 following:

5 "____. Page 1, by inserting before line 1 the
6 following:

7 "Section 1. SAVINGS ACCOUNT FUND APPROPRIATION.

8 There is appropriated from the general fund of the
9 state to the department of education for the fiscal
10 year beginning July 1, 2000, and ending June 30, 2001,
11 the following amount, or so much thereof as is
12 necessary, to be used for the purpose designated:

13 For deposit in the teacher compensation reform and
14 student achievement savings account fund created in
15 section 8.57B:

16 \$ 42,000,000

17 Notwithstanding section 8.33, moneys appropriated
18 in this section shall not revert at the close of the
19 fiscal year."

20 2. Page 1, line 11, by inserting after the word
21 "limitation." the following: "The governor's budget
22 transmitted in accordance with section 8.21 shall
23 incorporate all other funds affecting directly or
24 indirectly the condition of the general fund of the
25 state, including but not limited to the funds created
26 in sections 8.55, 8.56, 8.57, 8.57A, and 8.57B."

27 3. Page 1, by inserting after line 22, the
28 following:

29 "____. Page 4, by inserting before line 11 the
30 following:

31 "Sec. 75. NEW SECTION. 8.57B TEACHER
32 COMPENSATION REFORM AND STUDENT ACHIEVEMENT SAVINGS
33 ACCOUNT FUND.

34 1. A teacher compensation reform and student
35 achievement savings account fund is created as a
36 separate and distinct fund in the state treasury under
37 the control of the department of education. Moneys in
38 the fund in a fiscal year shall be used as directed by
39 the general assembly for teacher compensation reform
40 and student achievement activities approved by the
41 Seventy-ninth General Assembly, First Regular Session,
42 or by future general assemblies.

43 2. Revenue for the teacher compensation reform and
44 student achievement savings account fund shall be
45 deposited with the treasurer of state and credited to
46 the fund and shall include, but is not limited to,
47 moneys in the form of a devise, gift, bequest,
48 donation, federal or other grant, reimbursement,
49 repayment, judgment, transfer, payment, or
50 appropriation from any source intended to be used for

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1 the purposes of the fund.
 2 3. Notwithstanding section 8.33, moneys
 3 appropriated for deposit in the teacher compensation
 4 reform and student achievement savings account fund
 5 shall not revert but shall remain available for
 6 expenditure as directed by the general assembly in
 7 appropriations made from the fund."
 8 _____. Page 10, by inserting after line 9 the
 9 following:
 10 "Sec. _____. EFFECTIVE DATE. Section 75 of this
 11 Act, being deemed of immediate importance, takes
 12 effect upon enactment."
 13 4. Page 1, by inserting after line 25 the
 14 following:
 15 "_____. Title page, line 5, by inserting after the
 16 word "implementation" the following: "and including
 17 an appropriation and effective date"."

By BILL FINK

S-3517 FILED APRIL 25, 2001

*o/o 5/7/01 (p.1539)***SENATE AMENDMENT TO HOUSE FILE 687****H-2028**

1 Amend House File 687, as passed by the House, as
 2 follows:
 3 1. Page 3, by inserting after line 26, the
 4 following:
 5 "_____. The state board of regents shall establish
 6 terms and conditions for service contracts executed by
 7 institutions governed by the state board of regents."
 8 2. Page 5, line 22, by inserting after the word
 9 "chapter." the following: "However, the state board
 10 of regents shall oversee and implement the provisions
 11 of this chapter for institutions governed under
 12 chapter 262."

RECEIVED FROM THE SENATE

H-2028 FILED MAY 7, 2001

Concurred (p.1947)

HOUSE FILE 687

AN ACT

RELATING TO GOVERNMENT ACCOUNTABILITY, BY PROVIDING FOR STRATEGIC PLANNING, PERFORMANCE MEASUREMENT AND REPORTING, PERFORMANCE AUDITS, PERFORMANCE CONTRACTING, RETURN ON INVESTMENT, AND OVERSIGHT, AND PROVIDING FOR ITS IMPLEMENTATION.

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

Section 1. Section 8.22, unnumbered paragraph 1, Code 2001, is amended to read as follows:

The budget shall consist of three four parts, the nature and contents of which shall be as follows:

Sec. 2. Section 8.22, Code 2001, is amended by adding the following new part:

NEW PART. PART IV

STRATEGIC PLAN. Part IV shall include an explanation that correlates the budget with the enterprise strategic plan adopted pursuant to section 8E.204. The budget shall provide an explanation of appropriations recommended for the administration and maintenance of an agency as defined in section 8E.103 with the general evaluation of the agency in meeting enterprise strategic goals, including identifying goals that require legislation.

Sec. 3. Section 8.23, unnumbered paragraph 1, Code 2001, is amended to read as follows:

On or before October 1, prior to each legislative session, all departments and establishments of the government shall transmit to the director, on blanks to be furnished by the director, estimates of their expenditure requirements, including every proposed expenditure, for the ensuing fiscal year, classified so as to distinguish between expenditures estimated for administration, operation, and maintenance, and

the cost of each project involving the purchase of land or the making of a public improvement or capital outlay of a permanent character, together with supporting data and explanations as called for by the director.

1. The budget estimates shall include for those agencies which pay for energy directly a line item for energy expenses itemized by type of energy and location.

2. The estimates of expenditure requirements shall be based upon seventy-five percent of the funding provided for the current fiscal year accounted for by program reduced by the historical employee vacancy factor in form specified by the director and the remainder of the estimate of expenditure requirements prioritized by program. The estimates shall be accompanied with performance measures for evaluating the effectiveness of the program.

3. The budget estimates for an agency as defined in section 8E.103 shall be based on achieving goals contained in the enterprise strategic plan and the agency's strategic plan as provided for in chapter 8E. The estimates shall be accompanied by a description of the measurable and other results to be achieved by the agency. Performance measures shall be based on the goals developed pursuant to sections 8E.205, 8E.206, and 8E.208. The estimates shall be accompanied by an explanation of the manner in which appropriations requested for the administration and maintenance of the agency meet goals contained in the enterprise strategic plan and the agency's strategic plan, including identifying goals that require legislation.

4. If a department or establishment fails to submit estimates within the time specified, the legislative fiscal bureau shall use the amounts of the appropriations to the department or establishment for the fiscal year in process at the time the estimates are required to be submitted as the amounts for the department's or establishment's request in the documents submitted to the general assembly for the ensuing fiscal year and the governor shall cause estimates to be prepared for that department or establishment as in the governor's opinion are reasonable and proper.

5. The director shall furnish standard budget request forms to each department or agency of state government.

Sec. 4. Section 8.35A, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 5. The department shall transmit the enterprise strategic plan and related information and an agency shall transmit its agency strategic plan, performance report, and related information as required by chapter 8E to the legislative fiscal bureau.

Sec. 5. NEW SECTION. 8.47 SERVICE CONTRACTS.

1. The department of general services, in cooperation with the office of attorney general, the department of management, the department of personnel, and the department of revenue and finance, shall adopt uniform terms and conditions for service contracts executed by a department or establishment benefiting from service contracts. The terms and conditions shall include but are not limited to all of the following:

a. The amount or basis for paying consideration to the party based on the party's performance under the service contract.

b. Methods to effectively oversee the party's compliance with the service contract by the department or establishment receiving the services during performance, including the delivery of invoices itemizing work performed under the service contract prior to payment.

c. Methods to effectively review performance of a service contract, including but not limited to performance measurements developed pursuant to chapter 8E.

2. Departments or establishments, with the approval of the department of management acting in cooperation with the office of attorney general, the department of general services, the department of personnel, and the department of revenue and finance, may adopt special terms and conditions for use by the departments or establishments in their service contracts.

3. The state board of regents shall establish terms and conditions for service contracts executed by institutions governed by the state board of regents.

Sec. 6. Section 8.52, subsections 1 and 5, Code 2001, are amended to read as follows:

1. Provide coordination of state policy planning, performance measurement, and management of interagency programs of the state, and recommend policies to the governor and the general assembly.

5. Inquire into methods of planning, performance measurement, and program development, and the conduct of affairs of state government; prescribe adequate systems of records for planning, performance measurement, and programming; establish standards for effective planning, performance measurement, and programming in consultation with affected state agencies; and exercise all other powers necessary in discharging the powers and duties of this chapter.

Sec. 7. Section 8.52, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 6. Administer the accountable government act as provided in chapter 8E.

SUBCHAPTER 1

GENERAL

Sec. 8. NEW SECTION. 8E.101 TITLE.

1. This chapter shall be known and may be cited as the "Accountable Government Act".

Sec. 9. NEW SECTION. 8E.102 PURPOSES.

This chapter is intended to create mechanisms to most effectively and efficiently respond to the needs of Iowans and continuously improve state government performance, including by doing all of the following:

1. Allocating human and material resources available to state government to maximize measurable results for Iowans.

2. Improving decision making at all levels of state government.

3. Enhancing state government's relationship with citizens and taxpayers, by providing for the greatest possible accountability of the government to the public.

Sec. 10. NEW SECTION. 8E.103 DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Agency" means a principal central department enumerated in section 7E.5. For purposes of this chapter, each division within the department of commerce shall be considered an agency, and each bureau within a division of the department of commerce shall be considered a division, as otherwise provided in chapter 7E.

2. "Agency performance plan" means an action plan based on an agency strategic plan which utilizes performance measures, data sources, and performance targets to achieve the agency's goals adopted pursuant to section 8E.208.

3. "Agency strategic plan" means the strategic plan for the agency adopted pursuant to section 8E.206.

4. "Department" means the department of management.

5. "Enterprise strategic plan" means the strategic plan for the executive branch of state government adopted pursuant to section 8E.204.

6. "Performance target" means a desired level of performance, demonstrating specific progress toward the attainment of a goal which is part of a strategic plan as provided in section 8E.208.

7. "Strategic plan" means an enterprise strategic plan or an agency strategic plan.

Sec. 11. NEW SECTION. 8E.104 ADMINISTRATION.

The department shall oversee the administration of this chapter in cooperation with agencies as provided in this chapter. The department shall adopt rules as necessary in order to administer this chapter. However, the state board of regents shall oversee and implement the provisions of this chapter for institutions governed under chapter 262.

Sec. 12. NEW SECTION. 8E.105 CHAPTER EVALUATION.

The department shall conduct an evaluation of the effectiveness of this chapter in carrying out the purposes of this chapter as provided in section 8E.102. The department shall submit a report of its findings and recommendations to the governor and general assembly not later than January 10, 2006.

SUBCHAPTER 2

STRATEGIC PLANNING AND PERFORMANCE MEASUREMENT

Sec. 13. NEW SECTION. 8E.201 AGENCY DUTIES AND POWERS.

Each agency shall administer the application of this chapter to the agency in cooperation with the department. Each agency shall measure and monitor progress toward achieving goals which relate to programs administered by the agency pursuant to the enterprise strategic plan, the agency strategic plan, and the agency performance plan.

Sec. 14. NEW SECTION. 8E.202 REPORTS AND RECORDS -- ACCESS AND PURPOSE.

1. The department and each agency shall provide for the widest possible dissemination of information between agencies and the public, relating to the enterprise strategic plan and agency strategic plans including but not limited to internet access. This section does not require the department or an agency to release information which is classified as a confidential record under this Code including but not limited to section 22.7.

a. In administering this subsection, the department shall provide for the dissemination of all of the following:

(1) The enterprise strategic plan, performance measures, performance targets based on performance data, performance data, and data sources used to evaluate agency performance, and explanations of the plan's provisions.

(2) Methods for the public and state employees to provide input including written and oral comments for the enterprise strategic plan, including a schedule of any public hearings relating to the plan or revisions.

b. In administering this subsection, each agency shall provide for the dissemination of all of the following:

(1) The agency strategic plan, performance measures, performance targets based on performance data, performance data, and data sources used by the agency to evaluate its performance, and explanations of the plan's provisions.

(2) Methods for the public and agency employees to provide input including written and oral comments for the plan or revisions.

strategic plan, including a schedule of any public hearings relating to the plan or revisions.

2. The department may review any records of an agency that relate to an agency strategic plan, an agency performance plan, or a performance audit conducted pursuant to section 8E.209.

3. A record which is confidential under this Code including but not limited to section 22.7 shall not be released to the public under this section.

Sec. 15. NEW SECTION. 8E.203 STRATEGIC PLAN -- PURPOSES.

The purposes of strategic plans are to promote long-term and broad thinking, focus on results for Iowans, and guide the allocation of human and material resources and day-to-day activities.

Sec. 16. NEW SECTION. 8E.204 ADOPTION AND REVISION OF AN ENTERPRISE STRATEGIC PLAN AND AGENCY STRATEGIC PLANS.

1. The department, in consultation with agencies, shall adopt an enterprise strategic plan. Each agency shall adopt an agency strategic plan aligned with the enterprise strategic plan.

2. The department or an agency shall adopt and revise a strategic plan which includes input from customers and stakeholders following an opportunity for broad public participation in strategic planning. The department or an agency developing or revising a strategic plan shall include input from state employees, including written and oral comments. Upon adoption of the enterprise strategic plan by the department, the plan shall be disseminated to each agency and made available to all state employees. Upon adoption of the agency's strategic plan, the agency shall provide the department with a copy of the agency strategic plan and make the strategic plan available to all agency employees. The enterprise strategic plan and all agency strategic plans shall be available to the public.

3. The department and agencies shall annually review the enterprise strategic plan. An agency shall conduct an annual review of its agency strategic plan. Revisions in the

strategic plan may be prompted by a reexamination of priorities or the need to redirect state resources based on new circumstances, including events or trends.

Sec. 17. NEW SECTION. 8E.205 ENTERPRISE STRATEGIC PLAN.

The enterprise strategic plan shall identify major policy goals of the state. The enterprise strategic plan shall also describe multiagency strategies to achieve major policy goals, and establish the means to gauge progress toward achieving the major policy goals.

Sec. 18. NEW SECTION. 8E.206 AGENCY STRATEGIC PLANS.

1. An agency shall adopt an agency strategic plan which shall follow a format and include elements as determined by the department in consultation with agencies.

2. An agency shall align its agency strategic plan with the enterprise strategic plan and show the alignment.

Sec. 19. NEW SECTION. 8E.207 AGENCY PERFORMANCE PLANS.

Each agency shall develop an annual performance plan to achieve the goals provided in the agency strategic plan, including the development of performance targets using its performance measures. The agency shall use its performance plan to guide its day-to-day operations and track its progress in achieving the goals specified in its agency strategic plan.

1. An agency shall align its agency performance plan with the agency strategic plan and show the alignment in the agency performance plan.

2. An agency shall align individual performance instruments with its agency performance plan.

Sec. 20. NEW SECTION. 8E.208 PERFORMANCE MEASURES, PERFORMANCE TARGETS, AND PERFORMANCE DATA.

The department, in consultation with agencies, shall establish guidelines that will be used to create performance measures, performance targets, and data sources for each agency and each agency's functions.

Sec. 21. NEW SECTION. 8E.209 PERIODIC PERFORMANCE AUDITS AND PERFORMANCE DATA VALIDATION.

1. The department, in consultation with the legislative fiscal bureau, the auditor of state, and agencies, shall

establish and implement a system of periodic performance audits. The purpose of a performance audit is to assess the performance of an agency in carrying out its programs in light of the agency strategic plan, including the effectiveness of its programs, based on performance measures, performance targets, and performance data. The department may make recommendations to improve agency performance which may include modifying, streamlining, consolidating, expanding, redesigning, or eliminating programs.

2. The department, in cooperation with the legislative fiscal bureau and the auditor of state, shall provide for the analysis of the integrity and validity of performance data.

Sec. 22. **NEW SECTION.** 8E.210 REPORTING REQUIREMENTS.

1. Each agency shall prepare an annual performance report stating the agency's progress in meeting performance targets and achieving its goals consistent with the enterprise strategic plan, its agency strategic plan, and its performance plan. An annual performance report shall include a description of how the agency has reallocated human and material resources in the previous fiscal year. The department in conjunction with agencies, shall develop guidelines for annual performance reports, including but not limited to a reporting schedule. An agency may incorporate its annual performance report into another report that the agency is required to submit to the department.

2. The annual performance reporting required under this section shall be used to improve performance, improve strategic planning and policy decision making, better allocate human and material resources, recognize superior performance, and inform Iowans about their return from investment in state government.

SUBCHAPTER 3

INVESTMENT DECISIONS

Sec. 23. **NEW SECTION.** 8E.301 SCOPE.

The department, in cooperation with agencies, shall establish methodologies for use in making major investment decisions, including methodologies based on return on

investment and cost-benefit analysis. The department and agencies may also utilize these methodologies to review current investment decisions. The department shall establish procedures for implementing the methodologies, requiring independent verification and validation of investment results, and providing reports to the governor and the legislative fiscal bureau regarding the implementation.

Sec. 24. **IMPLEMENTATION.** The department shall implement chapter 8E as enacted in this Act as soon as practical according to a multiyear schedule adopted by the department.

BRENT SIEGRIST
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 687, Seventy-ninth General Assembly.

MARGARET THOMSON
Chief Clerk of the House

Approved  , 2001

THOMAS J. VILSACK
Governor