

## LEGISLATIVE BILL 949

Approved by the Governor April 9, 2012

Introduced by Legislative Performance Audit Committee: Harms, 48, Chairperson; Dubas, 34; Flood, 19; Heidemann, 1; Krist, 10; Mello, 5; Wightman, 36; Campbell, 25; Wallman, 30; Pirsch, 4.

FOR AN ACT relating to agency budgeting; to amend sections 81-132 and 81-1113, Reissue Revised Statutes of Nebraska; to provide duties for the Department of Health and Human Services and the budget division of the Department of Administrative Services; to harmonize provisions; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. (1)(a) On or before July 30, 2012, the Division of Children and Family Services of the Department of Health and Human Services shall report in writing its expenditures between January 1, 2012, and June 30, 2012, and the outcomes relating to such expenditures to the Appropriations Committee of the Legislature and the Health and Human Services Committee of the Legislature. Such report shall identify any changes or movement of funds in excess of two hundred fifty thousand dollars relating to child welfare between subprograms within Budget Program 347.

(b) Beginning with the third calendar quarter of 2012, the division shall report in writing its expenditures for each quarter and the outcomes relating to such expenditures within thirty days after the end of the quarter to the Appropriations Committee of the Legislature and the Health and Human Services Committee of the Legislature. Such report shall identify any changes or movement of funds in excess of two hundred fifty thousand dollars relating to child welfare between subprograms within Budget Program 347.

(2)(a) For the biennium ending June 30, 2015, and the biennium ending June 30, 2017, the Division of Children and Family Services of the Department of Health and Human Services shall, as part of the appropriations request process pursuant to section 81-132, include a strategic plan that identifies the main purpose or purposes of each program, verifiable and auditable key goals that the division believes are fair measures of its progress in meeting each program's main purpose or purposes, and benchmarks for improving performance on the key goals for the state as a whole and for each Department of Health and Human Services service area designated pursuant to section 81-3116. The division shall also report whether the benchmarks are being met and, if not, the expected timeframes for meeting them. Such key goals and benchmarks shall be developed by the Division of Children and Family Services with the assistance of the budget division of the Department of Administrative Services pursuant to subdivision (2) of section 81-1113.

(b) Not later than September 15, 2013, and not later than September 15, 2015, the Division of Children and Family Services of the Department of Health and Human Services shall report to the Health and Human Services Committee of the Legislature and the Appropriations Committee of the Legislature on the progress towards the key goals identified pursuant to this subsection that occurred in the previous twelve months.

(3) It is the intent of the Legislature that appropriations of funds for child welfare aid be designated as a separate budget program beginning July 1, 2012.

Sec. 2. Section 81-132, Reissue Revised Statutes of Nebraska, is amended to read:

81-132 All departments, offices, and institutions of the state government requesting appropriations shall file in the office of the Director of Administrative Services the budget forms furnished them by the director under the provisions of sections 81-1113 and 81-1113.01. The budget forms required by this section shall be filed on or before September 15 of each even-numbered year, except that in 2002, the budget administrator of the budget division of the Department of Administrative Services may extend the filing deadline for budget forms to a date no later than October 15, 2002. The forms shall show their total estimated requirements for the next biennium for each unit of their organization and activity classified as to object of expenditure. With such forms, each department, office, institution, and expending agency shall file a report showing all money received by such department, office, institution, or expending agency together with the estimated receipts for the coming biennium. Such estimates shall be accompanied by a statement in writing giving facts and explanations of reasons for each item of increased appropriation requested. The report submitted by the Department of Health and Human Services shall include, but not be limited

to, the key goals, benchmarks, and progress reports required pursuant to section 1 of this act.

Sec. 3. Section 81-1113, Reissue Revised Statutes of Nebraska, is amended to read:

81-1113 The budget division shall prepare the executive budget in accordance with the wishes and policies of the Governor. The budget division shall have the following duties, powers, and responsibilities:

(1) Shall prescribe the forms and procedures to be employed by all departments and agencies of the state in compiling and submitting their individual budget requests and shall set up a budget calendar which shall provide for (a) the date, not later than July 15 of each even-numbered year, for distribution of instructions, (b) the date by which time requests for appropriations by each agency shall be submitted, and (c) the period during which such public hearings as the Governor may elect shall be held for each department and agency. The budget request shall be submitted each even-numbered year no later than the date provided in section 81-132, shall include the intended receipts and expenditures by programs, subprograms, and activities and such additional information as the administrator may deem appropriate for each fiscal year, shall be made upon a biennial basis, and shall include actual receipts and actual expenditures for each fiscal year of the most recently completed biennium and the first year of the current biennium and estimates for the second year of the current biennium and each year of the next ensuing biennium;

(2) Shall work with each governmental department and agency in developing performance standards for each program, subprogram, and activity to measure and evaluate present as well as projected levels of expenditures. The budget division shall also work with the Division of Children and Family Services of the Department of Health and Human Services to develop key goals, benchmarks, and methods of quantification of progress required pursuant to section 1 of this act;

(3) Shall, following passage of legislative appropriations, be responsible for the administration of the approved budget through budgetary allotments;

(4) Shall be responsible for a monthly budgetary report for each department and agency showing comparisons between actual expenditures and allotments, which report shall be subject to review by the director and budget administrator; and

(5) Shall be responsible for the authorization of employee positions. Such authorizations shall be based on the following:

(a) A requirement that a sufficient budget program appropriation and salary limitation exist to fully fund all authorized positions;

(b) A requirement that permanent full-time positions which have been vacant for ninety days or more be reviewed and reauthorized prior to being filled. If requested by the budget division, the personnel division of the Department of Administrative Services shall review such vacant position to determine the proper classification for the position;

(c) A requirement that authorized positions accurately reflect legislative intent contained in legislative appropriation and intent bills; and

(d) Other relevant criteria as determined by the budget administrator.

Sec. 4. Original sections 81-132 and 81-1113, Reissue Revised Statutes of Nebraska, are repealed.

Sec. 5. Since an emergency exists, this act takes effect when passed and approved according to law.