
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1341 Session of
2015

INTRODUCED BY MENSCH, WAGNER, RESCHENTHALER, BARTOLOTTA,
EICHELBERGER, RAFFERTY, AUMENT, GREENLEAF, VULAKOVICH,
FOLMER, WHITE, HUTCHINSON, STEFANO, VOGEL, SMUCKER, BROOKS,
ALLOWAY, ARGALL AND WARD, JULY 11, 2016

REFERRED TO APPROPRIATIONS, JULY 11, 2016

AN ACT

1 Providing for performance-based budgeting; establishing the
2 Performance-based Budget Board and providing for its powers
3 and duties; and conferring powers and imposing duties on the
4 Independent Fiscal Office.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Performance-
9 based Budgeting Act.

10 Section 2. Findings.

11 The General Assembly finds and declares as follows:

12 (1) The traditional method of budget development, which
13 relies upon incremental adjustments to expenditures made in
14 the previous financial period, insulates governmental
15 activities from the thorough fiscal review expected by
16 taxpaying citizens.

17 (2) New and changing demands for public services are met
18 through excessive budget growth rather than by pruning

1 obsolete programs and redirecting existing funds. Some
2 programs were established so long ago that the original
3 statutory basis has either been forgotten or is out of date.
4 In time, the budget is driven by inertia rather than by clear
5 and defensible purposes.

6 (3) Performance-based budgeting is an effective method
7 to counter the tendency toward perpetuation of outmoded State
8 programs.

9 Section 3. Definitions.

10 The following words and phrases when used in this act shall
11 have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

13 "Board." The Performance-based Budget Board established
14 under this act.

15 Section 4. Performance-based Budget Board.

16 (a) Establishment.--The Performance-based Budget Board is
17 established as an independent board to review the performance-
18 based budget plans of State agencies and make recommendations on
19 how each agency's programs may be made more transparent,
20 effective and efficient.

21 (b) Members.--The board shall consist of the following
22 members:

23 (1) The Secretary of the Budget.

24 (2) The chairperson of the Appropriations Committee of
25 the Senate.

26 (3) The minority chairperson of the Appropriations
27 Committee of the Senate.

28 (4) The chairperson of the Appropriations Committee of
29 the House of Representatives.

30 (5) The minority chairperson of the Appropriations

1 Committee of the House of Representatives.

2 Section 5. Budget review.

3 (a) Board.--The following shall apply:

4 (1) The board shall review each State agency's
5 performance-based budget plan submitted under paragraph (2)
6 and make recommendations on making the programs administered
7 by the agency more transparent, effective and efficient. The
8 board shall submit its recommendations to the Independent
9 Fiscal Office for review.

10 (2) The following shall apply:

11 (i) Except as otherwise provided under subparagraph
12 (ii), each time a State agency is under review by the
13 board, the board shall notify the agency and require the
14 agency to prepare and submit a performance-based budget
15 plan in addition to any other information that may be
16 required by statute, rule or directive. At a minimum, the
17 plan shall contain the following information:

18 (A) A description of those discrete activities
19 that comprise the agency and a justification for the
20 existence of each activity by reference to statute or
21 other legal authority.

22 (B) For each activity, a quantitative estimate
23 of any adverse impacts that could reasonably be
24 expected should the activity be discontinued,
25 together with a full description of the methods by
26 which the adverse impact is estimated.

27 (C) For each activity, an itemized account of
28 expenditures that would be required to maintain the
29 activity at the minimum level of service required by
30 the statutory authority, together with a concise

1 statement of the quantity and quality of services
2 required at that minimum level.

3 (D) For each activity, an itemized account of
4 expenditures required to maintain the activity at
5 current levels of service, together with a concise
6 statement of the quantity and quality of services
7 being provided.

8 (E) A ranking of all activities that shows the
9 relative contribution of each activity to the overall
10 goals and purposes of the agency at current service
11 levels.

12 (F) A mission statement on how the agency is
13 accountable to taxpayers.

14 (ii) In 2016, the Governor shall submit a
15 performance-based budget plan to the board for agencies
16 with cumulative total expenditures of at least 8% of the
17 General Fund budget.

18 (3) Each agency shall receive a performance-based budget
19 review no less often than once every five years. In order to
20 implement this schedule, beginning in 2018, approximately 20%
21 of agencies shall be subject to performance-based budget plan
22 review each year.

23 (b) Independent Fiscal Office.--Within 30 days of receipt of
24 the board's recommendations, the Independent Fiscal Office shall
25 review the recommendations and prepare a report that approves or
26 disapproves the recommendations. The report shall be issued to
27 the Governor, the President pro tempore of the Senate, the
28 Minority Leader of the Senate, the Speaker of the House of
29 Representatives, the Minority Leader of the House of
30 Representatives, the chairperson of the Appropriations Committee

1 of the Senate and the chairperson of the Appropriations
2 Committee of the House of Representatives.
3 Section 6. Effective date.
4 This act shall take effect in 60 days.