

HOUSE BILL NO. 277

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A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATED TO PROVIDING FOR A STRATEGIC PLANNING PROCESS FOR CERTAIN GOVERNMENTAL ENTITIES; REQUIRING DEPARTMENTS TO PRODUCE ~~3-YEAR~~ STRATEGIC PLANS AND ANNUAL PERFORMANCE REPORTS; PROVIDING FOR CERTAIN PUBLIC COMMENT PROVISIONS; ~~ALLOWING LEGISLATIVE USE AND REVIEW OF PERFORMANCE DATA AND DOCUMENTS FOR OVERSIGHT AND PROSPECTIVE LEGISLATION; LIMITING JUDICIAL REVIEW; REPEALING REQUIREMENTS RELATED TO STRATEGIC INFORMATION PROVIDED AS PART OF THE BUDGET PROCESS;~~ REQUIRING THAT ONLY EXISTING RESOURCES MAY BE USED; PROVIDING DEFINITIONS; AMENDING ~~SECTIONS~~ SECTION 2-4-102, ~~47-7-111, AND 47-7-123,~~ MCA; REPEALING SECTIONS 2-15-2221, 2-15-2222, 2-15-2223, 2-15-2224, 2-15-2225, AND 2-15-2226, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Short title.** [Sections 1 through 8 7] may be cited as the "State Measurement for Accountable, Responsive, and Transparent Government Act".

NEW SECTION. **Section 2. Declaration of policy and purpose.** (1) It is the public policy of this state that:

(a) ~~state government departments should operate under a performance management philosophy in which employees focus on taxpayer and customer service, underpinned by the constant goal of achieving operational excellence;~~

(b) ~~— a performance management philosophy promotes long-term and broad thinking, focusing on results for Montanans, and guides the allocation of human and material resources and day-to-day activities;~~

(c) ~~— the development of a multiyear strategic plan with performance measures that require the annual~~

1 ~~evaluation of the outcomes, outputs, and impacts of the work of the departments would allow~~ ALLOWS
 2 policymakers, stakeholders, and the public to understand what ~~departments intend~~ A DEPARTMENT INTENDS to
 3 accomplish, ~~any timeline s associated with what they intend to accomplish,~~ and CREATES A BASIS TO EVALUATE
 4 whether each department has ~~successfully and optimally~~ achieved its long-range strategic plan;

5 (B) performance measures should be designed so that ~~department efforts are focused on~~
 6 implementing legislative intent, prioritizing strategic goals and objectives, and allocating resources, and so that
 7 they provide meaningful and useful information that evaluates performance and assesses progress in achieving
 8 goals and objectives. ~~;~~ To that end, performance measures must adequately assess departmental performance,
 9 focus on key processes, be central to the success of the process being measured, and indicate whether
 10 progress toward the department's goals and objectives is occurring.

11 (C) performance measures should be integrated into the planning process and maintained on an
 12 ongoing basis;

13 (D) by measuring ESTABLISHING and evaluating whether desired outputs and outcomes are achieved
 14 and programs are operating efficiently PERFORMANCE MEASURES, the state would CAN improve program
 15 coordination, BETTER UNDERSTAND RESOURCE NEEDS, DETERMINE WHETHER PROGRAMS ARE OPERATING
 16 EFFICIENTLY, eliminate duplicate programs or activities, and provide ~~better~~ SUPERIOR information to the governor,
 17 the legislature, and the public;

18 ~~(g)~~ the ability of the general public, the legislature, the governor, and departments to assess
 19 department progress in achieving the long-term strategic plan would lead to improvements in services rendered
 20 and increased efficiency in program administration, as well as transparency;

21 ~~(h)~~ the budget process should serve as part of a system of performance management to incentivize
 22 continuous improvement in the services delivered to customers and taxpayers;

23 ~~(i)~~ departments strive for continuous improvement, a critical and necessary component of the s tate
 24 m easurement for a ccountable, r esponsive, and t ransparent g overnment performance management
 25 philosophy; and

26 ~~(j)~~ a system of performance management would be more useful and reliable if annual performance
 27 reports of the departments are completed and presented to the legislature and made available to the public.

28 (2) It is the purpose of [sections 1 through & 7] to provide for a strategic planning process for state

1 government ~~and THAT RESULTS IN THE DEVELOPMENT OF PERFORMANCE MEASURES to provide for more cost-~~
 2 ~~effective, FACILITATE~~ efficient, TRANSPARENT, ACCOUNTABLE, and responsive government services ~~by using~~
 3 ~~defined outputs, outcomes, and performance measures to annually evaluate and~~ WITH ANNUAL PERFORMANCE
 4 REPORTS TO optimize the performance of state government.

5

6 NEW SECTION. Section 3. Definitions. As used in [sections 1 through 8 7], unless the context
 7 clearly indicates otherwise, the following definitions apply:

8 (1) "Annual performance report" means a written annual review and assessment of the outputs and
 9 outcomes of a department as compared to its ~~long-range~~ ESTABLISHED strategic plan and performance
 10 measures.

11 (2) "Department" means each entity listed in 2-15-104(1)(a) through (1)(p).

12 (3) "Goal" means a specific, quantifiable goal or target related to a performance measure that is
 13 adopted by a department.

14 ~~(4) "Long-range strategic plan" means a written plan prepared by a department that contains the~~
 15 ~~mission, goals, and objectives that the department intends to accomplish, that is used to guide the ongoing and~~
 16 ~~proposed activities of a department for 3 fiscal years with performance measures for tracking success in~~
 17 ~~meeting goals and objectives, that is revised regularly, and that remains in effect until replaced or revised .~~

18 (4) "MISSION AND VISION STATEMENT" MEANS A WRITTEN STATEMENT DESCRIBING A DEPARTMENT'S
 19 PURPOSE, WHAT IT INTENDS TO DO, AND WHOM IT INTENDS TO SERVE.

20 (5) "Performance measure" means a written OR ELECTRONIC monitoring tool that is designed ~~as an~~
 21 ~~indicator to assess the operational performance of a department~~ ASSESS WHAT A DEPARTMENT ASPIRES TO
 22 ACHIEVE pursuant to a published ~~long-range~~ strategic plan and is intended to help guide government and make
 23 it accountable. Where feasible, performance measures must be quantitative. PERFORMANCE MEASURES ARE
 24 INTENDED TO FOCUS ON A DEPARTMENT'S EFFORTS IN IMPLEMENTING LEGISLATIVE INTENT, PRIORITIZING GOALS AND
 25 OBJECTIVES, AND ALLOCATING RESOURCES.

26 (6) "STRATEGIC PLAN" MEANS A WRITTEN PLAN PREPARED BY A DEPARTMENT THAT CONTAINS THE MISSION
 27 AND VISION STATEMENT, GOALS, AND OBJECTIVES THAT A DEPARTMENT INTENDS TO ACCOMPLISH, THAT IS USED TO
 28 GUIDE THE ONGOING AND PROPOSED ACTIVITIES OF A DEPARTMENT WITH PERFORMANCE MEASURES FOR TRACKING

1 SUCCESS IN MEETING GOALS AND OBJECTIVES, THAT IS REVISED REGULARLY, AND THAT REMAINS IN EFFECT UNTIL
 2 REPLACED OR REVISED.

3
 4 NEW SECTION. Section 4. Long-range strategic STRATEGIC plan. (1) Each department shall
 5 engage in the process of strategic planning and shall produce a ~~long-range~~ strategic plan ~~to be used to guide~~
 6 ~~its ongoing and proposed activities for the next 3 years.~~

7 (2) No later than October 1, 2021, each department shall adopt a ~~long-range~~ strategic plan. Each
 8 department shall publish a subsequent ~~long-range~~ strategic plan ~~on~~ NO LATER THAN July 1, 2024, and shall
 9 publish a revised plan ~~on~~ NO LATER THAN July 1 every 3 years thereafter.

10 ~~(3) Revisions in the long-range strategic plan may be prompted before expiration of the applicable 3-~~
 11 ~~year period by a reexamination of priorities or the need to redirect state resources based on new~~
 12 ~~circumstances, including events or trends.~~

13 (3) At a minimum, a ~~long-range~~ DEPARTMENT'S strategic plan must include the following components:

14 (a) a mission AND VISION statement, ~~which must provide a broad, comprehensive statement of~~
 15 ~~purpose for the department;~~

16 (b) a description of the functions and programs of the department, INCLUDING A DISCUSSION OF THE
 17 DEPARTMENT'S PRIORITIES;

18 (c) goals of the department that reflect the benefits AND OUTCOMES the department expects to achieve
 19 on behalf of the public or specific groups ~~that extend at least 3 years into the future;~~

20 (d) specific and measurable performance measures ~~developed in compliance with [section 6] for the~~
 21 ~~major functions of the department, which must, at a minimum, include indicators of input, output, outcome, and~~
 22 ~~efficiency;~~

23 ~~(e) a narrative description of the strategies necessary to meet each performance goal; and~~

24 ~~(f) an identification of potential external factors that are beyond the control of the department and~~
 25 ~~which could significantly affect the achievement of its goals .~~

26 ~~(5) In addition, each long-range strategic plan must include, where applicable, the statutory~~
 27 ~~requirement or other authority for each goal and identification of the primary persons who will benefit from or be~~
 28 ~~significantly affected by each objective within the plan.~~

1 (4) ~~(a)~~—A department's long-range strategic plan, including associated performance measures, may
2 be adopted only after consideration of input from the employees of the department and public comment.

3 ~~(b) The department shall encourage, solicit, and consider employee input throughout the process of
4 creating and adopting a long-range strategic plan, including during the initial development of a new long-term
5 strategic plan or a subsequent long-term strategic plan.~~

6 (5) Before adopting a new or subsequent long-range strategic plan, ~~the~~ A department shall:

7 (A) prior to the beginning of the public notice period, give written public notice of the proposed long-
8 range strategic plan by:

9 (i) providing prominent notice of the proposed plan and any associated hearings on its website; and

10 (ii) publishing notice in the Montana Administrative Register of the proposed long-range strategic
11 plan, any associated hearings, and the dates during which public comment will be accepted;

12 (B) hold at least one public hearing on the proposed long-range strategic plan;

13 (C) accept public comment for at least 30 days; and

14 (D) fully consider written and oral comments made during the public comment period and post
15 transcripts of public hearings and written comments on the long-range PROPOSED strategic plan on its website.

16 (6) The long-range strategic plan ADOPTED BY A DEPARTMENT must be posted on the websites of the
17 department and the office of budget and program planning.

18
19 NEW SECTION. Section 5. Annual performance report. (1) No later than October 1, 2022, and no
20 later than October 1 of each year thereafter, each department shall produce an annual performance report for
21 the previous fiscal year and distribute it as provided in subsections ~~(4)~~ (3) and ~~(5)~~ (4).

22 (2) The annual performance report must focus on measuring outcomes rather than process.

23 Therefore, ~~the~~ A department shall identify ~~the outputs produced by each program, the~~ PREFERRED outcomes
24 ~~resulting from each program, and baseline data associated with~~ WITH RESPECT TO each performance measure
25 FOR EACH DEPARTMENT PROGRAM.

26 ~~(3) The annual performance report must assess and propose changes to the existing performance
27 measures as provided in [section 6(6)].~~

28 (3) The AN annual performance report OF A DEPARTMENT must be posted on the websites of the

1 department and the office of budget and program planning. The annual performance report must include a
 2 hyperlink to the department's ~~long-range~~ strategic plan posted on the department's official website.

3 (4) By October 1 of each year, in accordance with 5-11-210, the annual performance report of each
 4 department must be provided to the legislative finance committee and the appropriate legislative policy interim
 5 committee provided for in Title 5, chapter 5, part 2.

6

7 **NEW SECTION. Section 6. Performance PERIODIC ASSESSMENT AND REVISION OF PERFORMANCE**

8 **measures.** ~~(1) Performance measures must be:~~

9 ~~(a) derived from a department's goals, with an emphasis on serving the department's customers ;~~

10 ~~(b) results oriented, focusing on outcome measures and output measures;~~

11 ~~(c) selective, concentrating on the most important indicators of performance;~~

12 ~~(d) useful, providing information that is of value to the department, policymakers, and the public; and~~

13 ~~(e) reliable, providing accurate and consistent information.~~

14 ~~(2) A performance measure must :~~

15 ~~(a) apply to activities directly under the influence of the department;~~

16 ~~(b) demonstrate department efficiency and effectiveness in delivering goods or services to customers~~
 17 ~~and taxpayers; and~~

18 ~~(c) be reasonably understandable to the public.~~

19 ~~(3) Performance measures must measure key processes and activities, rather than being designed to~~
 20 ~~report every department activity.~~

21 ~~(4) A system that supports performance measure data collection must have effective controls that~~
 22 ~~provide reasonable assurance that the information is being properly collected and accurately reported. If~~
 23 ~~directed by the legislative audit committee, the legislative audit division may provide information concerning the~~
 24 ~~accuracy of data collection and reporting.~~

25 ~~(5) Department managers shall use performance measures as an integral part of their strategic and~~
 26 ~~operational management for the department.~~

27 ~~(6) Performance measures must be developed and revised as part of the strategic planning process~~
 28 ~~no less FREQUENTLY than every 3 years. In the annual performance report, the A department shall assess and~~

1 ~~propose changes needed to make certain that~~ WHETHER existing performance measures CONTINUE TO relate
 2 logically to goals and other elements of the ~~long-range~~ strategic plan and ~~provide a focus on serving customers~~
 3 TO MEASURE PREFERRED OUTCOMES FOR DEPARTMENT PROGRAMS.

4
 5 ~~NEW SECTION. Section 7. — Legislature use of performance data . For use in researching or~~
 6 ~~preparing prospective legislation or for use related to oversight responsibilities delegated to the entity, including~~
 7 ~~delegated responsibilities concerning budgetary issues, during an interim the following entities may request,~~
 8 ~~review, and use performance measure data and departmental strategic planning documents provided for in~~
 9 ~~[sections 1 through 8]:~~

- 10 (1) ~~an interim committee provided for in 5-5-202(2);~~
 11 (2) ~~the legislative audit committee established in 5-13-201;~~
 12 (3) ~~the legislative consumer committee established in 5-15-101;~~
 13 (4) ~~the legislative council established in 5-11-101;~~
 14 (5) ~~the legislative finance committee established in 5-12-201;~~
 15 (6) ~~the local government committee established in 5-5-232;~~
 16 (7) ~~the state tribal relations committee established in 5-5-229; and~~
 17 (8) ~~the environmental quality council established in 5-16-101 .~~

18
 19 NEW SECTION. Section 7. Judicial review. A department's consideration of input from state
 20 employees and public comment in developing or revising a ~~long-range~~ strategic plan is not subject to judicial
 21 review.

22
 23 **Section 8.** Section 2-4-102, MCA, is amended to read:

24 **"2-4-102. Definitions.** For purposes of this chapter, the following definitions apply:

25 (1) "Administrative rule review committee" or "committee" means the appropriate committee assigned
 26 subject matter jurisdiction in Title 5, chapter 5, part 2.

27 (2) (a) "Agency" means an agency, as defined in 2-3-102, of state government, except that the
 28 provisions of this chapter do not apply to the following:

1 (i) the state board of pardons and parole, which is exempt from the contested case and judicial review
2 of contested cases provisions contained in this chapter. However, the board is subject to the remainder of the
3 provisions of this chapter.

4 (ii) the supervision and administration of a penal institution with regard to the institutional supervision,
5 custody, control, care, or treatment of youth or prisoners;

6 (iii) the board of regents and the Montana university system;

7 (iv) the financing, construction, and maintenance of public works;

8 (v) the public service commission when conducting arbitration proceedings pursuant to 47 U.S.C. 252
9 and 69-3-837.

10 (b) The term does not include a school district, a unit of local government, or any other political
11 subdivision of the state.

12 (3) "ARM" means the Administrative Rules of Montana.

13 (4) "Contested case" means a proceeding before an agency in which a determination of legal rights,
14 duties, or privileges of a party is required by law to be made after an opportunity for hearing. The term includes
15 but is not restricted to ratemaking, price fixing, and licensing.

16 (5) (a) "Interested person" means a person who has expressed to the agency an interest concerning
17 agency actions under this chapter and has requested to be placed on the agency's list of interested persons as
18 to matters of which the person desires to be given notice.

19 (b) The term does not extend to contested cases.

20 (6) "License" includes the whole or part of an agency permit, certificate, approval, registration, charter,
21 or other form of permission required by law but does not include a license required solely for revenue purposes.

22 (7) "Licensing" includes an agency process respecting the grant, denial, renewal, revocation,
23 suspension, annulment, withdrawal, limitation, transfer, or amendment of a license.

24 (8) "Party" means a person named or admitted as a party or properly seeking and entitled as of right
25 to be admitted as a party, but this chapter may not be construed to prevent an agency from admitting any
26 person as a party for limited purposes.

27 (9) "Person" means an individual, partnership, corporation, association, governmental subdivision,
28 agency, or public organization of any character.

1 (10) "Register" means the Montana Administrative Register.

2 (11) (a) "Rule" means each agency regulation, standard, or statement of general applicability that
3 implements, interprets, or prescribes law or policy or describes the organization, procedures, or practice
4 requirements of an agency. The term includes the amendment or repeal of a prior rule.

5 (b) The term does not include:

6 (i) statements concerning only the internal management of an agency or state government and not
7 affecting private rights or procedures available to the public, including rules implementing the state personnel
8 classification plan, the state wage and salary plan, or the statewide accounting, budgeting, and human resource
9 system;

10 (ii) formal opinions of the attorney general and declaratory rulings issued pursuant to 2-4-501;

11 (iii) rules relating to the use of public works, facilities, streets, and highways when the substance of the
12 rules is indicated to the public by means of signs or signals;

13 (iv) seasonal rules adopted annually or biennially relating to hunting, fishing, and trapping when there
14 is a statutory requirement for the publication of the rules and rules adopted annually or biennially relating to the
15 seasonal recreational use of lands and waters owned or controlled by the state when the substance of the rules
16 is indicated to the public by means of signs or signals;

17 (v) uniform rules adopted pursuant to interstate compact, except that the rules must be filed in
18 accordance with 2-4-306 and must be published in the ARM; ~~or~~

19 (vi) game parameters approved by the state lottery commission relating to a specific lottery game. This
20 subsection (11)(b)(vi) does not exempt generally applicable policies governing the state lottery that are
21 otherwise subject to the Montana Administrative Procedure Act; or

22 (vii) strategic planning documents governed by [sections 1 through & 7] and published as provided in
23 [sections 1 through & 7].

24 (12) (a) "Significant interest to the public" means agency actions under this chapter regarding matters
25 that the agency knows to be of widespread citizen interest. These matters include issues involving a substantial
26 fiscal impact to or controversy involving a particular class or group of individuals.

27 (b) The term does not extend to contested cases.

28 (13) "Small business" means a business entity, including its affiliates, that is independently owned and

1 operated and that employs fewer than 50 full-time employees.

2 (14) "Substantive rules" are either:

3 (a) legislative rules, which if adopted in accordance with this chapter and under expressly delegated
4 authority to promulgate rules to implement a statute have the force of law and when not so adopted are invalid;
5 or

6 (b) adjective or interpretive rules, which may be adopted in accordance with this chapter and under
7 express or implied authority to codify an interpretation of a statute. The interpretation lacks the force of law.

8 (15) "Supplemental notice" means a notice that amends the proposed rules or changes the timeline for
9 public participation."
10

10

11 **Section 10.** ~~Section 17-7-111, MCA, is amended to read:~~

12 ~~"17-7-111. Preparation of state budget -- agency program budgets -- form distribution and~~

13 ~~contents. (1) (a) To prepare a state budget, the executive branch, the legislature, and the citizens of the state~~
14 ~~need information that is consistent and accurate. Necessary information includes detailed disbursements by~~
15 ~~fund type for each agency and program for the appropriate time period, recommendations for creating a~~
16 ~~balanced budget, and recommended disbursements and estimated receipts by fund type and fund category.~~

17 ~~(b) Subject to the requirements of this chapter, the budget director and the legislative fiscal analyst~~
18 ~~shall by agreement:~~

19 ~~(i) establish necessary standards, formats, and other matters necessary to share information between~~
20 ~~the agencies and to ensure that information is consistent and accurate for the preparation of the state's budget;~~

21 ~~and~~

22 ~~(ii) provide for the collection and provision of budgetary and financial information that is in addition to or~~
23 ~~different from the information otherwise required to be provided pursuant to this section.~~

24 ~~(2) In the preparation of a state budget, the budget director shall, not later than the date specified in~~
25 ~~17-7-112 (1), distribute to all agencies the proper forms and instructions necessary for the preparation of~~
26 ~~budget estimates by the budget director. These forms must be prescribed by the budget director to procure the~~
27 ~~information required by subsection (3). The forms must be submitted to the budget director by the date provided~~
28 ~~in 17-7-112 (2), or the agency's budget is subject to preparation based upon estimates as provided in 17-7- 112~~

1 ~~(5). The budget director may refuse to accept forms that do not comply with the provisions of this section or the~~
2 ~~instructions given for completing the forms.~~

3 ~~(3) The agency budget request must set forth a balanced financial plan for the agency completing the~~
4 ~~forms for each fiscal year of the ensuing biennium. The plan must consist of:~~

5 ~~(a) a consolidated agency budget summary of funds subject to appropriation, as provided in 17-8-~~
6 ~~101, for the current base budget expenditures, including statutory appropriations, and for each present law~~
7 ~~adjustment and new proposal request setting forth the aggregate figures of the full-time equivalent personnel~~
8 ~~positions (FTE) and the budget, showing a balance between the total proposed disbursements and the total~~
9 ~~anticipated receipts, together with the other means of financing the budget for each fiscal year of the ensuing~~
10 ~~biennium, contrasted with the corresponding figures for the last completed fiscal year and the fiscal year in~~
11 ~~progress;~~

12 ~~(b) a schedule of the actual and projected receipts, disbursements, and solvency of each fund for the~~
13 ~~current biennium and estimated for the subsequent biennium;~~

14 ~~(c) a statement of the agency mission and a statement of goals and objectives for each program of~~
15 ~~the agency. The goals and objectives must include, in a concise form, sufficient specific information and~~
16 ~~quantifiable information to enable the legislature to formulate an appropriations policy regarding the agency and~~
17 ~~its programs and to allow a determination, at some future date, on whether the agency has succeeded in~~
18 ~~attaining its goals and objectives.~~

19 ~~(d)(c) actual FTE and disbursements for the completed fiscal year of the current biennium, estimated~~
20 ~~FTE and disbursements for the current fiscal year, and the agency's request for the ensuing biennium, by~~
21 ~~program;~~

22 ~~(e)(d) actual disbursements for the completed fiscal year of the current biennium, estimated~~
23 ~~disbursements for the current fiscal year, and the agency's recommendations for the ensuing biennium, by~~
24 ~~disbursement category;~~

25 ~~(f)(e) for agencies with more than 20 FTE, a plan to reduce the proposed base budget for the general~~
26 ~~appropriations act and the proposed state pay plan to 95% of the current base budget or lower if directed by the~~
27 ~~budget director. Each agency plan must include base budget reductions that reflect the required percentage~~
28 ~~reduction by fund type for the general fund and state special revenue fund types. Exempt from the calculations~~

1 of the 5% target amounts are legislative audit costs, administratively attached entities that hire their own staff
 2 under 2-15-121, and state special revenue accounts that do not transfer their investment earnings or fund
 3 balances to the general fund. The plan must include:

4 (i) ~~a prioritized list of services that would be eliminated or reduced;~~

5 (ii) ~~for each service included in the prioritized list, the savings that would result from the elimination or~~
 6 ~~reduction; and~~

7 (iii) ~~the consequences or impacts of the proposed elimination or reduction of each service.~~

8 (g)(f) ~~a reference for each new information technology proposal stating whether the new proposal is~~
 9 ~~included in the approved agency information technology plan as required in 2-17-523 ;~~

10 (h)(g) ~~energy cost saving information as required by 90-4-616 ; and~~

11 (i)(h) ~~other information the budget director feels is necessary for the preparation of a budget.~~

12 (4) ~~The budget director shall prepare and submit to the legislative fiscal analyst in accordance with~~
 13 ~~17-7-112 :~~

14 (a) ~~detailed recommendations for capital developments for:~~

15 (i) ~~local infrastructure projects;~~

16 (ii) ~~funding for energy development impacted areas; and~~

17 (iii) ~~the state long-range building program. Each recommendation for the capital developments long-~~
 18 ~~range building program must be presented by institution, agency, or branch, by funding source, with a~~
 19 ~~description of each proposed project.~~

20 (b) ~~a statewide project budget summary as provided in 2-17-526 ;~~

21 (c) ~~the proposed pay plan schedule for all executive branch employees at the program level by fund,~~
 22 ~~with the specific cost and funding recommendations for each agency. Submission of a pay plan schedule under~~
 23 ~~this subsection (4)(c) is not an unfair labor practice under 39-31-401 .~~

24 (d) ~~agency proposals for the use of cultural and aesthetic project grants under Title 22, chapter 2, part~~
 25 ~~3, the renewable resource grant and loan program under Title 85, chapter 1, part 6, the reclamation and~~
 26 ~~development grants program under Title 90, chapter 2, part 11, and the treasure state endowment program~~
 27 ~~under Title 90, chapter 6, part 7.~~

28 (5) ~~The board of regents shall submit, with its budget request for each university unit in accordance~~

1 with ~~17-7-112~~, a report on the university system bonded indebtedness and related finances as provided in this
 2 subsection (5) .The report must include the following information for each year of the biennium, contrasted with
 3 the same information for the last completed fiscal year and the fiscal year in progress:

4 (a) ~~a schedule of estimated total bonded indebtedness for each university unit by bond indenture;~~

5 (b) ~~a schedule of estimated revenue, expenditures, and fund balances by fiscal year for each~~
 6 ~~outstanding bond indenture, clearly delineating the accounts relating to each indenture and the minimum legal~~
 7 ~~funding requirements for each bond indenture; and~~

8 (c) ~~a schedule showing the total funds available from each bond indenture and its associated~~
 9 ~~accounts, with a list of commitments and planned expenditures from the accounts, itemized by revenue source~~
 10 ~~and project for each year of the current and ensuing bienniums.~~

11 (6) (a) ~~The department of revenue shall make Montana individual income tax information available by~~
 12 ~~removing names, addresses, and social security numbers and substituting in their place a state accounting~~
 13 ~~record identifier number. Except for the purposes of complying with federal law, the department may not alter~~
 14 ~~the data in any other way.~~

15 (b) ~~The department of revenue shall provide the name and address of a taxpayer on written request~~
 16 ~~of the budget director when the values on the requested return, including estimated payments, are considered~~
 17 ~~necessary by the budget director to properly analyze state revenue and are of a sufficient magnitude to~~
 18 ~~materially affect the analysis and when the identity of the taxpayer is necessary to evaluate the effect of the~~
 19 ~~return or payments on the analysis being performed."~~

20

21 **Section 11.** Section ~~17-7-123~~, MCA, is amended to read:

22 "~~17-7-123. — Form of executive budget.~~ (1) The budget submitted must set forth a balanced financial
 23 plan for funds subject to appropriation, as provided in ~~17-8-101~~, for each accounting entity and for the state
 24 government for each fiscal year of the ensuing biennium. The budget must consist of:

25 (a) ~~a consolidated budget summary setting forth the aggregate figures of the budget in a manner that~~
 26 ~~shows a balance between the total proposed disbursements and the total anticipated receipts, together with the~~
 27 ~~other means of financing the budget for each fiscal year of the ensuing biennium, contrasted with the~~
 28 ~~corresponding figures for the last completed fiscal year and the fiscal year in progress. The consolidated~~

1 ~~budget summary must be supported by explanatory schedules or statements.~~

2 ~~(b) budget and full-time equivalent personnel position comparisons by agency, program, and~~
3 ~~appropriated funds for the current and subsequent biennium;~~

4 ~~(c) the departmental mission and a statement of goals and objectives for the department;~~

5 ~~(d) base budget disbursements for the completed fiscal year of the current biennium, estimated~~
6 ~~comparable disbursements for the current fiscal year, and the proposed present law base budget plus new~~
7 ~~proposals, if any, for each department and each program of the department;~~

8 ~~(e) a statement containing recommendations of the governor for the ensuing biennium by program~~
9 ~~and disbursement category, including:~~

10 ~~(i) explanations of appropriation and revenue measures included in the budget that involve policy~~
11 ~~changes;~~

12 ~~(ii) matters not included as a part of the budget bill but included as a part of the executive budget, such~~
13 ~~as the state employee pay plan, programs funded through separate appropriations measures, and other~~
14 ~~matters considered necessary for comprehensive public and legislative consideration of the state budget; and~~

15 ~~(iii) a summary of budget requests that include proposed expenditures on information technology~~
16 ~~resources. The summary must include funding, program references, and a decision package reference;~~

17 ~~(f) a report on:~~

18 ~~(i) enterprise funds not subject to the requirements of subsections (1)(a) through (1)(e), including~~
19 ~~retained earnings and contributed capital, projected operations and charges, and projected fund balances; and~~

20 ~~(ii) fees and charges in the internal service fund type, including changes in the level of fees and~~
21 ~~charges, projected use of the fees and charges, and projected fund balances. Fees and charges in the internal~~
22 ~~service fund type must be approved by the legislature in the general appropriations act. Fees and charges in a~~
23 ~~biennium may not exceed the level approved by the legislature in the general appropriations act effective for~~
24 ~~that biennium.~~

25 ~~(g) energy cost saving information as required by 90-4-616 and energy conservation program~~
26 ~~information as required by 90-4-606 ; and~~

27 ~~(h) any other financial or budgetary material agreed to by the budget director and the legislative fiscal~~
28 ~~analyst.~~

1 ~~(2) —The statement of departmental goals and objectives and the schedule as required in 17-7- 111~~
 2 ~~(3)(b) for each fund of the executive budget are is not required to be printed but must be available in the office~~
 3 ~~of budget and program planning and on the internet. "~~
 4

5 NEW SECTION. Section 9. Fiscal impact. A department may use only existing resources to
 6 implement the provisions of [this act].
 7

8 NEW SECTION. Section 10. Repealer. The following sections of the Montana Code Annotated are
 9 repealed:

- 10 2-15-2221. Definitions.
 11 2-15-2222. Policy -- performance measures.
 12 2-15-2223. Criteria for measurement system.
 13 2-15-2224. System requirements -- input from legislative audit division.
 14 2-15-2225. Legislative use of performance measures.
 15 2-15-2226. Department and agency use of performance measures.

16
 17 NEW SECTION. Section 11. Codification instruction. [Sections 1 through & 7] are intended to be
 18 codified as an integral part of Title 2, and the provisions of Title 2 apply to [sections 1 through & 7].
 19

20 COORDINATION SECTION. Section 12. COORDINATION INSTRUCTION. IF BOTH SENATE BILL NO. 57
 21 AND [THIS ACT] ARE PASSED AND APPROVED, THEN [SECTION 1(3)(C)(I) OF SENATE BILL NO. 57] CONCERNING
 22 PERFORMANCE DATA FROM THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES MUST BE DELETED.
 23

24 NEW SECTION. Section 13. Effective date. [This act] is effective on passage and approval.
 25

- END -