

HOUSE BILL NO. 190

INTRODUCED BY B. MERCER, T. MOORE, M. BERTOGLIO, L. HELLEGAARD

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING LAWS RELATED TO PROVIDING FOR A STRATEGIC PLANNING PROCESS FOR CERTAIN GOVERNMENT ENTITIES; REQUIRING DEPARTMENTS TO PRODUCE ~~STRATEGIC PLANS AND ANNUAL PERFORMANCE REPORTS~~ DEPARTMENT PLANS; PROVIDING FOR CERTAIN PUBLIC COMMENT PROVISIONS; LIMITING JUDICIAL REVIEW; EXEMPTING CERTAIN DEPARTMENTS FROM CERTAIN BUDGET PLANNING PROCESS REQUIREMENTS; REQUIRING THAT ONLY EXISTING RESOURCES MAY BE USED TO IMPLEMENT THE ACT; PROVIDING DIRECTIONS TO THE CODE COMMISSIONER; AMENDING SECTIONS 2-4-102 AND 17-7-111, 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 EFFECTIVE DATE."

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

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

NEW SECTION. **Section 2. Declaration of policy and purpose.** ~~(1)~~ It is the public policy of this state ~~to provide for a strategic planning process for state government that results in the development of that the executive branch departments will publish~~ goals, objectives, and performance measures for each ~~department's programs program~~ to facilitate efficient, transparent, accountable, and responsive government service, including annual performance reports to optimize the ~~performance effectiveness~~ of state government.

~~(2) The purpose of [sections 1 through 8] is to ensure the development of strategic plans for executive branch departments that include performance measures to~~ This will allow policymakers, stakeholders, and the public to understand what a department intends to accomplish and ~~that to~~ create a basis to evaluate whether each department has achieved its ~~strategic plan goals and objectives~~ and whether the outcomes and outputs merited the use of taxpayer money.

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2 NEW SECTION. Section 3. Definitions. As used in [sections 1 through 8], the following definitions

3 apply:

4 (1) "Annual performance report" means a written annual review and assessment of the outcomes
5 and outputs of a department as compared to its established ~~strategic department~~ plan and performance
6 measures.

7 (2) "Department" means each entity listed in 2-15-104(1)(a) through (1)(p), the office of the
8 secretary of state, the office of the state auditor, and the office of public instruction.

9 (3) "Department plan" means a written plan prepared by a department that contains the goals,
10 objectives, outcomes, and outputs that a department intends to accomplish through its programs, that is used to
11 guide the ongoing and proposed activities of a department with performance measures for tracking success in
12 meeting goals and objectives, that is revised regularly, and that remains in effect until replaced or revised.

13 ~~(3)(4)~~ "Goal" means a specific goal or target related to a performance measure that is adopted by a
14 department.

15 ~~(4) "Mission and vision statement" means a written statement describing a department's purpose,~~
16 ~~what it intends to do, and whom it intends to serve.~~

17 (5) "Outcomes" means a quantification of the public benefit for Montanans derived from actions by
18 a department.

19 (6) "Outputs" means a quantification of the number of services that a department produces for
20 Montanans.

21 (7) "Performance measure" means a written monitoring tool that is designed to help guide
22 government by assessing what a department aspires to achieve ~~pursuant to its strategic plan~~ with respect to
23 the outcomes and outputs of its programs.

24 (8) "Program" means any activity undertaken by a department pursuant to an appropriation.

25 ~~(9) "Strategic plan" means a written plan prepared by a department that contains the mission and~~
26 ~~vision statement, goals, and objectives that a department intends to accomplish through its programs, that is~~
27 ~~used to guide the ongoing and proposed activities of a department with performance measures for tracking~~
28 ~~success in meeting goals and objectives, that is revised regularly, and that remains in effect until replaced or~~

1 ~~revised.~~

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3 NEW SECTION. Section 4. ~~Strategic Department~~ plan. (1) Each department shall ~~engage in the~~
4 ~~process of strategic planning and shall~~ produce a ~~strategic plan~~ statement of goals, objectives, and
5 performance measures.

6 (2) No later than September 1, 2023, each department shall adopt a ~~strategic department~~ plan.
7 Each department shall publish a subsequent ~~strategic department~~ plan no later than ~~July 1, 2026~~ July 1, 2025,
8 and a revised plan no later than July 1 every ~~3~~ 2 years afterward.

9 (3) At a minimum, a ~~department's strategic~~ department plan must include the following
10 components:

- 11 ~~(a) — a mission and vision statement;~~
12 ~~(b)~~(a) a description of the functions and programs of the department, including a discussion of the
13 department's priorities;
14 ~~(e)~~(b) goals of the department that reflect the benefits and outcomes the department expects to
15 achieve on behalf of the public or specific groups through its programs; and
16 ~~(d)~~(c) specific and measurable performance measures for its programs, including the preferred
17 outcomes and outputs with respect to each performance measure for each department program.
18 (4) Performance measures must:
19 (a) be derived from a department's ~~mission and vision statement~~, goals, objectives, and ~~strategic~~
20 department plan;
21 (b) focus on a department's efforts in implementing legislative intent and the department's
22 priorities, goals, and objectives;
23 (c) assess a department's preferred outcomes and outputs;
24 ~~(e)~~(d) be quantitative when possible; and
25 ~~(d)~~(e) be designed to provide meaningful and useful information to policymakers and the public.
26 (5) A ~~department's strategic~~ department plan, including associated performance measures, may
27 be adopted only after consideration of public comment. The department plans due September 1, 2023, are
28 exempt from this requirement. All subsequent department plans may be adopted only after consideration of

1 public comment.

2 (6) Before adopting a new or subsequent strategic department plan, a department shall:

3 (a) prior to the beginning of the public notice period, give written public notice of the proposed

4 strategic department plan by:

5 (i) providing prominent notice of the proposed strategic department plan and any associated
6 hearings on its website; and

7 (ii) publishing notice in the Montana Administrative Register of the proposed strategic department
8 plan, any associated hearings, and the dates during which public comment will be accepted;

9 (b) hold at least one public hearing on the proposed strategic department plan;

10 (c) accept public comment for at least 30 days; and

11 (d) consider written and oral comments made during the public comment period and post

12 ~~transcripts of public hearings and any~~ written comments on the proposed strategic department plan on its
13 website.

14 (7) The strategic department plan adopted by a department must be posted on the websites of the
15 department and the office of budget and program planning.

16
17 **NEW SECTION. Section 5. Annual performance report.** (1) No later than December 1, 2024, and
18 no later than October 1 of each year afterward, each department shall produce an annual performance report
19 for the fiscal year that concluded in the same year and distribute it as provided in subsections (4) and (5).

20 (2) The annual performance report must focus on measuring outcomes and outputs with respect to
21 the performance measures rather than processes undertaken.

22 (3) In the annual performance report, a department shall assess whether existing performance
23 measures continue to relate logically to goals and other elements of the strategic department plan and to
24 measure preferred outcomes and outputs for department programs.

25 (4) An annual performance report of a department must be posted on the websites of the
26 department and the office of budget and program planning. The annual performance report must include a
27 hyperlink to the ~~department's~~ strategic department plan posted on the department's official website.

28 (5) By December 1 of each year, in accordance with 5-11-210, the annual performance report of

each department must be provided to the legislative finance committee and the appropriate legislative policy interim committee provided for in Title 5, chapter 5, part 2.

NEW SECTION. Section 6. Periodic assessment, audit, and revision of performance measures.

~~Performance measures must be revised no less frequently than every 3 years.~~ Interim committees and interim budget subcommittees, if provided for in law, shall use performance data to review a department's ~~strategic~~ planning documents as the documents relate to prospective legislation and budgets. If directed by the legislative audit committee, the legislative audit division may evaluate the methods used by departments to ensure the accuracy of data collection and reporting.

NEW SECTION. Section 7. Judicial review. A department's consideration of input from public comment submitted pursuant to [section 4] in developing or revising a ~~strategic department~~ plan is not subject to judicial review.

NEW SECTION. Section 8. Fiscal impact. A department may use only existing resources to implement the provisions of [sections 1 through 7].

Section 9. Section 2-4-102, MCA, is amended to read:

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

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

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

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

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