

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA



GREG GIANFORTE
GOVERNOR

PO BOX 200802
HELENA, MONTANA 59620-0802

Memo 5a

DATE: April 4, 2024

TO: Elected Officials
Department Directors
Centralized Services Administrators

FROM: Ryan Osmundson, Budget Director
Office of Budget and Program Planning

SUBJECT: Agency Annual Plans and Annual Performance Reports and Agency Goals and Objectives – 2027 Biennium

As a part of the budget development process for the 2027 Biennium, agencies will be required to submit either measurable Goals and Objectives in accordance with 17-7-111(3)(c), MCA, OR an annual plan and annual performance report as required by HB 190 passed by the 2023 Legislature.

Agency Goals and Objectives

17-7-111(3)(c), MCA, states:

“The agency budget request must set forth . . . a statement of the agency mission and a statement of goals and objectives for each program of the agency. The goals and objectives must include, in a concise form, sufficient specific information and quantifiable information to enable the legislature to formulate an appropriations policy regarding the agency and its programs and to allow a determination, at some future date, on whether the agency has succeeded in attaining its goals and objectives. An agency that has complied with the requirements provided in Title 2, chapter 12, part 1, is exempt from the provision of this subsection (3)(c).”

Agencies who participate in the annual plan and performance reporting per Title 2, chapter 12, part 1 are exempt from preparing Goal and Objectives. For Agencies who do not participate, the statement of goals and objectives for each program of the agency, required by the statute above, must be submitted to the Budget Director, as part of its budget request, by September 1, 2024.

Agencies should consider the goals and objectives developed as part of the 2025 Biennium Executive Budget as they develop their goals and objectives for the 2027 Biennium. As mentioned above, goals and objectives should be concise but contain enough specific and quantifiable information for the legislature to attain progress towards meeting goals and objectives. You may take what you learned from Goals and Objectives discussions in the 2023 Legislative Session and build any feedback into your updated documents. Goals and objectives should incorporate the principles of the Gianforte Administration:

1. Continue to create more high-paying jobs
2. Reduce regulations in state government (Red Tape Relief Initiative)
3. Improve customer service, accountability, & efficiency
4. Bring the State of Montana's technology into the 21st century

Once goals and objectives have been drafted, they should be submitted to OBPP by **September 1**.

Agency Annual Plans and Annual Performance Reports

HB 190, passed by the 2023 Legislature, requires certain Executive Branch agencies to develop and maintain annual plans and performance reports. Coordination of the development of these documents has been coordinated by the Department of Administration.

2-12-102(1)(2), MCA, states:

"It is the public policy of this state to provide for an annual planning process for state government that results in the development of initiatives and performance measures for each department's divisions to facilitate efficient, transparent, accountable, and responsive government service. The purpose of this part is to ensure the development of executive branch annual plans to provide transparency to policymakers, stakeholders, and the public with regard to departments' initiatives. The annual plans will be guided and evaluated by performance measures designed to assess how well each department has performed with respect to its initiatives."

The Annual Plan for each agency was to be produced no later than September 1, 2023, and subsequent annual plans must be published no later than September 1, every 2 years afterward. Annual plans must include a description of the functions and divisions of the department, including a discussion of the department's priorities, initiatives of the department that reflect the benefits and outcomes the department expects to achieve on behalf of the public or specific groups through its divisions, and specific and measurable performance measures for its initiatives, including the preferred outcomes and outputs with respect to each initiative.

The Annual Performance Report must be completed no later than **December 1, 2024**, and no later than October 1 of each year afterward. Each department shall produce an annual performance report for the fiscal year that concluded in the same year and distribute it. Annual performance reports must focus on measuring outcomes and outputs with respect to the performance measures. Performance measures are to be tracked on an ongoing basis, assess a departments' preferred outcomes and outputs, be quantitative when possible, and be designed to provide useful information to policymakers and the public.

The annual plans and annual performance reports for each program of the agency, required by the statute above, must be posted to the agency website and the URL be provided to the Budget Director, as part of its budget request, by September 1, 2024. If updated performance reports are posted by December 1, 2024, please provide updated URL addresses to OBPP.