

# FISCAL NOTE

**Bill #:** SB0381

**Title:** Require agencies to develop strategic plans with performance measures

**Primary Sponsor:** John Cobb

**Status:** As Introduced

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Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2002 Difference</u></b>	<b><u>FY2003 Difference</u></b>
<b>Expenditures:</b>		
General Fund	123,829	51,199
State Special Revenue	10,375	1,375
Other (Trust Funds)	20,000	2,000
<b>Revenue:</b>		
General Fund	0	0
<b>Net Impact on General Fund Balance:</b>	<b>(\$123,829)</b>	<b>(\$51,199)</b>

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<b><u>Yes</u></b>	<b><u>No</u></b>	<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	X		Significant Local Gov. Impact
				Technical Concerns
	X	X		Included in the Executive Budget
				Significant Long-Term Impacts
	X	X		Dedicated Revenue Form Attached
				Family Impact Form Attached

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## Fiscal Analysis

### ASSUMPTIONS:

#### **Statewide**

1. At a minimum, state agencies predict that compliance to SB 381 would require their management teams to dedicate over 80 hours to inaugurate the strategic plans in the first year and then approximately 40 hours in each succeeding years to monitor, review, and update the plans. While all administrators within an

agency are considered to be a part of the management team, each agency has its own definition, and composition peculiarities, of its management team.

**Legislative Branch**

2. In each even-numbered year, each of the six interim committees in 5-5-223 through 5-5-228, MCA, and the Environmental Quality Council (EQC) will examine agency plans and make determinations as required in section 5(2)(a) through (2)(c).
3. During the legislative interim, each interim committee and the EQC will examine the information listed in section 5(2)(d).
4. Each of the six interim committees and the EQC will conduct two meetings during the interim to carry out the requirements of section 5. The two meetings for each committee will be for a total of three days per committee.
5. The meetings to carry out the requirements of section 5 are in addition to each committee meeting for other statutory duties and interim study responsibilities.
6. Costs related to the increased number of meeting days include legislator salary and reimbursement for mileage, meals, and lodging.
7. Appropriation for the costs of SB 381 would be an increase of the biennial appropriation in FY 2002 in the Interim Committees and Activities Program in HB 2.

**Governor's Office**

8. A 0.50 FTE would be required to perform the volume of work called for in this bill; currently there are no staff who could absorb this workload.

**Department of Justice**

9. The strategic plan development will require 0.50 FTE (grade 16) at a personal services cost of \$20,422 per year. New employee package is \$5,000 for FY 2002 and on going operating costs would be \$2,000 per year.

**Montana Historical Society**

10. The additional costs to the agency will include: 1) Contracted services to establish the strategic plan - \$6,000; 2) Per diem for board members - \$2,500; 3) Surveys - \$3,000 and 4) Follow-up evaluations - \$2,000 (FY 2003).

**Fish, Wildlife, and Parks**

11. Direct survey costs for evaluating public and customer benefits derived from our actions will be \$3,000 for each of our three major programs.
12. Administering the survey during the even-numbered years will require 200 hours or an additional 0.10 FTE. By reallocating the duties of our part-time statistical technician between fiscal years, an additional 0.05 FTE (grade 11) is required.

**State Fund**

13. The State Fund is required by law, 39-71-2315, MCA, to adopt a business plan annually no later than June 30 for the next fiscal year. Statute specifies the plan must include an evaluation of premium to surplus, operating performance goals, and a public meeting must be held to review performance compared to goals and targets.
14. The State Fund has been incurring the expense of completing an annual strategic business plan since FY 1995. There will be no increased fiscal impact on the State Fund as a result of this bill.
15. The State Fund incurs annual costs of executive management and senior staff time, consultant services, meeting rooms, and, development and printing to complete our Strategic Business Plan. The FY 2000 costs are estimated to be \$90,534 and approximately 30 staff members were involved.

**Teachers' Retirement System**

16. Controls are an important part of a performance measurement system. A fully automated system will best ensure that accurate data will be continually reported.
17. The development of a fully automated system, including workflow, to track controls, establish a baseline projection for predicting future trends of services under conditions similar to the past; provide trend analysis or other statistical techniques; support performance measure data collection with effective controls; and to ensure performance measures provide information that is meaningful and useful to decision makers will not exceed \$20,000 in the first year of the biennium.
18. Annual operating expenses required to establish and review performance measures, track results and quantifiable indicators of public and customer satisfaction from the agency's actions, and ensure that the data is accurate and consistent, will not exceed \$2,000.

FISCAL IMPACT:

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<b>Legislative Branch</b>		
<u>Expenditures:</u>		
Personal Services	23,058	0
Operating Expenses	<u>35,572</u>	<u>0</u>
TOTAL	58,630	0
<u>Funding:</u>		
General Fund (01)	\$58,630	\$0
<b>Governor's Office - Program 01</b>		
FTE	0.50	0.50
<u>Expenditures:</u>		
Personal Services	25,277	25,277
Operating Expenses	<u>4,000</u>	<u>1,500</u>
TOTAL	29,277	26,777
<u>Funding:</u>		
General Fund (01)	\$29,277	\$26,777
<b>Department of Justice</b>		
FTE	0.50	0.50
<u>Expenditures:</u>		
Personal Services	20,422	20,422
Operating Expenses	<u>5,000</u>	<u>2,000</u>
TOTAL	25,422	22,422
<u>Funding:</u>		
General Fund (01)	\$25,422	\$22,422

**Montana Historical Society**Expenditures:

Operating Expenses	10,500	2,000
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Funding:

General Fund (01)	\$10,500	\$2,000
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**Fish, Wildlife, and Parks**

FTE	0.05	0.05
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Expenditures:

Personal Services	1,375	1,375
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Operating Expenses	<u>9,000</u>	<u>0</u>
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TOTAL	10,375	1,375
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Funding:

State Special Revenue (02)	\$10,375	\$1,375
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Net Impact to Fund Balance (Revenue minus Expenditure):

State Special revenue (02)	(\$10,375)	(\$1,375)
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**Teachers' Retirement System**Expenses:

Operating Expenses	20,000	2,000
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Funding:

Other (Pension Trust Fund)	\$20,000	\$2,000
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Net Impact to Fund Balance (Revenue minus Expenditure):

General Fund (01)	(\$123,829)	(\$51,199)
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TECHNICAL NOTES:

There are significant portions of this bill that are duplicative with 39-71-2315, MCA, that requires the State Fund to complete an annual business plan.