OFFICE OF THE GOVERNOR
STATE OF MONTANA

BRIAN SCHWEITZER
GOVERNOR

JOHN BOHLINGER
LT. GOVERNOR

**HAND DELIVERED**

February 23, 2006

RECEIVED
FEB 24 2006
LEGISLATIVE
FISCAL ANALYST

Kris Wilkinson
Legislative Fiscal Division
State Capitol, Room 110
Helena, MT 59601

Dear Kris:

At the direction of the Legislative Finance Committee, you requested a copy of the Governor's goals and objectives. As you know, pursuant to Mont. Code Ann. § 17-7-111(3)(c), each agency must submit a statement of the goals and objectives for each program of the agency when the agency submits its budget request to the budget director. Pursuant to Mont. Code Ann. § 17-7-112(2)(a), the agency's budget request must be submitted to the budget director by September 1. The term "agency" is defined in § 17-7-102(2) to include "offices, departments, boards . . . ."

The Governor's Office is in the process of preparing a statement of its goals and objectives to submit to the budget director along with its budget request by September 1, in compliance with the statute. Enclosed is a copy of the draft version. Also, enclosed for your information is a copy of Governor Schweitzer's 2006 priorities, as recently announced by the Governor.

If you have any questions, do not hesitate to contact me.

Sincerely,

Bruce

Bruce Nelson
Chief of Staff

Enclosures

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## Goals and Objectives DRAFT February 24, 2006

Executive Office of the Governor

The Governor will carry out the executive power vested by the Montana Constitution and see that the laws of the state are faithfully executed.

The Governor will appoint and supervise the directors of each executive department. The Governor's cabinet will continue to meet as a team weekly. Directors will meet regularly with the Governor and Chief of Staff to develop and execute consistent management for the effective and efficient delivery of services to the citizens of the State of Montana.

The Governor, as mandated by the Constitution, will give information to the legislature and recommend measures he considers needed and suitable. (See attachment A) Those measures may include, but are not limited to:

- Economic self-sufficiency
- Innovative energy solutions
- Targeted economic development initiatives
- Healthy Montana
- Clean air, water and land
- Quality affordable and accessible education
- Public ethics and standards of conduct
- Improved government-to-government relationships
- Overall government efficiency and accountability

He shall also submit to the legislature a budget detailing expenditures and revenues. That budget will permit the State of Montana to continue to live within its means and will offer sustainable solutions to fund state services. It will continue to emphasize the state's responsibility to the least and the last of its citizens and provide for the fair and consistent collection of state tax revenues.

He will sign, recommend amendments or veto legislation presented by the Legislature. He will convene the legislature in special session if necessary.

The Governor will carry out the duties of commander-in-chief of the militia forces of the state and, if necessary, call out any part of those forces as prescribed by the Constitution and statutes. The Governor will advocate at executive and congressional levels on behalf of Montana's National Guard and its missions at home and abroad.

The Governor will make appointments to Boards and Commissions as required by statue and establish those advisory councils he deems necessary. The Governor will continue to make appointments that ensure a diversity of membership that appropriately reflects the population demographics of Montana at large.

Program: Office of the Lieutenant Governor

The Office of the Lieutenant Governor will carry out the duties prescribed in Montana's Constitution and statutes. He will continue to represent and assist the Governor at his request.

Program: Office of Budget and Program Planning

- Implements Governor's budget priorities with respect to funding and policy
- Provides expert fiscal advice to the Administration;
- Prepares objective and timely fiscal notes
- Follows budget process as provided in statute
- Oversees fiscal management of state government through statutory oversight

Program: Office of the Citizens' Advocate

The Citizens' Advocate will continue to be the open door to ease Montanans' access to their government, its programs, its administrators and its documents. Access will continue to be offered in person, by toll-free telephone, and by internet access through a website. The staff of the office will, as appropriate, "advocate" on behalf of citizens experiencing difficulty in their dealings with agencies or departments of state government.

Program: Office of Indian Affairs

The Indian Affairs Coordinator serves as the Governor's Ambassador to the Tribal Nations of Montana. The Coordinator will assist the Governor's American Indian Nations Council in developing and implementing the policies of the executive branch in its relationships with the Tribal Nations. The Coordinator will advise the Governor and the members of Montana's congressional delegation, if requested, on matters relating to Tribal Nations and act as a spokesperson for Montana's Indian people when requested.

Program: Governor's Residence Maintenance

The Governor's residence will be properly maintained, equipped, and stocked for the Governor, his family, and the official public functions hosted there.

Program: Air Transportation Program

The Governor will be provided with the necessary air transportation for the efficient performance of his public duties.

Program: Mental Health Ombudsman

The Mental Health Ombudsman, appointed by the Governor for a term of four years, will continue to work to improve Montana citizens' access to the public mental health services, including individuals transitioning from public to private services. The ombudsman will provide an annual report to the Governor and to the Legislature, and may make recommendations regarding the mental health system.

Program: Office of Economic Development

The Office will advise the Governor on policy issues related to economic development; lead the state's business recruitment, retention, and expansion efforts; coordinate the development and distribution of a statewide coordinated strategic economic development plan; and serve as the state's primary liaison between federal, state, and local agencies, Montana tribal governments, private, nonprofit economic development organizations, and the private sector. (Please see attachment B)

Program: Mental Disabilities Board of Visitors

To meet the statutory requirements assigned to the Board of Visitors the following are the goals of the Board and its staff:

- To conduct at least 14 site reviews of developmental disability/mental health facilities.
- To respond to approximately 600 requests for assistance for consumers of developmental disabilities services.
- To respond to approximately 400 requests for assistance from consumers of mental health services.
- To monitor treatment quality of and provide advocacy services to residents of the Montana Development Center.
- To provide legal representation and advocacy services to Montana State Hospital patients.

Further, to enhance the services of the Mental Disabilities Board of Visitors, the following program improvement goals are offered:

- To improve technology tools needed to increase the effectiveness of program functions.
- To develop a triage system for interviewing new patients and review treatment plans.
- To address components of the Mental Commitment and Treatment Act that would improve due process in involuntary medication decisions and the process and options for conditional release.

DRAFT

Program: Office of Community Service
(Attached administratively to the Montana Department of Labor and Industry)

The Montana Office of Community Service was created by the 1993 Legislature at the Request of the Governor (MCA 90-14-101, et seq.), in order to support community-based volunteer programs focused on addressing critical community needs. The vision of the office and its Commission on Community Service is to cultivate service as a lifelong "habit of the heart" for all citizens, and in particular, instill an ethic of community service in young Montanans.

To that end, the office is committed to:

- Encouraging all Montana citizens to engage in service activities in their community; involving youth in the life and work of communities; and expanding service opportunities for all Montanans.

- Contracting with, and monitoring grants to, community organizations utilizing part-time and full-time volunteers in an effort to make a difference, as well as working with other partners from the Corporation for National Service, which includes primarily the Office of Public Instruction, the University of Montana Campus Compact, and the Corporation State Office. Specifically, engaging 300-350 individuals each year in conducting results-driven community service, primarily through Americorp*State programs, working with more than 5,000 K-12 students and approximately 2,000 higher-education students, and working to apply academic skills to solve community problems through "service learning" projects.

- Assisting some forty communities, through training, technical assistance, monitoring and, where feasible, community "seed grants", in order to realize local action plans that encompass the Montana's Promise Initiative. Communities are working to ensure they have available for their children and youth the following five resources for healthy, productive living: 1) an ongoing relationship with a caring adult; 2) safe places and structured activities after school to learn and grow; 3) a healthy start in life; 4) marketable skills through effective education; and 5) opportunities for community service.

- Coordinating and overseeing annual training and technical assistance activities for national service programs in Montana, through AmeriCorps*USA, the National Senior Service Corps, and Learn & Serve America.

# ATTACHMENT A

**FOR IMMEDIATE RELEASE:**
Wednesday, February 15, 2006

**CONTACT:** Sarah Elliott 444-9725

**Governor Schweitzer Outlines 2006 Priorities**

(HELENA) – At a news conference today at the state Capitol Governor Brian Schweitzer laid out his priorities for Montana families and communities in 2006.

The goals work toward Governor Schweitzer's vision of strengthening Montana families by creating good jobs so future generations can stay in Montana, continuing to build our education system so we are training young folks and retraining adults for the jobs that are created and providing quality affordable healthcare to Montana families.

Expanding and preserving access to Montana's lands for hunters, anglers and outdoor enthusiasts is also a priority. "Our access rights are a huge part of what makes living in Montana so special," said Governor Schweitzer.

"Montana is the best place to start a business, raise a family and build a community. I have been to all 56 counties, and across the state I have listened when folks have said to me they want opportunities for their communities and their children."

**Economy and Jobs**

***"Good, high-paying jobs are critical to Montana's future. By bringing new business and expanding existing businesses in the state we provide jobs that will help our kids have the opportunity to stay, and work in Montana," said Governor Schweitzer.***

In 2005 over 1,700 jobs were created or retained through state government assistance. The Schweitzer Administration wants to continue to grow the economy for all of Montana.

- ✓ Already this year the state received a $15 million grant to spur the evolution of Montana's workforce by jump-starting innovative biodiesel, biolubricant and bioproduct industries in central and eastern Montana.

- ✓ While we expect the Montana economy will grow by thousands of jobs, we expect the state and its programs to be involved in creating or retaining at least 1,000 jobs in 2006.

- ✓ Governor Schweitzer in 2005 joined with the Montana Ambassadors in creating out-of-state chapters to promote Montana to outside business interests and assist in business recruiting efforts. Governor Schweitzer hopes to work with the Montana Ambassadors to create more new chapters this year including chapters in Denver and Spokane.

- ✓ The Rail Service Competition Council will work to enhance rail competition to help Montana shippers.

- ✓ Continue to seek broad range economic development in the most economically depressed parts of our state, including rural counties and our reservations to build financial security for Montana's least and last.

**Energy**

***"I have a passion for energy. My administration is continuing to work on energy policy that protects the citizens and ratepayers of Montana, protects our environment, while further strengthening our economy," said Governor Schweitzer.***

2005 brought many exciting new energy developments for the State of Montana. A large (and one smaller) wind farm project came online, renewable energy portfolio standards and ethanol legislation passed the legislature, and the state had a very successful energy conference.

Governor Schweitzer has been working hard to promote renewable energy development in Montana and also to promote clean coal development including the development of a coal-to-liquids facility as a bridge from the petroleum economy to new sustainable energy and as an important step in reducing our dependence on foreign oil.

- ✓ Governor Schweitzer will seek a commitment from industry for a coal-to-liquids and/or a coal gasification plant.

- ✓ The Governor will also work for a financial commitment for several addition wind farms in Montana of various sizes.

- ✓ Governor Schweitzer will assist the development of transmission capabilities to better enable power export to larger markets and finalize the plans for the Alberta Tie which will foster private construction of wind generation in the Golden Triangle.

- ✓ Continue to grow oil and gas production.

- ✓ Increase production and use of biodiesel.

- ✓ Governor Schweitzer will continue the Warm Hearts Warm Homes program.

**Education**

***"Education is the great equalizer," said Governor Schweitzer. "It is also the cornerstone to a strong economy. I am committed to continuing to build our education system that helps fulfill the hopes and dreams of grandparents, parents and kids."***

In the 2005 legislative session $88 million of new funding was allocated to K-12 education. The Governor put forward a proposal in a special session in December of 2005 that boosted the total

ongoing funding by about another $37 million per year, bringing the total new ongoing revenue for K-12 education to nearly $125 million.

Governor Schweitzer and the 2005 legislature upheld Montana's constitutional and moral obligation to Indian Education for All by providing funding to build a framework and implement in K-12 schools.

Governor Schweitzer also improved access and affordability for students to attend one of Montana's great colleges. He created the Governor's Postsecondary Scholarship, one of the largest single sources of new state-sponsored financial aid. In 2006 the Governor will:

- ✓ Host a Governor's School Readiness Summit in June to build a stronger and accountable early childhood state-wide system.

- ✓ Launch a Governor and First Lady's K-12 science and math initiative, commencing with geological road signage across Montana. The initiative will help spark an interest in science and nurture a generation that will be globally competitive.

- ✓ Team up with other Governors and leaders from across the country to begin a public relations campaign for the Competitiveness Council whose goals include benchmarking U.S. competitiveness and supporting national and regional innovation.

**Affordable, Accessible Healthcare**

In the 2005 legislative session bills were passed to fully fund the Children's Health Insurance Program (CHIP), to give a meaningful prescription drug benefit to thousands of the most vulnerable Montanans and to provide health insurance to small businesses through pooling and tax credits.

- ✓ Governor Schweitzer is committed to helping get 2,000 more Montana kids on the CHIP program (currently there are about 12,000). Governor Schweitzer and First Lady Nancy Schweitzer appear in a new public service announcement encouraging families to apply.

- ✓ Governor Schweitzer will continue to work on the Insure Montana program which provides health insurance to Montana's small businesses through pooling and tax credits. There are currently about 400 business (nearly 2,000 people) participating in the new program.

- ✓ The administration will continue its commitment to tobacco prevention and other prevention activities.

- ✓ Identify opportunities to address healthcare workforce shortages and improved access.

**Ethics**

***"Special interests should not have special access to government at the expense of ordinary citizens," said Governor Schweitzer. "The purpose of government is to serve society and all people rather than the interests of the select or moneyed few."***

Governor Schweitzer believes in holding elected officials to high standards. The Governor supports a ballot initiative that stops the revolving door between public officials and lobbyists.

**Efficiency**

Governor Schweitzer will continue to look for ways to make government more efficient and customer friendly.

Governor Schweitzer has already implemented the state employee awards for good ideas, a number of new web-based services and asked for reduced travel by state employees as well as state employee car pooling. The Governor also reformed the state Workforce Investment Board resulting in over a million dollars reduction in overhead that now goes to Montana worker training.

- ✓ The administration will continue to examine all aspects of state government and find ways to make the taxpayers money go further.

- ✓ The Governor will also recognize and reward the State of Montana's conservation strategies in new building design projects and maintenance.

By the end of the week, the Governor's Office will have met with nearly every agency to begin preparing the executive budget for the next legislative session. "It is important to be prepared," added Governor Schweitzer. "By focusing on many of my goals this year, we will be able to go into the next legislative session knowing what more needs to get done for Montana. Working together, we will move Montana forward."

The Governor also emphasized the importance of his open door policy. "We need all Montanans to give us their ideas and participate in government."

The Governor's budget is due in December.

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# ATTACHMENT B

# Schweitzer/Bohlinger "New Day" Economic Development Roadmap

## "New Day" Economic Development Roadmap

- Business Assistance
- Infrastructure Incentives
- Small Business Incentives
- Marketing & Recruitment
- Targeted Industry Incentives
- Indian Economic Development
- Workforce Training Incentives
- Economic Development Capital
- Economic Development Capacity Building

## Business Assistance

- Marketing Assistance Program (Part of $400,000 per year in Made in Montana Appropriation to Department of Commerce – HB 2)
- NxLevel Training Program Expansion (Part of $400,000 per year in Made in Montana Appropriation to Department of Commerce – HB 2)
- State Main Street Program – (HB 481 & $125,000 per year appropriations in HB 2 to Department of Commerce)

## Infrastructure Incentives

- Aerospace Infrastructure Bonding Improvements – (HB 493)
- Technology Tax Increment Districts – (SB 167)
- Rail Service Competition Council – (HB 769)
- Rail Branch Line Revolving Loan Fund – (HB 757)

## Small Business Incentives

- Increase Threshold Exemption for Business Equipment Tax to $20,000, exempting 13,000+ small businesses from business equipment taxes (44% of those now paying) – (SB 48, which also eliminates the trigger that would have lead to an $80 million per year tax shift to homeowners and commercial businesses)
- State Main Street Program – (HB 481 & $125,000 per year appropriations in HB 2 to Department of Commerce)
- Made in Montana Program – (SB 329 & $400,000 per year appropriations in HB 2 to Department of Commerce)
- Tax Credit and Purchasing Pools for Health Care Insurance for Companies with Fewer than 10 employees – (HB 667)

## Marketing & Recruitment

- Marketing Montana Program in Governor's Office of Economic Opportunity Appropriation (Share of $300,000 per year GOEO Appropriation – HB 2)
- Business Recruitment Program in Governor's Office of Economic Opportunity Appropriation (Share of $300,000 per year GOEO Appropriation – HB 2)
- Land Information Act (SB 98, creates information vehicle for recruitment information)

## Targeted Industry Incentives

- Big Sky on the Big Screen Film Industry Tax Credit – (HB 584 with tax credits -- 12% on Montana labor and 8% on various Montana expenses related to film-making here)
- Ethanol Incentives – (SB 293 -- 15% gas tax reduction for distributors; 20 cents per gallon incentive for up to 10 million gallons for Montana ethanol production using Montana products; mandated market once 40 million gallons are produced in Montana; Board of Investments Value-added loan program adapted for ethanol facilities)
- Wind Energy Incentives – (SB 445 – a market of sorts is created by the requirement that a percentage of energy portfolio must by wind and other alternative energy sources)
- Bio-diesel Incentives – (HB 776 -- sale & production tax credits)
- Aerospace Infrastructure Bonding Improvements – (HB 493)
- Technology Tax Increment Districts – (SB 167 – focuses on technology companies)

## Indian Economic Development

- State-Tribal Economic Development Commission, Extend for 4 more years and fund with $120,000 carryover – HB 18)
- Indian Country Economic Development Program ($500,000 per year to Department of Commerce – HB 2)
- Appointed first "non-acting" Coordinator of Indian Affairs in 3 years (Position previously left vacant for 3 years) and significantly increase salary to begin to be comparable to other cabinet members
- Hired Indian Economic Development Specialist as part of staff in Governor's Office of Economic Opportunity

## Workforce Training Incentives

- Allocate $5 million to "Job-Related" New Worker Training – (HB 271, supplemental appropriation & HB 2 appropriations to Department of Commerce)
- Integrate "Job-Related" New Worker Training into Department of Commerce to coordinate with other economic development efforts – (HB 270)

## Economic Development Capital

- Big Sky Economic Development Trust Fund – (nearly $3 million this biennium – to grow for 20 years before being capped -- HB 249)
- Board of Investments Venture Capital Approach (no legislation required)
- Fund of Funds Venture Capital Bill – (SB 133)
- Preserving Urban Renewal and TIFID Revolving Loan Funds – (SB 345)
- Angel Network Coordination – (SJR 3)
- Aerospace Bonding Improvements – (HB 493)
- Rail Branch Line Revolving Loan Fund – (HB 757)
- Technology Tax Increment Districts – (SB 167)

## Economic Development Capacity Building

- Big Sky Economic Development Trust Fund Big Sky Economic Development Trust Fund – (Nearly $750,000 this biennium for capacity building – to grow for 20 years before being capped -- HB 249)
- State Main Street Program – (HB 481 & $125,000 per year appropriations in HB 2 to Department of Commerce)

## Proposals That Did Not Pass

- Secondary Purchase by BOI at Lower Rates (SB 15)
- New & Expanding Industry Property Tax Incentives (SB 19)
- Exempting Local Economic Mill Levies from Spending Cap (HB 680)