

HOUSE JOINT RESOLUTION NO. 41
INTRODUCED BY M. LINDEEN

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING THE LEGISLATIVE COUNCIL TO DESIGNATE AN APPROPRIATE INTERIM COMMITTEE OR DIRECT STAFF RESOURCES TO STUDY PERFORMANCE-BASED BUDGETING; AND REQUESTING A REPORT TO THE 59TH LEGISLATURE.

WHEREAS, adoption of a budget for the operation of state government is arguably the single most important and time-consuming activity of the Montana Legislature; and

WHEREAS, budget discussions in the Montana Legislature traditionally have focused on the inputs of government, such as the amount of funding for a program and the level of staffing; and

WHEREAS, Montana's current process of incremental budgeting is perceived to foster built-in growth with little review of base budget priorities; and

WHEREAS, Montana lawmakers increasingly are demanding better information on the results of state government programs, including data on program outputs and outcomes, effectiveness, efficiency, and cost-effectiveness; and

WHEREAS, Montana citizens deserve to know about the benefits derived from programs funded by taxpayers' dollars; and

WHEREAS, state agencies should be held accountable for the performance of their programs and the delivery of services; and

WHEREAS, in recent years, several states have reshaped their budget process through adoption of performance-based budgeting; and

WHEREAS, performance-based budgeting involves the allocation of resources to achieve specific objectives and measured results; and

WHEREAS, performance-based budgeting is designed to reward efficient, effective programs and to encourage remodeling of programs that cannot meet specific goals; and

WHEREAS, performance-based budgeting may offer the Montana Legislature a better way to allocate the state's scarce financial resources in support of public purposes.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE

STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to section 5-5-217, MCA, or direct sufficient staff resources to study performance-based budgeting. The study must include:

- (1) an examination of the use of performance-based budgeting in other states and the level of success in linking performance measurements to budget decisionmaking;
- (2) identification of the benefits and drawbacks associated with performance-based budgeting;
- (3) a review of past efforts to implement performance-based budgeting in Montana state government;
- (4) an assessment of the Legislative and Executive Branch resources needed to successfully implement a performance-based budgeting system, including staff resources, information system needs, and organizational restructuring requirements; and
- (5) any other aspects of performance-based budgeting that the committee or staff determines to be relevant.

BE IT FURTHER RESOLVED, that the committee or staff assigned to conduct the study solicit information and assistance from the Executive Branch.

BE IT FURTHER RESOLVED, that, if the study is assigned to staff, any findings or conclusions be presented to and reviewed by an appropriate committee designated by the Legislative Council.

BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review requirements, be concluded prior to September 15, 2004.

BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions, comments, or recommendations of the appropriate committee, be reported to the 59th Legislature.

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