

Commonwealth of Virginia Executive Branch Strategic Planning, Service Area Planning, and Performance-Based Budgeting

**Session Two: Strategic Planning Concepts, Performance Measurement, and
Data Submissions**

May, 2005



**Office of the Secretary of Finance
Department of Planning and Budget**

What we're covering today

- Review of last session
- Homework assignment review – questions and problems
 - Service areas
 - Base budgets
- Strategic planning concepts and requirements
- How do we get the submissions to DPB?
- Homework assignment #3 – Test Flight

What we've covered

- New system to unite planning, performance data, budgeting, and reporting
- Role of the Council on Virginia's Future
- Service area structure
- Strategic Plans and Service Area Plans
- Calendar for submissions
- Multiple opportunities to update plans
- “Homework assignment #1” – finalize service areas
- “Homework assignment #2” – crosswalk base budget (FY06 appropriation) to new service area structure
- Heads up on base budget adjustments (due in August)

Homework assignment #1

Drafts of each agency's proposed service area structure had previously been shared with each agency. Coming out of the first training session, agencies were directed to review these drafts and work with their DPB analysts to verify that it was reflective of the actual activities of the agency and resolve any remaining issues.

Questions? Problems? Remaining issues?

Homework assignment #2

Each agency was asked to take the new service area structure and redeploy its base budget (defined as the FY06 Appropriation from Chapter 951) to the new structure. Agencies were also informed as to types of base budget adjustments that would be expected when submission was due in August.

No product was required of the agency from this assignment.

Questions? Problems? Remaining issues?

First Thoughts

1. This session is not intended to replace the Agency Planning Handbook or your own established internal planning methodologies. It is intended to supplement them. It is also intended to specify the deliverables for this planning cycle and give examples.
2. While many agencies already have complete strategic plans in place, or elements of plans (e.g., mission statements) we believe there is substantial benefit to you to revisit existing plans to ensure that they are 1) up to date and 2) compliant with the deliverables now required by the Code of Virginia and state policy. Your DPB analyst will be happy to assist you as you work toward meeting these requirements.
3. If your agency is already using an outside facilitator to assist you in developing your strategic plan, DPB will be happy to meet with them to ensure that they understand both requirements and delivery methods. Please have them contact your budget analyst as soon as possible.

Strategic planning concepts and requirements

Long-term Objectives for Virginia

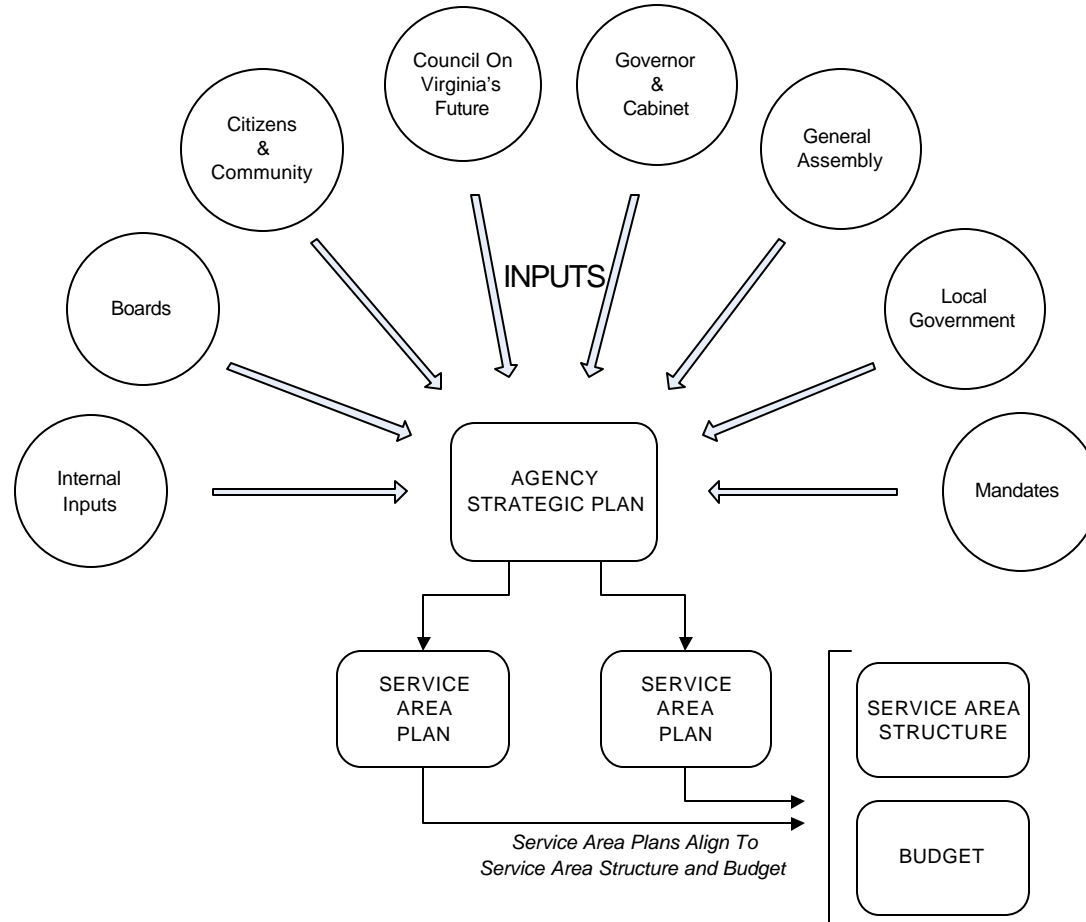
The Council on Virginia's Future has articulated eight long-term objectives for the Commonwealth. These objectives constitute the backbone for all executive branch planning and budgeting activities.

All agency plans will be reviewed to ensure that agency missions, goals, and objectives align with one or more of these statewide objectives.

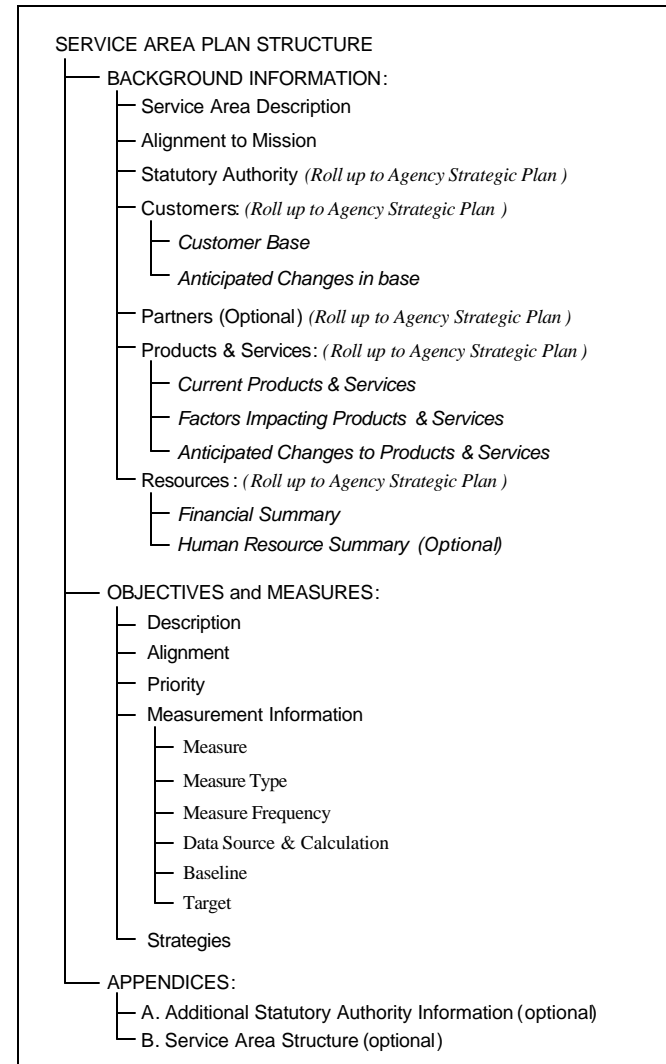
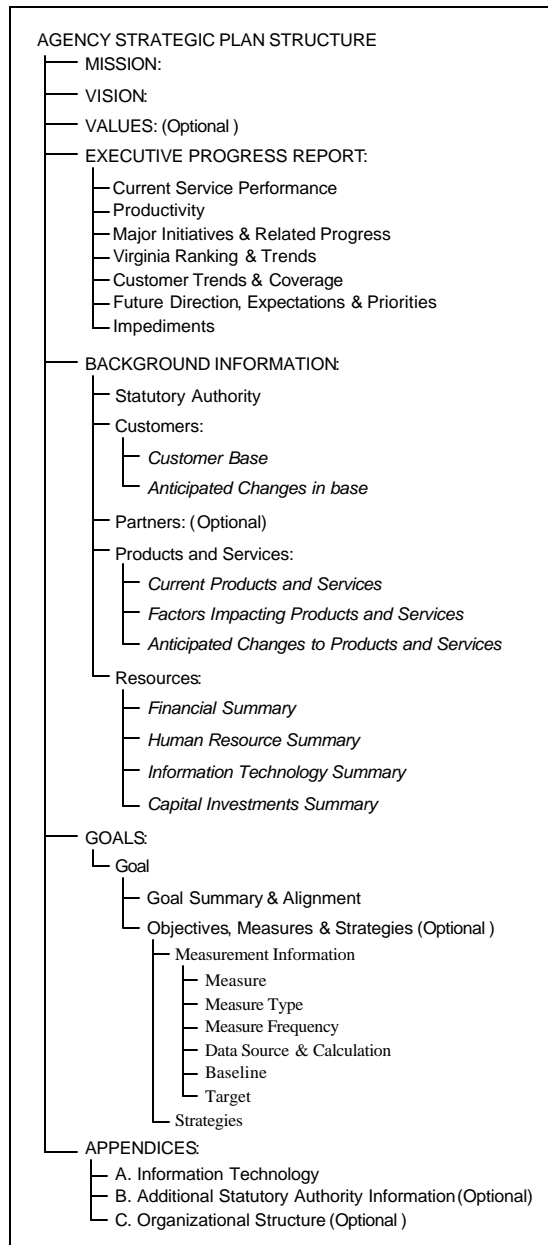
Long-term Objectives for Virginia

1. Be recognized as the best managed state in the nation.
2. Be a national leader in the preservation and enhancement of our economy.
3. Engage and inform citizens to ensure we serve their interests.
4. Elevate the levels of educational preparedness and attainment of our citizens.
5. Inspire and support Virginians toward healthy lives and strong and resilient families.
6. Protect, conserve, and wisely develop our natural, historical, and cultural resources.
7. Protect the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.
8. Ensure that Virginia has a transportation system that is safe, enables easy movement of people and goods, enhances the economy, and improves the quality of life.

Process Design



Agency Strategic Plan Content



Agency Plans: Mission Statement

Virtually all Virginia agencies already have mission statements developed. Agencies should review these statements to make sure they are aligned with the eight long-term objectives for Virginia.

Changes in the external and internal organizational environment do influence its identity and direction. Consequently, mission statements will need periodic updating to ensure that they are still meaningful and easily understood by all constituents.

The mission is a statement of an organization's purpose. A mission statement should be broad enough to provide organization-wide strategic direction, yet specific enough to communicate the reason for the organization's existence to those not familiar with its work. Your mission statement identifies the purpose and legislative intent for your agency

Agency Plans: Mission Statement

An effective mission statement should meet the following criteria:

- It is clear, concise, and realistic.
- It can be understood by a wide audience of the agency's constituents.
- It reflects the agency's mandates.
- It identifies the basic needs and distinct problems that the agency was designed to manage.
- It serves as the foundation for agency direction.
- It acknowledges the expectations of the agency's primary constituents.

Agency Plans: Mission Statement

Example: The Department of Mines, Minerals, and Energy's mission is to enhance the development and conservation of energy and mineral resources in a safe and environmentally sound manner to support a more productive economy.

For purposes of this reporting requirement only, please structure your mission statement so that it begins with the name of your agency. This will ensure uniform formatting for the Budget Document and for Council reporting.

Agency Plans: Vision

The agency's Vision is a concise declaration of the direction that an agency intends to take in the preferred future. It is a description of the ideal future state of the organization. A vision statement describes the organization at its best, i.e., where the organization intends to be in the future or where it should be to best meet the needs of stakeholders.

A vision statement is often another name for “guiding principles” or “core values.” This statement is extremely powerful in an organization. It can empower agencies to shape their own futures creatively, rather than simply react to random changes and be driven by traditional constraints. A vision provides the energy, power, and passion to achieve goals. Visions are the most forceful motivators for change we possess. This desired future state can be expressed in terms of the belief system that can move an agency into the future and express clearly what the agency wishes to accomplish in that future.

Agency Plans: Vision

An effective vision statement should meet the following criteria:

- It is not bound by time.
- It depicts high-level and continuing purposes of the agency.
- It can be directly related to the agency's mission and describes how the agency will operate as it fulfills its mission.
- It serves as a unifying foundation for the overall agency plan and service area plans.

Agency Plans: Vision

Example: We envision DMME as a nationally recognized energy, geology, and mineral extraction customer service agency that showcases worker and public safety and environmental protection; is highly regarded as a model agency known for the quality leadership of our people; uses strategic planning and management to provide the highest quality, innovative, one stop service and information that adds value in the eyes of our customers and the public; is trusted to exhibit the highest standard of competency and fairness in all aspects of our work and relationships; and empowers and trains our employees and treats them with fairness and respect creating the workplace of choice in our communities.

Agency Plans: Values

Values are the principles that govern behavior and the way in which the organization and its members conduct business. It is optional to include values in the agency strategic plan. Values are typically listed as words/phrases or sentences that describe the value. If value statements are included in the agency plan, agency goals, objectives, and budget requests should include a brief discussion at the summary level as to how these items support the agency's values.

Examples:

- *Customer focus*
- *Integrity*
- *Continuous Improvement*
- *Personal Accountability*

Agency Plans: Values

Example: (partial example from DMME)

In dealing with our customers, we value:

- *Operating with a high sense of ethics, honesty, and integrity.*
- *Demonstrating fairness, respect, responsiveness, straightforwardness, and deliberateness in our actions and communications.*
- *Functioning in a competent and knowledgeable manner, which emphasizes such principles as: consistency in service provision; attentiveness to customer's needs and their organizational and operational requirements; and being firm, yet flexible, in delivering services which focus on safety, energy, the environment, and economic development.*
- *Operating in a seamless manner to deliver quality customer services.*

Agency Plans: Executive Progress Report

As discussed in the first training session, the Executive Progress Report (EPR) serves as a sort of status report. Unlike the rest of the strategic plan, which looks at the current operational situation and future needs, the EPR takes a look at *previous* performance versus objectives.

The purpose of this section is to provide an overview of current service area performance and productivity, to show progress achieved, challenges being faced, and the direction for the future. In essence, this section provides contextual information for those who are reading and attempting to understand the plans. It should be in a narrative format, but with supporting data.

The section should be brief, limited to three to five pages in its entirety. One to two pages is the preferred length.

Agency Plans: Executive Progress Report

Current Service Performance

Provide an overview of current service performance for the organization as a whole, i.e. how well the organization is achieving its desired service outcomes. This may include information about such things as customer satisfaction, the percentage of eligible customers served, wait times, and output volumes.

Productivity

Provide an overview of current productivity, i.e. the efficiency and effectiveness of your organization in serving its customers. Include improvements that have been made in the prior period.

Major Initiatives and Related Progress

Highlight any major initiatives that you are currently implementing and any related progress. These would be initiatives designed to improve service, productivity, or operations.

Agency Plans: Executive Progress Report

Virginia Ranking and Trends

Indicate how your organization and service areas rank among your peers nationally in service performance and productivity. Identify the source of the ranking.

Customer Trends and Coverage

Discuss trends you are detecting in your customer base and any issues you are facing in providing coverage to customer segments statewide.

Future Direction, Expectations, and Priorities

Indicate the future direction of the organization and its service areas as it relates to serving its customers and fulfilling its mission. Identify what the expectations are for the organization and its service areas in the future. Describe the organization's priorities.

Impediments

Describe any significant challenges your organization is facing that could limit its ability to satisfy expectations and achieve its mission.

Agency Plans: Executive Progress Report

Example: (partial example from DMME)

Productivity

DMME productivity has increased markedly over time. As discussed below, DMME has provided an increasing larger set of services to a greater number of customers over the years. DMME has increased services in areas such as providing special services to small coal mines, providing special mine safety services such as on-site job safety analysis, and registering and providing services to over 1500 independent contractors on mineral extraction sites. DMME also created its gas and oil regulatory program out of what was a small part of its mine safety division. Today, the gas and oil program has 5694 sites under permit, and Virginia's gas industry produces as much natural gas as is used by all residences in the state.

Agency Plans: Executive Progress Report (cont.)

(Example, continued)

- *The agency has provided the increased services with fewer employees and resources than in past years, reflecting increased productivity.*
 - *DMME currently has 235 FTE (full time equivalent) positions. DMME's FTE number has ranged from a high of 298 to today's low of 235 FTEs. DMME has averaged 243 FTEs over the last five years.*
 - *DMME's FY 2005 budget is approximately \$27 million. This is the same in actual dollars as our FY 1986 budget, the agency's first full fiscal year of operation. Adjusted for inflation, this 1986 budget is equivalent to \$47.5 million today. DMME is today providing an increased level of customer services with only 57% of the inflation-adjusted budget from the agency's first full fiscal year.*

Agency Plans: Executive Progress Report (cont.)

(Example, continued)

Without an increase in its budget, DMME will face a budget shortfall in the coming biennium and will no longer be able to maintain its current level of services. DMME is supported by general funds, federal funds, and license and permit fees. The department budgets its license and permit fee funds over a multi-year period to account for annual variations in revenue and the fact that greater amounts of permit fees are collected when initial permits are issued than are collected in later years of a permit's life. DMME has used these funds to help ameliorate the effects of past budget cuts. The agency will deplete these funds in the coming biennium and will be unable to maintain its current service and personnel level without additional funds. DMME therefore is requesting an increase in general funds in the new biennium to maintain its level of service to customers.

Agency Plans: Background information

This section provides the context for the agency's strategic plan. Overall, the Background Information section summarizes key information for reviewers and decision makers, and describes the overall environment in which the agency operates. This section explains and identifies:

- Why the agency exists
- Who the agency it serves
- What goods, services, or information the agency provides for its customers
- The partners and resources it uses to accomplish its mission.

This section describes the agency's current situation, as well as anticipated changes that were considered as input for the development of the agency's goals.

Agency Plans: Background information

The Background Information section includes the following topics:

- Statutory Authority
- Customers – base and anticipated changes to base
- Partners (optional)
- Products and services – current, factors impacting, and anticipated changes
- Resource Summaries

Agency Plans: Background information

With the exception of the resource summaries, all items in the Agency Plan's Background Information section have parallel data elements in the Service Area plans.

Unless there is a substantial variance between your Service Area plan contents for these areas and your strategic plan contents, there is **NO NEED** to recreate these items in the Agency-wide Strategic Plan submission. You may simply copy and paste them from your Service Area Plan submissions.

For specific detail on these items – should you need to craft them for a separate submission for this section – see the later discussion in this packet related to the same elements in your Service Area Plan.

Agency Plans: Background information

Financial Resources Summary

Two sections:

- 1) Narrative description explaining the total spending budget for the agency, the composite funding streams, and any other information that explains the nature and/or destination of funds.
- 2) Table that summarizes the agency's base budget and changes to that base by fund and by year.

The intent is to depict high-level information so that decision makers may quickly and easily understand the general financial characteristics of the agency. More detailed information will be presented either in your base budget submission in August or your decision packages in September.

Agency Plans: Background information

Financial Resources Summary

Example:

DMME's funding comes from federal funds (47%), general fund dollars (40%), permit and license fees paid by mineral extraction operators (7%), bond forfeiture proceeds (4%), and miscellaneous sources such as state designated mine rescue team dues, civil penalty payments, and orphaned mineral mine or well reclamation or plugging revenues (2%).

	<u>Year One</u>		<u>Year Two</u>	
	General Fund	Non-General Fund	General Fund	Non-General Fund
Base Budget	\$9,545,201	\$17,845,337	\$9,545,201	\$17,845,337
Changes to Base Budget	\$1,252,564	(\$1,285,000)	\$1,482,271	(\$1,285,000)
Total	\$10,797,765	\$16,560,337	\$11,027,472	\$16,560,337

Agency Plans: Background information

Human Resources Summary

Four sections:

- 1) An overview narrative explaining the composition of the work force and any challenges the agency perceives it will encounter in maintaining its current staffing levels and/or skill sets.
- 2) A summary table depicting a breakdown of total resources by FTE type.
- 3) A narrative discussing factors impacting human resources
- 4) A narrative detailing anticipated changes in human resources.

Agency Plans: Background information

Human Resources Summary

Example (extract):

As of May 1, 2005, the Department of Mines, Minerals and Energy has an authorized FTE level of 235 with 226 positions currently filled and 9 vacancies. DMME has offices in Richmond, Abingdon, Charlottesville, Keen Mountain, and Big Stone Gap, Virginia. There are 16 Division of Energy and Division of Administration employees working in Richmond; 43 Division of Mineral Mining and Division of Mineral Resources employees working out of the Charlottesville office; 31 Division of Mines and Division of Mined Land Reclamation employees working out of the Keen Mountain office; 14 Division of Gas and Oil and Division of Mineral Resources employees working out of the Abingdon office; and 122 Division of Mines, Division of Mined Land Reclamation, and Division of Administration employees working out of the Big Stone Gap office. We use 41 role codes with the largest employee population (115) in the Minerals Specialist I role (inspection/permit/administrative staff). Field inspection staff is located

throughout the state with the highest concentration in the seven southwest coalfield counties. They work out of all-terrain vehicles and telecommute via cell phone, laptop computers, and two-way radios. DMME will face human resource issues as the current workforce retires and as the mineral extraction industry increases its salaries in response to labor shortages.

Effective Date: May 1, 2005

Total Position Level	235
Total Vacant	-9

Appointed/At-Will	3
Full-Time Classified	232
Part-Time Classified	0
Faculty	0

Wage	4
Contract Employees	2

Total Human Resource Level:	232
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Agency Plans: Background information

Human Resources Summary

Example (extract, cont.):

Factors Impacting Human Resources

Dealing with the affects of an aging work force: DMME has an aging workforce. Currently fourteen employees are eligible to retire with full benefits (at least 55/30) and 44 will be eligible within the next five years (approximately 26% of the current workforce). The average age of the DMME workforce is 52 and the average number of years of service is 17.5

Retention of highly competent workforce: DMME trains its workforce to be on the cutting edge of technology in the industry it serves. As a result, our employees become targets for other employees. DMME needs the ability to offer financial incentives to have its best employees stay with the agency.

Agency Plans: Background information

Human Resources Summary

Example (extract, cont.):

Anticipated Changes in Human Resources

DMME may need to replace 26% of its workforce over the next five years due to retirements. This is on top of other turnover. Additional resources will be needed for severance costs, recruitment, and to respond to salary competition.

DMME will need to increase personnel and resource sharing to account for shortages in individual positions due to attrition or temporary vacancies due to illnesses or disabilities.

Agency Plans: Background information

Information Technology Summary

This section provides a view of the agency's information technology (IT) investments at an enterprise level.

It is organized into four sections:

- Current state/issues
- Factors impacting information technology
- Anticipated changes/desired state of the agency's IT investment portfolio
- Agency IT investments

More robust details are captured in Appendix A. You will enter VITA-required data directly into their planning system via a link in the DPB planning database. This will be described in a few moments.

Agency Plans: Background information

Information Technology Summary

Example (extract):

Current State/Issues

- DMME has a robust in-house custom application development capability to meet its business needs. DMME has developed most of the applications DMME customers and staff use to meet regulatory responsibilities. Some of the systems were developed using legacy systems such as Universe and need to be updated to use current databases such as SQL. DMME must maintain these critical applications as information technology hardware and software and management of information technology changes.

Agency Plans: Background information

Information Technology Summary

Example (extract, cont.):

Factors Impacting Information Technology

- Changes driven by VITA transformation activities may change DMME's ability to serve external agency and internal information technology customers. This is likely to increase agency overhead costs to meet the transformation mandates.
- DMME customers are expecting to transact more programmatic and financial business with DMME across automated systems. This will require DMME to expand electronic government services.

Agency Plans: Background information

Information Technology Summary

Example (extract, cont.):

Anticipated Changes/Desired State of the Agency's IT Investment Portfolio

- DMME will need to fully implement and maintain comprehensive web-based and laptop computer based mapping and database systems to show locations of mines, gas and oil wells, pipelines and related facilities in relation to other land uses.
- DMME will update its legacy Universe based systems to current technology such as SQL based systems.

Agency Plans: Background information

Information Technology Summary

Example (extract, cont.):

Agency IT Investments

- DMME does not anticipate any major IT projects or procurements during the 2006-08 biennium.
- DMME's non-major IT projects will include enhancements to e-government services, updates to legacy systems, improvements to program-specific applications, and development of interfaces with central state enterprise application systems.
- DMME's non-major procurements will address equipment replacement and refresh needs and software maintenance and upgrades.

Agency Plans: Background information

Capital Investment Summary

This section presents the agency's view of capital outlay investments over the next two years. This summary needs to be completed only by agencies that will have capital investments including capital outlay leases.

It is organized into three sections:

- Current state/issues
- Factors impacting Capital investments
- Capital investment alignment - Describe how the capital investments detailed in your Capital Improvement Plan align to the mission of your agency, its strategic direction, or any mandates. Also, describe how these investments align with Virginia's long-term objectives.

Agency Plans: Goals

This section of your plan consists of the following elements:

Required:

- Goal
- Goal summary and alignment

Optional:

- Objectives, Measures, and Strategies
- Measure Information, including measure type, frequency, data source, calculation methodology, baseline, and target
- Strategies

The elements that are optional at the Agency Plan level will be discussed in full when we talk about Service Area Plans, where these items are required.

Agency Plans: Goals

Goal

A goal is a broad statement of the long-term results needed to accomplish the organization's mission and achieve its vision. Your goals will reflect the priorities of your agency. Your agency's set of goals should:

- Address issues faced by the agency, its customers, and its staff
- Be actionable and lend itself to being measured, but is not quantified
- Stretch and challenge the agency to better performance
- Be realistic and achievable
- Be easily understood by the general public
- Provide a clear direction for agency action

For purposes of this reporting requirement only, please structure your goals so that each begins with an action verb. This will ensure uniform formatting for the Budget Document and for Council reporting.

Agency Plans: Goals

Goal

Example:

- 1) Provide for safe and environmentally sound mineral and fossil fuel extraction.*
- 2) Encourage economic development through our customers' wise management of Virginia's energy, mineral, land, and water resources.*
- 3) Provide for the effective performance of DMME personnel.*

While you are not limited in the number of goals you may pursue, it is recommended that you target no more than five to seven. Even though the planning period is tied to a biennium, a goal is long term and may extend past that period.

Agency Plans: Goals

Goal Summary and Alignment

The goal summary and alignment section is used to provide a narrative overview of the goal, its purpose, and its connection with both the agency's mission and the eight long-term objectives of the Commonwealth.

Agency Plans: Goals

Goal Summary and Alignment

Example:

1) Provide for safe and environmentally sound mineral and fossil fuel extraction.

- *Goal Summary & Alignment*

- *Virginia needs energy and mineral resources to support its economy.*

Persons working at Virginia's mineral extraction sites, persons living in the vicinity of the sites, and Virginia's environment should be protected from the negative effects of producing these energy and mineral resources.

- *This aligns with Virginia's long term goals of:*

- *Being a national leader in the preservation and enhancement of our economy.*

- *Protecting, conserving, and wisely developing our natural, historic, and cultural resources.*

- *Protecting the public's safety and security.*

Ensuring that Virginia has a transportation system that is safe, enables easy movement of people and goods, enhances the economy, and improves our quality of life.

Agency Plans: Objectives, Measures, and Strategies

As previously indicated, these elements are optional at this level. However, if you opt to include them at the Agency Plan level, they must meet the same criteria for validity and alignment that relate to measures at the Service Area Plan level.

Agency Plans: Appendices

Appendix A: Information Technology Investments

The information technology investments section is a detailed view that identifies the alignment of individual IT investments to agency service area objectives, and provides additional information for each investment (i.e., costs, start and end dates, service area owner, status of investment initiative as proposed or continuing). This section of the Agency's Strategic Plan is to be developed in accordance with the Guidance issued by the Project Management Division within VITA. There is a direct link to VITA's reporting system within the DPB database. This will be detailed in a few moments.

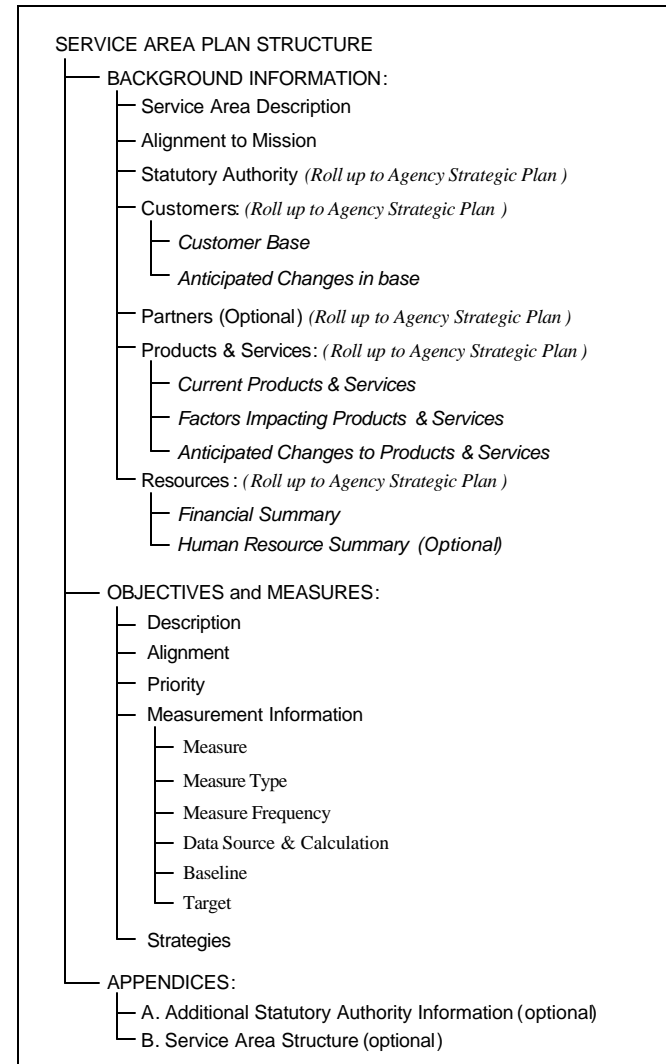
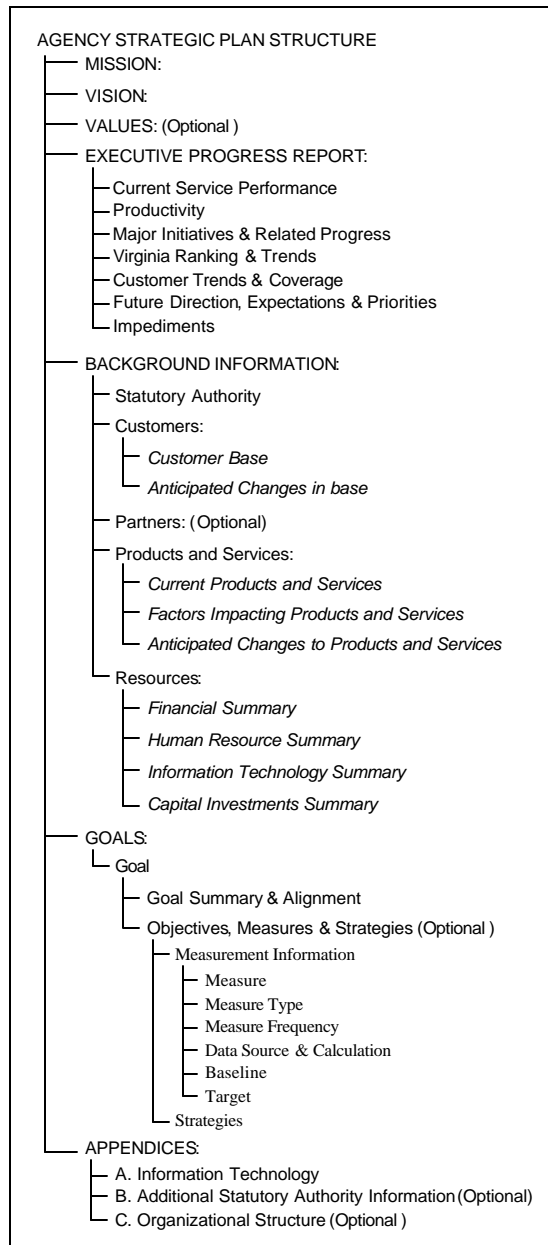
Appendix B: Additional Statutory Authority Information (Optional)

In this appendix the agency may insert any additional information on statutory authority it feels should be communicated.

Appendix C: Organizational Structure (Optional)

In this appendix the agency may insert its organizational structure. The organizational structures inserted here should not contain names. If significant changes to the organizational structure are described elsewhere in the Plan, a revised or proposed chart may be included here as well.

Agency Strategic Plan Content



Service Area Plans

While every executive branch agency will have a single Agency Plan, a separate Service Area Plan will be required for every Service Area in your new structure.

The Service Area Plan is comprised of three main areas:

- Background Information
- Objectives and Measures
- Appendices

Service Area Plans: Background Information

The Background Information section is comprised of the following elements:

- Service Area Description
- Alignment
- Statutory Authority / Mandates
- Customers – including Customer Base and Anticipated Changes
- Partners (optional)
- Products and Services – including Current Products, Factors Impacting Products, and Anticipated Changes
- Resources –including Financial Summary and an optional Human Resources Summary

All of these elements (except the first two) can be “rolled up” to the Agency Plan level by DPB, avoiding duplicative effort on your part. So make certain that your combined Service Area Plans reflect ALL your mandates, customers, products, and services.

Service Area Plans: Background Information

Service Area Description

Provide a brief overview of this service area, in terms that the general public and decision makers can readily understand.

Alignment to Mission

Supply a brief narrative that explains how this service area supports the mission of the agency.

Neither of these items requires significant length. The intent is to give the reader a quick sense of the area under discussion.

Service Area Plans: Background Information

Example: Service Area 50602 – Mineral Mining Environmental Protection, Worker Safety, and Land Reclamation

Service Area Description

This service area implements the Virginia Mineral Mine Safety Act and Virginia's mineral mining reclamation laws. Products and services include:

- *Customer service such as training, technical assistance, and risk assessment,*
- *Inspection and enforcement of the mine safety and reclamation laws and regulations,*
- *Certification of general mineral mine workers and miners performing specialized mineral mining tasks,*
- *Permitting and licensing of mineral mine sites,*
- *Regulatory development to establish minimum requirements for worker and public safety and operation and reclamation of mineral mine sites,*

- *Land reclamation through use of financial guarantees to ensure proper reclamation on permitted sites and reclamation of orphaned (abandoned) mineral mine lands, and*
- *Economic development support through helping ensure adequate supplies of non-fuel mineral products are available to support Virginia's economic needs.*

Alignment to Mission

This service area directly aligns with DMME's mission of enhancing the development of mineral resources in a safe and environmentally sound manner to support a more productive economy.

Service Area Plans: Background Information

Statutory Authority

The statutory authority section of the service area plan should cite the Federal Code, Code of Virginia, regulation, or any other source that gives the agency its authority and mandate in law and include a brief description of each.

Example (extract):

Chapters 14.4:1 through 14.6, known as the Virginia Mineral Mine Safety Act, establish the minimum requirements for mineral-mine safety in Virginia. Virginia's mineral-mine safety program is implemented independent of the federal mine safety program. However, the federal Department of Labor, Mine Safety and Health Administration recognizes Virginia's state certifications of persons completing specialized duties on coal mines such as mine foremen and mine electricians

Service Area Plans: Background Information

Customers, Factor Impacting, and Anticipated Changes in the Customer Base

A customer is defined as any individual, group of individuals, organizations, or organizational units for whom products and services are supplied. This section should include the number of current customers being served and the number of potential customers that could or should be reached. This section should also document any anticipated changes in the customer base.

<i>Customer Description</i>	# Served	Potential #
Mineral extraction operations	468 mines; 283 companies	6724mines; 283 companies
Mineral extraction workers	3668 miners	3668 miners
Public affected by mineral extraction operations	9400 households	9400 households
Affiliated mineral extraction business interests	1350	2000
General public and businesses ¹	Unknown	7.5 million
Other governmental agencies	13	150
Total	Unknown	+ 7.5 million

Service Area Plans: Background Information

Partners (Optional)

Within the Commonwealth, there are agencies that do not have complete authority and/or responsibility for the delivery of their services directly to end customers. Thus, the achievement of some of the agency's strategic goals/outcomes may be dependent, in part, on the performance of the agency's "partners."

This section is optional. If you include it, list the types of partners you have (e.g. sub-contractors). It is not necessary to list the actual names of the partners (e.g. XYZ Corp.). You may also wish to describe, in general, the services they provide on your behalf.

Service Area Plans: Background Information

Products and Services

For purposes of this planning model, the following definitions should be used:

A service is an action an agency takes on behalf of one or more of its customers, consistent with its mission.

A product is an item produced by the agency.

Agencies often have many products and services that span the operations of the organization, and even multiple agencies. Therefore, these products and services impact individuals, groups of individuals, organizations, or organizational units both internal and external.

Service Area Plans: Background Information

Products and Services: Current Products and Services

Within each Service Area Plan, those products and services that are specific to that service area should be briefly discussed. If the same product or service addresses multiple service areas, it should be included in each applicable Service Area Plan.

Example (extract):

- *Certification:*
 - *Certification of persons performing mining and other specialized tasks on mineral mine sites, such as certification of general mineral miners, mine foremen, blasters, electricians, and others. Enforcement actions against certified workers are taken by the Board of Mineral Mining Examiners.*
 - *Mineral extraction worker certification services assures workers performing specialized tasks necessary to maintain safe mineral extraction sites are qualified to perform these tasks.*

Service Area Plans: Background Information

Products and Services: Factor Impacting, and Anticipated Changes

Briefly discuss present constraints and influences and future changes.

Examples (extract):

Factors Impacting Products & Services

- *Customer assistance requests are expected to increase due to increased use of contractors on mineral extraction sites. This will increase requests for training and assistance from the contractors.*

Anticipated Changes to Products & Services

- *The demand for DMME customer services are anticipated to increase as the mineral extraction industry faces continuing business challenges.*
- *DMME anticipates losing more employees to mine operators as these companies increase their salaries to respond to their labor shortages. We will also be faced with increasing difficulty attracting the same level of experienced employees at current state salaries.*

Service Area Plans: Background Information

Resources: Financial Resources Summary

Two sections:

- 1) Narrative description explaining the total budget for the service area, the composite funding streams, and any other information that explains the nature and/or destination of funds.
- 2) Table that summarizes the service area's base budget and changes to that base by fund and by year. The format is exactly the same as that shown under the Agency Plan.

The intent is to depict high-level information so that decision makers may quickly and easily understand the general financial characteristics of the agency.

Service Area Plans: Background Information

Resources: Human Resources Summary

While this section is optional at the Service Area Plan level (it is required in summary form at the Agency Plan level) it should be uniformly used – or not used – in ALL agency Service Area Plans.

The format is exactly the same as that described in the Agency Plan, and should include those positions and allocated partial positions directly related to this service area.

Service Area Plans: Objectives and Measures

Where “goals” can be defined as broad, general statements of the long-term results needed to achieve the mission and vision, objectives are a bit more specific.

Just as goals move the agency toward achieving its mission, objectives move an organization toward its stated goals. Frequently, an agency must pursue multiple objectives to address a single goal.

An objective could have one or more of the following key characteristics.

- ❑ Describes results needed to accomplish the goal
- ❑ Measurable
- ❑ Usually begins with an action verb
- ❑ Supports multiple initiatives or strategies
- ❑ Collectively addresses key business areas

Do not get hung up splitting hairs on definitions. Focus on consistency and alignment between the objectives, goals, mission, and statewide objectives.

Service Area Plans: Objectives and Measures

Every Service Area Plan will be required to include a minimum of one Objective.
Taken as a whole, all objectives for a given service area plan should describe the way the agency intends to manage the service area to advance its mission.

Objective Title and Description:

Briefly discuss how the objective fits strategically in the service area – how it helps the agency pursue its goals and mission. Provide a brief narrative overview of the objective, including its purpose.

Alignment:

Provide a brief description of how this objective aligns with a mandate for the service area, or the strategic direction of the organization. In addition, identify how this objective aligns to the long-term objectives of Virginia.

Priority:

All objectives within a given service area must be ranked. Do not rank across service areas.

Service Area Plans: Objectives and Measures

Example (extract):

Objective: Advance the elimination of injuries and fatalities at mineral and fossil fuel sites.

Description: Protection of worker and public safety from the dangers on mineral mine sites is of critical importance to ensure the safety of Virginians working on or living near mineral mine sites. Dangers may be present due to improper conditions or improper actions by miners. DMM provides customer assistance and inspection and enforcement of mine safety based on a risk assessment of mines, with the riskiest mines receiving a higher level of services.

Alignment: Safety around impoundments on mineral mines is mandated in Chapter 18.1 of Title 45.1. This objective is consistent with DMME's mission of enhancing the development of mineral resources in a safe manner.

Priority: This is the top priority for DMME's mineral mining service area.

Service Area Plans: Objectives and Measures

For purposes of this reporting requirement only, please structure your objectives so that each begins with an action verb. This will ensure uniform formatting for the Budget Document and for Council reporting.

Keys to Developing Good Performance Measures

1. Make them important. If an activity is worth doing, it is worth doing well. Measure those things that we are going to rely on to judge ourselves as managers and as an agency. After developing our measures, we should be able to look at the list and be confident that, if we excel at everything on the list, we have been successful in meeting the needs of our customers and good stewards of resources.
2. Make them outcome oriented. This would seem self-explanatory, but is easy to overlook. There are five basic types of measures: inputs, which look at resources expended; outputs, which look at the number of iterations of work; efficiencies, which look at the cost per client served (input per output;) outcomes, which look at the results of the effort; and quality measures, which indicate the degree of attainment of excellence (as defined by the customer).
3. Make them singular. Consider the reason you are performing a task -- what is it your client really desires? It's not just the production of the budget. It's the production of the budget within a given time frame, with a given degree of detail, with a given degree of accuracy, with a given degree of clarity, etc. What is most important? Base your measure on the most important dimension, or set up several measures to capture the whole picture.

Keys to Developing Good Performance Measures

4. Make them measurable. Qualitative data are fine for learning about customer needs and feedback, but quantifiable information is required to really determine the degree to which we meet client needs.
5. Make them valid. If we want to be judged on, say, the morale level of our staff, don't agree to measure this dimension using, say, attendance rates. The two may or may not be correlated, but the latter is probably not an indicator of the former.
6. Make them reliable. We must be able to track our performance in a consistent way over time. Measures don't need to require complex measurement techniques or statistics. They do need to allow us to come back at a later point in time and review performance data in the same manner we do today.
7. Make them manageable. If data collection to support a measure is extremely cumbersome, look for another indicator of performance. If none exists, perhaps the outcome that needs to be measured is whether we can develop the necessary information sources prior to the next submission.

Service Area Plans: Objectives and Measures

Every Objective will be required to include a minimum of one Performance Measure. Taken as a whole, all measures for a given objective should describe how the agency intends to manage and communicate its performance for that objective.

Measurement Information

The following data must be supplied for each performance measure:

- Measure Description
- Measure Type
- Measure Frequency
- Data source(s) and Calculation Methodology
- Baseline
- Target

Service Area Plans: Objectives and Measures

Measurement Information

Measure Description: Just a few words to communicate what is being monitored. *Example: Serious personal injury-fatality incident rate.*

Measure Type: For purposes of this exercise, only three classifications are accepted – input, output, and outcome. (Previous classifications of Efficiency Measures, Quality Measures, and Customer Satisfaction Measures are no longer acceptable; if current measures of these types are to be continued, consult your budget analyst for assistance in reclassifying them.)

Service Area Plans: Objectives and Measures

Measurement Information: Measure Type

Definitions:

Input Measure: A measure that describes the amount of resources used to conduct an activity, produce an output, or provide a product or service, usually consists of a single numeric value (e.g. \$2,000 spent on conference fees,); a type of workload measure.

Examples: Number of hours used to analyze a new software package. Amount of money invested/spent.

Output Measure: A measure that describes the amount of work completed or output produced; usually consists of a single numeric value (e.g. 47 people trained,); a type of workload measure.

Examples: Number of service calls closed. Number of customer calls received.

Outcome Measure: A measure that describes the results achieved by an activity compared to the activity's intended purpose, the extent to which a service or activity has impacted its intended audience.

Examples: Problem resolution rate. Customer satisfaction rate. Employee retention.

Service Area Plans: Objectives and Measures

Measure Frequency: Indicate how frequently you will be reporting externally (to DPB, the Council, etc.) on this measure – NOT how often you will monitor it internally.

While most measure data will be available quarterly, others may only be available annually or monthly or biennially. DPB will work with you to ensure that a logical reporting schedule is agreed upon.

Data Source and Calculation: Give enough information that an auditor will be able to duplicate your methodology. What reports or definitions are you using? What is the specific formula used to calculate your results?

Service Area Plans: Objectives and Measures

Data Source and Calculation (cont.)

The information must be specific. Look for ambiguity and remove it. For example, let's look at a hypothetical measure related to juvenile repeat offender rate.

- Are you measuring it based on arrests or convictions?
- If the juvenile is rearrested after age 18, does this count or not?
- If the offenses are substantially different, in type and severity, is this “repeat?”
- If the second offense is tried as an adult before age 18, does THAT get captured?

Service Area Plans: Objectives and Measures

Data Source and Calculation (cont.)

By specifying EXACTLY what you're measuring, the public will understand what the service area is trying to accomplish and what success it experiences.

In the above example, specify “This statistic is based on second or subsequent convictions resulting in incarceration in a juvenile detention center or diversion center prior to the age of 18. Data is obtained from Circuit Court reports to the Department of Juvenile Justice.”

Another example: This measure is calculated using permit tracking data from the DMME mineral mining database system. The number of permit decisions made within the time deadlines for the mineral mining permitting program (60 days of in-house time) is compared to total permit decisions due during the review period.

If you are estimating or using someone else's estimates, state this and state why this is the best measure available and when better data will be available.

Service Area Plans: Objectives and Measures

Baseline: Indicate your current or most recent performance on this measure, using the calculation methodology you just described. Indicate, as well, the timeframe on which the baseline is calculated. For example, if you are reporting the number of homes in Virginia without internal plumbing and the most recently gathered data is from 2002, indicate this. The use of the word “current” is discouraged unless performance data is going to be available and reported to the public in near-real time.

Baseline data will not change over time, as a rule. You will update performance periodically but this will be captured as “progress” rather than a new baseline. To adjust a baseline, consult your analyst.

Service Area Plans: Objectives and Measures

Baseline (cont.)

Frequently when new measures are created, baseline data is not available. If this is the case, indicate “n/a” but ALSO indicate when the first round of data will be available to be used as a baseline.

Example:

“New Measure, baseline data not available. Baseline will be established using FY06 data.”

Service Area Plans: Objectives and Measures

Target: Using the same methodology, indicate your desired performance target for this measure. Targets should be aggressive but realistic:

- Do not indicate you will eradicate “driving while intoxicated” by putting a target of 0%.
- Avoid providing a target that is worse than your CURRENT performance, even if you are exceeding a state or federal standard. This will lead to scrutiny and possibly a non-negotiated target being imposed.

Like baselines, targets should give some sense of time. Do not simply indicate that the target is 19%. The target should be 19% by FY07, for example.

Service Area Plans: Objectives and Measures

Strategies: Strategies are actions that support the accomplishment of the plan and deliver the results needed to accomplish objectives. Normally these strategies become action plans and specific tasks within or across service areas. While monitoring measures, it is the adjustment of these strategies that will influence the direction of the measures.

Strategy 5.1: DMME will provide customers and stakeholders with information regarding rock, mineral, land, water resources, and energy technologies associated with mineral mining by:

- *Identifying their needs and delivery methods.*
- *Providing rock and mineral resources information from DMR, and energy conservation and use information from DE.*
- *Developing products to meet their needs.*
- *Expanding, with OMIS' assistance, the number of products that are electronically available.*

Strategy 5.2: DMME will assist customers and partner with stakeholders to develop mined land for economic development and other beneficial land use such as:

- *Watershed restoration.*
- *Industrial and recreation development.*
- *Wetland development.*
- *Carbon sequestration.*
- *Water resources.*

Service Area Plans: Objectives and Measures

A final word about measures

Keep in mind that funding is in part dependent upon the case you are making for the effectiveness of your provision of products and services.

Clear measures, reliable data, aggressive targets, and concise strategies are key to communicating with the council, the legislature, and the public.

Service Area Plans: Appendices

Appendix A: Additional Statutory Authority Information (Optional)

In this appendix the agency may insert any additional information on statutory authority it feels should be communicated.

Appendix B: Service Area Structure (Optional)

In this appendix the agency may insert its organizational structure. The organizational structures inserted here should not contain names. If significant changes to the organizational structure are described elsewhere in the Service Area Plan, a revised or proposed chart may be included here as well.

What about Virginia Results?

Virginia Results will be evolving/going away/mutating as we move forward. But not quite yet. The new procedures for reporting on performance data will be developed over the coming months.

Because we need to comply with existing requirements relating to performance measures, scorecards, etc, you will need to report your progress on current measures one final time in the normal way.

Consult your analyst for more information.

Training Calendar / Next Steps

- May 12 – Briefing for Council on Virginia’s Future
- July 15: First submission of strategic plan – for this submission ONLY, financials contained in summary tables do not need to reconcile to a budget submission
- September/October: Technical updates to align plans with budget submissions
- January: Technical updates to align plans with the introduced budget
- May: Technical updates to align plans with Appropriation Act