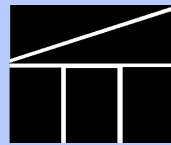


Agency Planning Handbook

**A Guide for Linking
Agency Strategic and Service Area Planning
to Performance-Based Budgeting**



**Department of Planning and Budget
2008-2010 Biennium
August 28, 2007**

Agency Planning Handbook

A Guide for Linking Agency Strategic and Service Area Planning to Performance-Based Budgeting

This handbook describes Virginia's strategic planning, service area planning, and performance-based budgeting models. The purpose of the handbook is to provide information and guidelines for effective implementation of these elements of the Commonwealth's performance leadership system. It is intended to ensure that all organizations within state government that are required to comply with the legislation mandating strategic planning for the Commonwealth {Chapter 900, 2003 Acts (HB2097)} are able to do so. More importantly, it is designed to aid organizations in developing plans that serve as useful and valued management tools.

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Overview of Updates to the Handbook

This revision of the handbook incorporates several updates due to changes in procedures or guidelines. It also includes changes to examples and minor editorial revisions.

Major Changes:

- ❑ Changes in the format and requirements for the *Information Technology Summary* in the Agency Strategic Plan
- ❑ Information about a new standard objective and associated measure for each agency for *Commonwealth Preparedness*
- ❑ Information about a standard objective and associated measure for each agency for *Agency Administration*
- ❑ Information about a requirement to include an analysis of the impact of the aging population on the agency
- ❑ Information about the selection of and format for key objectives and key measures
- ❑ Information about a new requirement for completion of a S.W.O.T. analysis
- ❑ Change in the use of baselines for measures (i.e., now used only for new measures)

INTRODUCTION

BACKGROUND

Passage of House Bill (HB) 2097 (§2.2-5511 of the *Code of Virginia*) and other related legislation marked the beginning of a new phase of performance leadership and accountability in Virginia. Enacted in July 2003, HB 2097 requires that... “each agency...develop and maintain a strategic plan for its operations” defined in the legislation as “the systematic clarification and documentation of what a state agency wishes to achieve and how to achieve it. The objective of strategic planning is a set of goals, action steps, and measurements constructed to guide performance.”

Because the development and use of strategic plans has been consistently shown to enhance an organization’s performance, the passage of HB 2097 presented an opportunity for Virginia’s leaders to examine how they plan for the future and manage performance in the Commonwealth. As a result, a new performance leadership and accountability model was developed that incorporates the elements of strategic planning, service area planning and performance management. In January 2007, the Governor launched a new website, *Virginia Performs* (www.VAperforms.virginia.gov) that represents the strategic and performance leadership framework and displays a comprehensive array of societal and state agency performance measures.

A NEW ERA OF PERFORMANCE LEADERSHIP

Strategic planning is one part of a new, more comprehensive system for performance leadership and accountability that is being developed in the Commonwealth as a way to implement the Roadmap for Virginia’s Future, described in HB 2097 (§2.2-2683 of the Code of Virginia) as “a planning and performance management system consisting of strategic planning, performance measurement, program evaluation, and performance budgeting.” The Council on Virginia’s Future is responsible for designing and evaluating the Roadmap, but all executive branch entities are responsible for implementing the Roadmap. The successful implementation of a performance leadership and accountability system within the Commonwealth will result in the following:

- ❑ The creation of strategic plans that are valuable, useful management tools at all levels within the enterprise – plans that provide a context for decision-making and have the ability to bring an entire organization into focus;
- ❑ Clear visions of where organizations want to go;
- ❑ Improvements in how efficiently and effectively agencies supply products and services to their customers;
- ❑ The availability of meaningful data for increased transparency and sound decision-making;
- ❑ The achievement of higher and more consistent levels of performance throughout the Commonwealth; and,
- ❑ The consolidation of a number of planning and reporting requirements (e.g., information technology planning and a portion of human resource planning) into one process in order to reduce frequent demands placed on state entities, streamline the planning process, and create alignment among resources, products, services and outcomes.

CREATING CHANGE

The implementation of the new performance leadership and accountability system is an endeavor of significant proportion. The ultimate aim is to create a culture of excellence in the Commonwealth that is built on our ability to effectively plan for the future, develop appropriate strategies, measure progress, and continuously improve our operations. However, people generally do not become comfortable with change or competent in planning and performance monitoring overnight. It takes time to adjust to the

new requirements – to learn the language, methods, and tools and to understand how they can be applied at all levels within the organization.

It will also take time for the performance leadership and accountability system to mature. We will need your feedback and ideas to help us discover and fix flaws in the new system and improve it over time. This will make the new performance leadership and accountability system dynamic and will ensure that it becomes the management tool it is intended to be. Please inform the Department of Planning and Budget (DPB) at strategic.plans@dpb.virginia.gov of your ideas for improvement.

The remainder of this handbook provides descriptions, definitions, examples and guidance to individuals engaged in planning within their agencies. There is a separate section for each type of plan: the agency strategic plan and the service area plan. In addition, you will find a glossary and a planning calendar.

PLANNING OVERVIEW

PLANNING FOR THE COMMONWEALTH’S FUTURE

Virginia’s strategic planning process comprises a parallel set of activities involving the Council on Virginia’s Future and the executive branch of government (Figure 1).

- ❑ The Council establishes a vision, long-term objectives, and guiding principles for Virginia, as well as a scorecard – Virginia Performs – to measure societal outcomes and to track Virginia’s progress in achieving the objectives.
- ❑ Agencies within the executive branch develop and implement plans and budgets designed to support achievement of long-term objectives and fulfill their missions and mandates. In addition, agencies monitor the progress of their plans and make adjustments, as needed, to ensure desired outcomes are achieved.

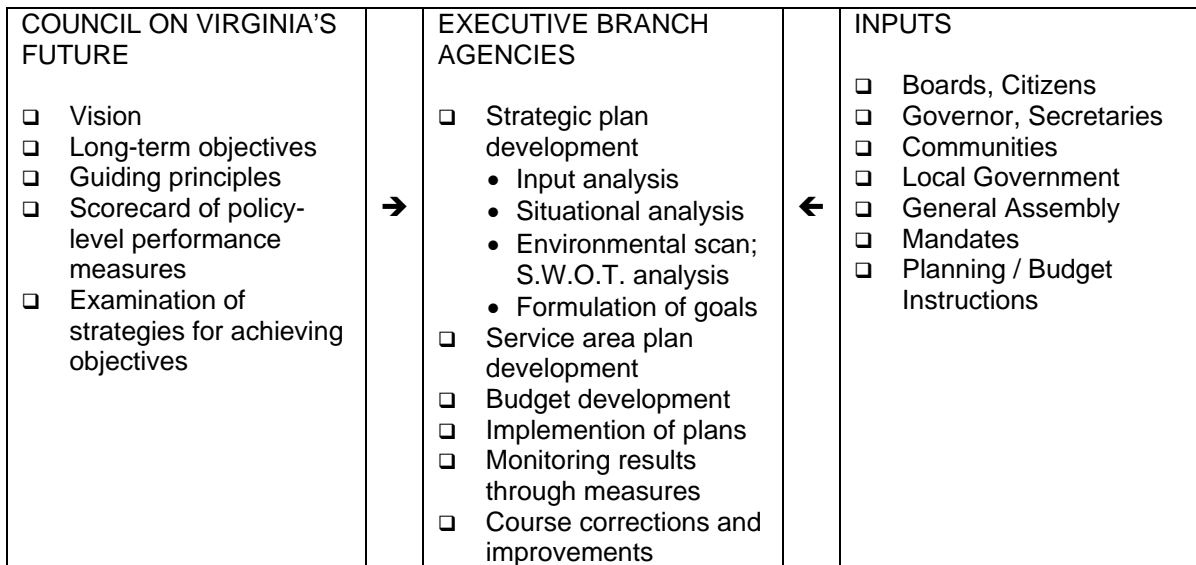


Figure 1

HIERARCHY OF AGENCY PLANS

Within agencies, there are two primary levels of plans (Figure 2):

AGENCY STRATEGIC PLAN

The agency strategic plan is the vehicle for the agency to tell its story and document its challenges. It is used to provide guidance to all agency departments through strategic goals that align with the long-term objectives developed by the Council on Virginia's Future. The strategic plan is a management tool used by agency leaders to determine and communicate what it wants to accomplish in a designated time period, to monitor the agency's overall performance, and to make course corrections to help the agency achieve its strategic goals.

SERVICE AREA PLAN

A service area is an area of expenditure that supports one or more products or services. It can cut across more than one organizational unit within an agency. Each service area forms the basic unit of budgeting and planning.

Like the agency strategic plan, the service area plan is the vehicle for the service area to tell its specific story and document its challenges. Directors, managers and supervisors within an agency use the service area plan as a management tool to initiate and guide activities through the use of objectives, strategies and measures and to assist the leaders in monitoring the performance of the service area. It is also used to identify budgetary requirements in support of those activities. The objectives and strategies developed will also demonstrate alignment to the agency's strategic goals and mission.

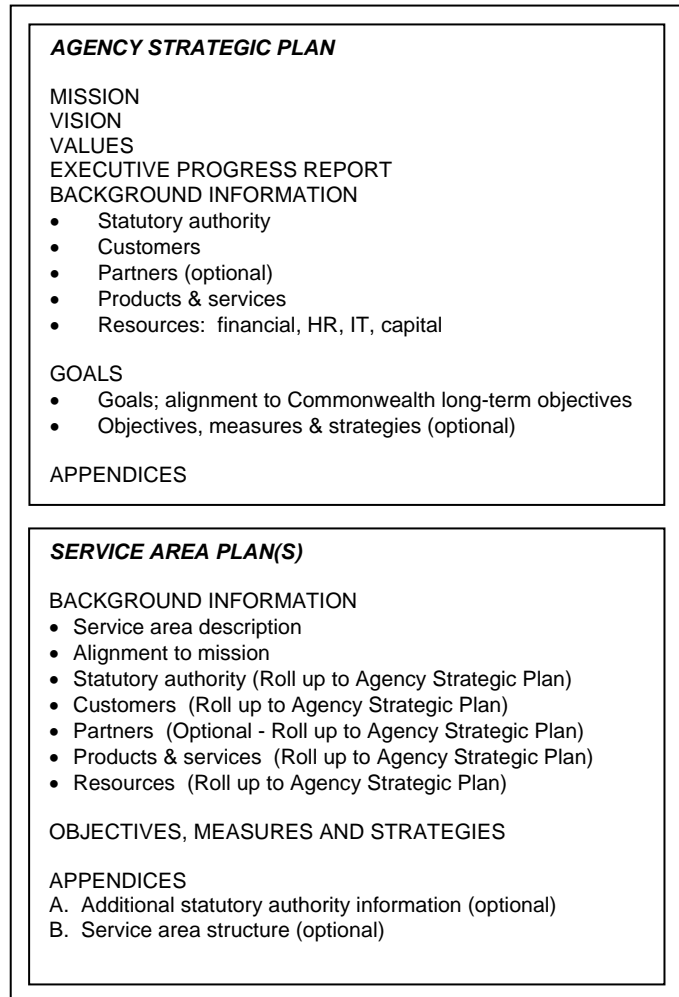


Figure 2

A separate plan must be prepared for each agency service area. The number of service area plans within an agency varies depending on the agency's service area structure.

LINKING PLANS AND BUDGETS THROUGH THE SERVICE AREA STRUCTURE

Agency plans, objectives, and measures are linked to the budget through a common service area structure.

- ❑ **Service Area Structure:** The Department of Planning & Budget (DPB) has worked with the agencies to develop a budget structure based on service areas. The “service area structure” ties categories of service areas to budgeting, accounting, strategic planning, and performance measurement. Thus, the “service area” is the common thread that runs through planning and budgeting activities, linking them through a common taxonomy.
- ❑ **Budget:** The performance-based budgeting model ties a service area to the budget via the service area structure. Funding is allocated at the service area level. A minimum of one objective is identified for each service area. Multiple objectives for a service area are presented in priority order. Each objective has one or more performance measures that provide management and decision makers the tools and data to make informed decisions.

THE PLANNING CYCLE – PLAN SUBMISSION and UPDATES

The planning cycle is a continual process. In the spring of an odd calendar year (e.g., 2007), before the start of the next biennium, agency strategic and service area plans will be reviewed and updated.

- ❑ **July:** Plans will be submitted to support the base budget submissions in August.
- ❑ **September:** There will be an opportunity to update the plans to support the submission of budget decision packages.
- ❑ **January:** Plans will be updated based on the Governor’s proposed budget.
- ❑ **April - May:** Plans will undergo a final update after the budget has been finalized.

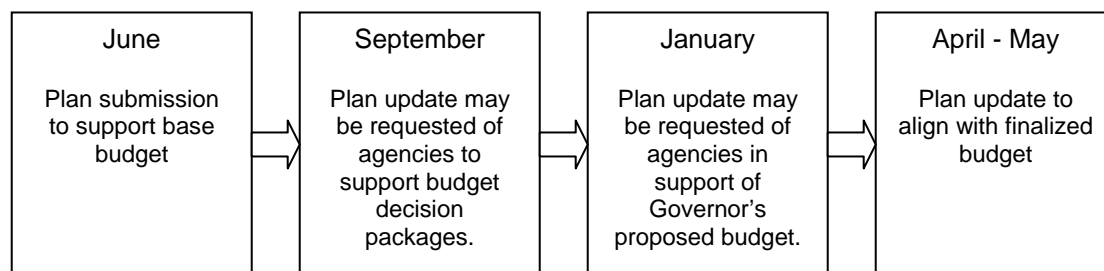


Figure 2

As the activities of any organization can change, based upon any number of internal or external factors, there will be opportunities over the course of the biennium to realign agency and service area plans according to changing demands.

AGENCY STRATEGIC PLAN

AGENCY STRATEGIC PLAN

The agency strategic plan provides guidance and direction to the organization and enables its leaders to monitor progress toward the organization's stated goals. Figure 4 depicts the overall structure of the agency strategic plan. Following is an explanation of the elements that comprise the strategic plan structure.

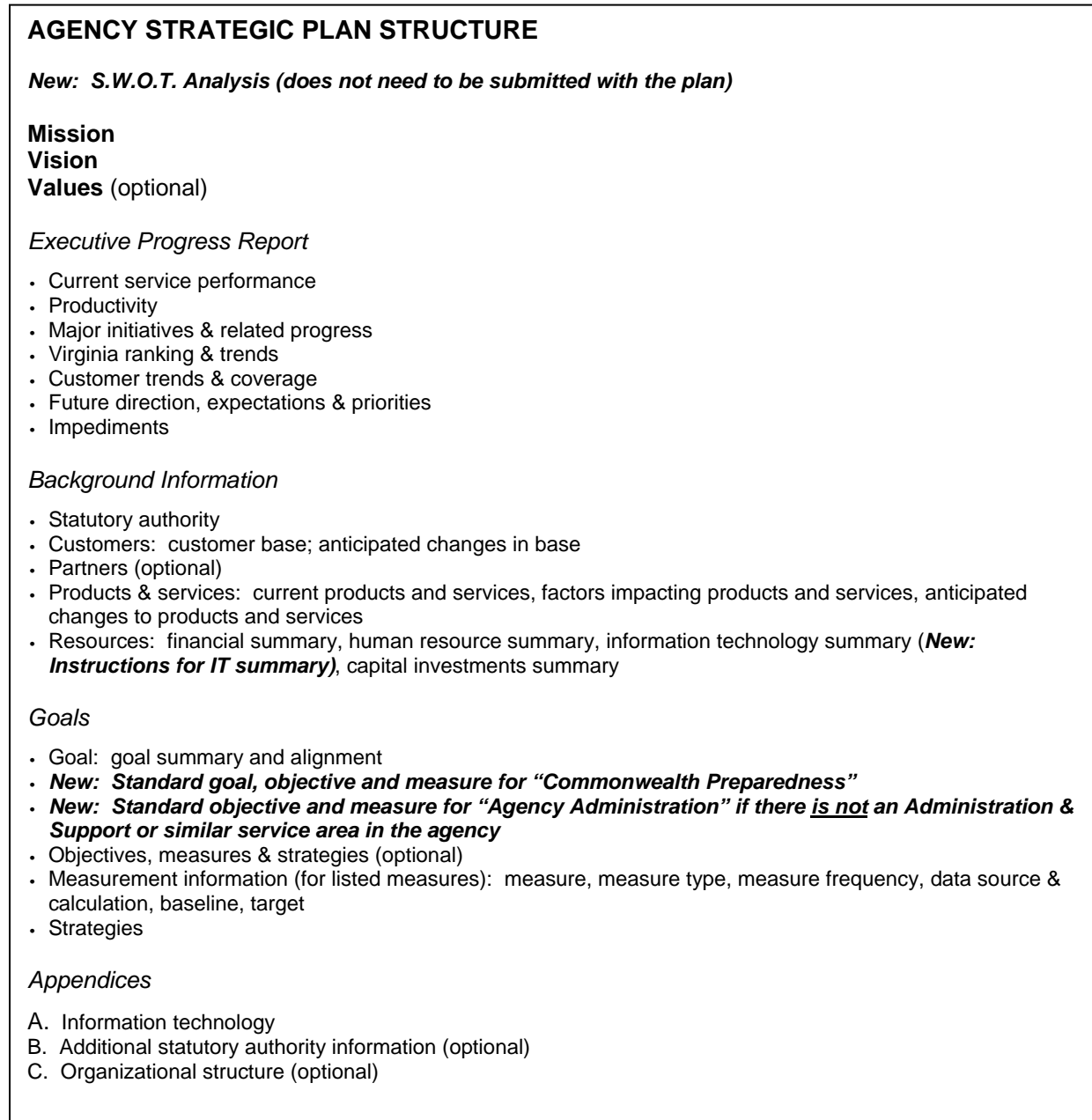


Figure 4

S.W.O.T. ANALYSIS

STRENGTHS
WEAKNESSES
OPPORTUNITIES
THREATS

A S.W.O.T. analysis must be completed by each agency. The aim of the S.W.O.T. analysis is to identify and focus on an agency's most valuable assets, areas for improvement and external issues that should be taken into account as long-term plans are created. The analysis can be done for the agency as a whole or for each objective.

The S.W.O.T. analysis is not required to be physically submitted with your strategic plan, but must be retained on-site at each agency for the life of the agency's strategic plan. However, the Department of Planning and Budget and the Department of Accounts may request to see an agency's S.W.O.T. analysis at any given time.

□ *Internal Perspective*

- **Strengths** - attributes of the agency that are helpful to achieving the desired objective
 - ✓ What does your agency do better than most others?
 - ✓ What do others perceive as your strengths?
 - ✓ What are the things you know you are good at?

Examples:

- ✓ Employee expertise
- ✓ Agency culture
- ✓ Experienced employees
- ✓ Operational efficiency
- ✓ Access to resources
- ✓ Agency reputation

- **Weaknesses** - attributes of the agency that are harmful or hinder achieving the desired objective
 - ✓ What do others perceive as your weaknesses?
 - ✓ What can be improved?

Examples:

- ✓ Employee demographics (e.g., high percentage of employees are of retirement age)
- ✓ Items mentioned under strengths but of a negative nature
- ✓ Lack of cross-training leading to key person dependencies
- ✓ Outdated computer system

□ *External Perspective*

- **Opportunities** - external conditions that are helpful to achieving the desired objective
 - ✓ What trends are occurring that you can take advantage of?
 - ✓ What external activities are taking place that you can take advantage of?
 - ✓ What opportunities exist in the following areas?*
 - Customers
 - Industry (e.g., education, health care)
 - Society – Technology – Economy – Environment - Politics

*Source: James L. Morrison, UNC

Examples:

- ✓ New technologies
- ✓ Changes in statewide policies
- ✓ Demographic changes among your customers or potential customers
- ✓ One time events
- ✓ Collaborative efforts with outside entities

- **Threats** - external conditions that are harmful or hinder achieving the desired objective
 - ✓ What threats exist that could exploit the agency’s weaknesses and have a serious impact on agency operations?
 - ✓ What obstacles does your agency face with respect to the following?*
 - Customers
 - Industry (e.g., education, health care)
 - Society – Technology – Economy – Environment - Politics

*Source: James L. Morrison, UNC

Examples:

- ✓ Access to resources
- ✓ New legislation

□ *S.W.O.T. Tips*

- Start by defining a desired end state or objective.
- Include input from all members of your management team from different disciplines.
- Don’t confuse opportunities external to the agency with strengths internal to the agency.
- Be realistic about agency strengths and weaknesses.
- Make sure the S.W.O.T. describes “conditions.” Don’t confuse the conditions with potential strategies.
- Be specific.
- Avoid complexity and excess analysis.
- Keep it short and simple.

□ *S.W.O.T. Analysis Matrix*

A matrix like the one shown below can help you organize your S.W.O.T. input and begin to identify the key issues to address in your strategic and service area plans.

	Strengths (Internal)	Weaknesses (Internal)
	1 2 3	1 2 3
Opportunities (External) 1 2 3	<i>Leverage strengths to exploit new opportunities.</i>	<i>Eliminate weaknesses that are barriers to taking advantage of opportunities.</i>
Threats (External) 1 2 3	<i>Use strengths to defend against threats.</i>	<i>Address weaknesses that could be exploited by threats.</i>

MISSION

The mission is a statement of an organization's purpose; the fundamental reason for an organization's existence. 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. Mission statements should be brief and convey the contribution your agency makes to society (i.e., the value you provide to your customers). It should be written so that readers can distinguish it from other mission statements.

Example: Department of Planning & Budget

- ❑ *We advise the Governor on how to wisely use public resources. We analyze, develop, and carry out fiscal, programmatic, and regulatory Policies that benefit Virginians.*

VISION

The vision is a description of the ideal future state of the organization. It 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.

Examples:

- ❑ *Department of Rail & Public Transportation: Every resident, visitor, and business in Virginia will have attractive transportation choices.*
- ❑ *Virginia Department of Juvenile Justice: Successful youth, Strong families, Safe Communities*

VALUES (optional)

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.

Examples:

- ❑ *Customer Focus*
- ❑ *Integrity*
- ❑ *Continuous Improvement*
- ❑ *Personal Accountability*

EXECUTIVE PROGRESS REPORT

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. The section should be brief, limited to about one to two pages. It should be in a narrative format, but with supporting data.

- ❑ *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.
 - ❑ *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.

BACKGROUND INFORMATION

The purpose of this section is to provide the context for the agency's strategic plan by explaining why the agency exists, who it serves, what it delivers to its customers, and 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.

- ❑ *Statutory Authority*
The statutory authority section of the strategic plan should cite the Federal Code, Code of Virginia, or any other source that gives the agency its authority and mandate in law, and include a brief description of each.
- ❑ *Customers*
The customer section should contain a list of the agency's customers (i.e., the customer base) and should include the number of current customers being served and the number of potential customers. This section should also document any anticipated changes in the customer base. This information should be compiled from the organization's service area plans.

A customer is defined as any individual, group of individuals, organizations, or organizational units for whom products and services are supplied. Customers could be internal or external. An example of an internal customer may be the business units of the agency. An example of an external customer could be a segment of the citizen population (e.g., adults over the age of 65), a business group (e.g., daycare providers), or another part of government (e.g., state or local agencies).

Do not provide a total, as the different customer groups may not be mutually exclusive.

Customer Base:

Customer Description	Served	Potential
<i>Low-income families/individuals</i>	150,000	205,000
<i>Children and their families</i>	98,000	119,000
<i>Local departments of social services</i>	120	120

Following are additional examples of customers:

- *Businesses (including day care centers and licensed adult facilities)*
- *Non-profits*
- *Low-income families/individuals*
- *Vulnerable adults (seniors and disabled over the age of 18) and their families*
- *Children and their families*
- *Custodial parents/children*
- *Local departments of Social services*

Anticipated Changes in the Customer Base:

Examples of anticipated changes in the customer base:

- ***Temporary Assistance to Needy Families (TANF)*** – *The federal government’s restructuring of the TANF program is anticipated to increase the existing customer base by approximately 50 percent over the next five years.*
- ***Child and Family Services Review*** – *With the implementation of the Child and Family Services Review for Foster Care, it is anticipated that the changes in the customer base will produce an increase in caseloads by 33 percent by FY2009.*
- ***Low-income Families/Individuals*** – *As the economy continues to improve, the unemployment rate is expected to decrease, resulting in a corresponding decrease in the available work force pool. This, in turn, may cause employers to increase employee compensation rates to assist in employee recruitment and retention. We anticipate that this shift in the economy will produce a reduction in the number of low-income families and individuals living in Virginia. The current number of low-income families/individuals is 100,000 and is expected to decrease by three percent over the next two years if the current economic growth is sustained.*

Aging Population Impact Analysis - New Requirement in this Section (2007)

- *A requirement was enacted in 2006 that each agency shall include in its strategic plan “(a)n analysis of the impact that the aging of the population will have on its ability to deliver services and a description of how the agency is responding to these changes.” (VA Code § 2.2-5510.A.4)*
- *It was amended in 2007, i.e., “Each agency shall report by November 15 of each year to the Department for the Aging its progress in addressing the impact of the aging of the population, according to guidance established by the Secretary of Health and Human Resources. Based upon information received, the Department for the Aging shall prepare a report summarizing the progress made by the agencies and submit such report to the Governor and the General Assembly by June 30 of the following year.”*
- *The Virginia Department of Aging (VDA) will send instructions for completing the analysis to agencies by mid-September.*

-
- Completed reports are to be sent from agencies to VDA.
 - The analysis should be included in the Executive Progress Report - Customer Trends & Coverage section of the agency strategic plan.

□ *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. For example, some agencies deliver their services through a state-supervised, locally administered system (e.g., services are delivered through local governments rather than through state agency employees). 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."

A partner is defined as an organization that a state agency uses or collaborates with to deliver its products and services. A partner could be another government entity, a not-for-profit organization, or a private organization.

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.

Examples of partners and the services they provide are:

- *Private contractors to provide road maintenance and snow removal*
- *120 local departments of social service that report to local governments*
- *Community action agencies*

□ *Products and Services*

This section lists the current products and services provided by the agency, factors impacting the products and services, and any anticipated changes. This is a summarized, high-level enterprise overview. This information should be compiled from the organization's service area plans.

A *service* is an action an agency takes to fulfill 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. An example of an internal service may be the information-technology support to the business units of the organization. An example of an external service may be a service supplied to a citizen or another part of government such as state or local agencies that receive financial support.

Current Products and Services:

The products and services to be described in this section are the items or assistance an organization provides to its customers.

Examples:

- *Preparation of the executive budget document*
- *Research and development*
- *Drug testing*
- *Driver's license renewal*

-
- *Help desk services*
 - *Program evaluation*
 - *Volunteer recruitment and training*

Factors Impacting Products and Services:

Examples of factors impacting services:

- *The federal government is undertaking a review and restructuring of the Temporary Assistance to Needy Families (TANF) program.*
- *The implementation of the Child and Family Service Review for foster care will impact the delivery of foster care services.*

Note: In addition to the examples listed above, you may also wish to include information about the needs and expectations of your customers that are impacting products and services.

Anticipated Changes to Products and Services:

Examples of anticipated changes in services:

- *The federal government's restructuring of the TANF program is anticipated to increase the services offered, such as employment services that prepare individuals for the workplace.*
- *The anticipated changes to foster care services will require an increase in the interaction with children requiring or currently in foster care. It is anticipated that this will increase the existing caseloads by 33 percent.*

□ *Resources*

The resources section will list the organization's available resources from the financial, human resource, capital outlay, and information technology aspects.

Financial Resources Summary:

The financial resources summary section starts with an overview narrative 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. Understanding an agency's financial resources is key to linking strategic management guidelines to the budgeting process. This includes knowing from where the resources come and where they will be spent.

The section also contains a table that depicts the total agency budget for a two-year period by fiscal year broken out into the base budget and changes to base budget. In general, the *base budget* for an agency is its prior year's legislative appropriation. For example, the base budget amount for fiscal years 2007 and 2008 will be the FY 2006 appropriation in the 2005 Appropriation Act.

Changes to the base budget include both technical adjustments and decision packages, including those that request funding for new initiatives. The first set of technical adjustments will be submitted with the base budget. These technical amendments to the base will include central appropriation distributions such as changes in fringe benefit rates and salary increases, nongeneral fund increases approved this biennium administratively that will continue into the next biennium, adjustments to remove one-time expenditures and annualize partial year funding.

A second budget submission of decision packages and finalized strategic plans will occur in September. These decision packages will consist of funding requests for workload changes, new

initiatives, and policy/program changes. It will be used to develop the introduced budget that is submitted to the General Assembly in December.

An example of the overview narrative:

- *The chief source of funding for the agency is federal grants from the Department of Health and Human Services. Most of these funds require a forty percent state match. The agency also collects special fund revenue from charges made to individuals, insurance companies, Medicaid, Medicare, and other third party carriers.*

An example of the breakdown:

Agency Budget

	<u>Year One</u>		<u>Year Two</u>	
	<i>General Fund</i>	<i>Nongeneral Fund</i>	<i>General Fund</i>	<i>Nongeneral Fund</i>
<i>Base Budget</i>	\$90,727,965	\$97,827,758	\$90,727,965	\$97,827,965
<i>Changes to Base Budget</i>	\$3,500,000	(\$7,500,000)	\$10,000,000	\$2,000,000
Total	\$94,227,965	\$90,327,758	\$100,727,965	\$99,827,965

Human Resources Summary:

The human resources summary section has four parts. It starts with an overview narrative explaining the composition of the workforce and any challenges the agency perceives it will encounter in maintaining its current staffing levels and/or skill sets. This is followed by a tabular summary level breakdown of total Full Time Equivalent (FTE) resources by FTE type. Two narratives follow this: one documenting factors impacting human resources and the other documenting anticipated changes in human resources.

An example of the overview narrative:

- *The agency relies on a balance of salaried employees, wage employees, and contract employees to deliver its products and services to its customers. The agency has a challenge in the recruitment of staff with skill sets compatible with core service areas. It is anticipated that the agency will have difficulty recruiting qualified individuals to replace retirees.*

An example of summary level breakdown:

Agency Human Resources:

Effective Date: *June 1, 2005*

<i>Total Position Level</i>	150
<i>Total Vacant</i>	-7
<i>Appointed/non-classified</i>	4
<i>Full Time Classified</i>	100
<i>Part Time Classified</i>	39
<i>Faculty</i>	0
<i>Wage</i>	26
<i>Contract Employees</i>	7
Total Human Resource Level	176

Factors Impacting Human Resources:

This next section details the factors that impact the agency's human resource levels or capabilities and, where appropriate, should relate them to specific products and services.

Examples of factors impacting agency human resources:

- *The average age of the work force continues to increase.*
- *Available resources with the prerequisite skill sets continue to decline. This has resulted in higher starting salaries and the development of new retention strategies.*

Anticipated Changes in Human Resources:

This final section details the changes the agency anticipates in its human resource levels or capabilities and, where appropriate, should relate them to specific products and services.

Examples of anticipated changes in human resources:

- *Over the next five years, 25 percent of the current workforce may need to be replaced due to retirements. As this occurs, additional resources will have to be invested in recruitment activities.*
- *As a new and less experienced work force is recruited, there will be increased costs for training incoming staff.*
- *Training and clear career progression paths and opportunities will be a key factor in recruitment and retention. There will be associated costs tied to these issues.*

A more detailed breakdown of the agency's human resources, issues, and plans can be found in the agency's Department of Human Resource Management's Workforce Plan (See DHRM Policy 1.90, <http://www.dhrm.virginia.gov/hrpolicy/policy.html>)

Information Technology (IT) Summary:

Writing the Information Technology Summary Section is a collaborative effort between the business and IT divisions within the agency. It cannot be written without input and involvement from both parties. The resources that are responsible for the agency's strategic business plan must work with the resources responsible for the agency's information technology strategic plan to successfully write this section.

The purpose of this section is to provide a view of the agency's information technology investments across the agency as well as across the enterprise and to demonstrate how these investments support the business goals and objectives of the Commonwealth of Virginia as established by the Council on Virginia's Future, the Commonwealth of Virginia Strategic Plan for Information Technology, and the agency. It is organized into four sections:

- Current State and Issues,
- Factors Impacting Information Technology,
- Anticipated Changes and Desired State (of the agency IT investment portfolio), and
- Agency IT Investments.

The information provided within these sections provides an opportunity for the agency to identify its internally- and externally-driven IT challenges and to identify solutions that, when implemented, will achieve the agency's desired future IT state. The agency should also provide a summary of the financial investment required to implement its IT strategies as well as a total cost of ownership for information technology. Other provided information includes the Agency IT Current Services for

ongoing operations and maintenance and the Projected Total IT Budget for all agency IT expenditures.

Appendix A of the agency strategic plan lists all proposed IT investments, which consist of new IT initiatives, active IT initiatives for which funding is already allocated or needed during the next biennium, along with the required financial investment associated with these initiatives. In the appendix, IT investments are identified as projects or procurements and are aligned with the service areas they support. The Information Technology Summary must explain how the IT investments recorded in Appendix A support the business goals and objectives of both the agency and the Commonwealth of Virginia and how these investments will move the agency from its current state to its targeted future state both from a business as well as an IT perspective.

The IT Investment Board (ITIB) continues to emphasize its intent to give highest priority to IT projects that provide enterprise solutions or involve collaboration between agencies. Accordingly, in their IT Strategic Plans, agencies should:

- Highlight those investments that involve collaboration with other agencies or implement an enterprise solution for the Commonwealth of Virginia, and/or
- Document the other agencies that are involved and how they are involved.

Each July, the ITIB completes a preliminary review of agency IT major projects proposed for inclusion in the upcoming Recommended Technology Investment Projects (RTIP) Report. The RTIP Report, delivered annually to the Governor and General Assembly on September 1st of each year, presents the ITIB recommended Commonwealth technology investment projects and priorities for funding. Due to the shift in the DPB agency strategic planning dates for the next budget biennium to the fall, a November 1 update will be delivered this year to the Governor and General Assembly to inform them of any significant changes to major project funding priorities. Information gathered during the strategic planning process is used to evaluate, score, and rank these projects so it is important that agencies be as accurate as possible when entering information into their strategic plans. Major projects providing enterprise solutions and having strong alignment with the Commonwealth goals and objectives are ranked higher than those that do not demonstrate these characteristics.

If the agency is proposing any investments in potential enterprise solutions, agency plan developers should review the current strategy (planned development modules) of the Virginia Enterprise Applications Program (VEAP), to determine if any planned agency investments will be addressed by VEAP. The current VEAP definition for the financial management module consists of general accounting, accounts payable, accounts receivable, fixed asset management, cost accounting and time and labor accounting. Other modules within the current VEAP implementation strategy include human resources management, supply chain management, and administrative management. For additional information regarding VEAP, contact Ned O'Neill at Edmond.ONeill@VDOT.Virginia.gov, 786-5786.

Planning approval for agency investments that fall into one of these VEAP modules or categories will be handled on a case-by-case basis. Investments that meet these criteria should be labeled by inserting "(VEAP)" at the end of the name of the investment for easy identification. These investments will be placed into a special hold status unless an agency presents a strong business case to proceed. Examples of conditions under which agency VEAP-related investments may be allowed to proceed would include:

- The welfare of citizens will be seriously compromised.
- Agency operations will be seriously compromised.
- The Commonwealth of Virginia will be sanctioned by the Federal government.
- The Commonwealth of Virginia will lose Federal funding.

In the business case, agencies are to indicate whether they enter data directly into CARS or into an internal agency accounting system that then feeds data to CARS. Deployment of the planned agency investment prior to the implementation of the VEAP system must demonstrate a positive return on investment.

Agencies are also to review the Governor's five initiatives to determine if any of the investments in their plan fall under one of these initiatives. The Governor's five initiatives are documented in a letter sent by the Governor to the Chairman of the ITIB which was presented at the October 19, 2006 ITIB meeting. This letter can be found at http://www.vita.virginia.gov/uploadedFiles/ITIB/Meetings/October_18-19_2006/061018LetterfromGovernortoChair.pdf. Questions regarding the Governor's five initiatives should be directed to Judy Napier, 786-9579.

Questions regarding the overall IT strategic planning process should be directed to Constance Scott at constance.scott@vita.virginia.gov, 416-6179.

Current State and Issues

This section documents the current as-is business environment. In other words, describe where the agency is today from a business architecture perspective. Enterprise business architecture reference materials can be found on the VITA Website at:

- <http://www.vita.virginia.gov/oversight/default.aspx?id=365>

List the challenges and issues the agency is facing at an enterprise or service area level. These issues are predominately internal in nature. Use this section to document the business challenges or problems that need to be solved. Discuss what will happen if this business problem is not solved in a timely manner.

Examples:

- *The service area currently has a number of aging IT solutions that no longer meet the requirements of the business. Agency-critical applications reside on technology platforms that are outdated and increasingly hard to support from a hardware, software, and human resource perspective.*
- *Agency applications are not integrated and have created a situation where productivity is being lost due to duplicate data entry. In addition, data storage costs continue to increase as individual databases continue to grow and replicate a large percentage of the same data.*

Factors Impacting Information Technology

Factors impacting information technology are requirements or mandates that predominately come from external sources (e.g., increased demand from external entities, changes or increased demands in the customer base, changes in products and services provided, or new federal or state legislation). Discuss important deadlines that must be met and the consequences if they are not met.

Examples:

- *Local government is placing demands and pressure on the state to increase the productivity of local government workers by implementing integrated, automated systems solutions that promote data sharing between local and state offices.*

-
- *The eligible population for services has steadily increased over the last five years as a result of economic stagnation in sectors of the Commonwealth.*
 - *Increased demands for compliance to HIPAA and Homeland Security will necessitate a review and update of security and data encryption.*
 - *The agency client base is expected to drastically increase. An example would be the increase in the number of retirees due to aging baby boomers.*

Anticipated Changes and Desired State:

This section describes the to-be business architecture, or where the agency wants to be from a business perspective, and whether or not technology is a means to make this transition. List the solutions that will address the issues and factors previously identified.

Examples:

- *The long-term solution will be for the agency to implement one fully-integrated information technology solution.*
- *Short term, the agency will develop and implement a single user sign-on that will cross all current applications and assist with the issue of productivity.*
- *Short term, the agency will develop and implement a master client ID across all major existing databases to assist with the issues of productivity, integration, and connectivity.*

Agency IT Investments:

Agency IT investments include investments in technology that are part of the agency base budget and proposed IT investments new to the agency budget. The combination of planned expenditures in the base budget and proposed changes to the base budget comprise the agency Projected Total IT Budget.

Agency IT Current Services:

This section includes base costs for ongoing operations and maintenance. Note that annual contracts for maintenance or support, licenses, and staff augmentation supporting operations, entered as procurements into the Commonwealth Technology Portfolio, are documented in the next section, Proposed IT Investments.

When calculating figures for the upcoming budget biennium use the following business rules:

- Year One = DPB base budget for IT given to the agency
- Year Two = Year One fiscal year budget + proposed changes to agency IT current services for Year One

Changes to the IT current services can equal additional dollars funded in the current year or additional dollars cut from the base. They can take the form of either budget decision packages or internal dollars moved into or out of IT.

VITA Service Fees (Infrastructure Costs) will be supplied by VITA to DPB. The agency does not need to key this information into the system. Agencies with specialized infrastructure costs out of scope to VITA are to compute these costs and enter them into the second row of the table (see next page), Specialized Infrastructure Costs (out of scope to VITA).

Agency applications costs are entered into the third row as Application Costs (out of scope to VITA). When entering application costs, include not only the cost of each application, but also the overhead costs that may support multiple applications. Do not include the following:

- Infrastructure costs that support applications already entered under VITA Service Fees.
- Annual contracts for maintenance or support, licenses, and staff augmentation supporting operations, entered as major or non-major procurements in the Commonwealth Technology Portfolio (ProSight). All projects and procurements are entered separately in the following section - Proposed IT Investments (Proposed Changes to the Agency IT Current Services).

The last row of the table, Agency IT Current Services, is a total line that sums each column. These figures are carried forward and entered in the table, Projected Total IT Budget, in the appropriate row.

Enter ongoing operations and maintenance costs for the agency in the table below:

Category	Cost - Year One		Cost - Year Two		Total Cost
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund	
VITA Service Fees (Infrastructure Costs)					
Specialized Infrastructure Costs (out of scope to VITA)					
Application Costs (out of scope to VITA)					
Agency IT Current Services					

Proposed IT Investments (Proposed Changes to the Agency IT Current Services):

For each proposed IT investment in Appendix A, describe:

- Which agency service area(s) the investment supports.
 - ✓ Document which service area is the primary service area and why.
 - ✓ Discuss which objectives and key customers within each supported service area will benefit from this investment.
- How this investment will move the agency from its current business state to its desired future business state.
- How this investment supports the Commonwealth Strategic Plan for Information Technology goals and objectives. For each goal, document whether this investment is a primary investment that directly supports the goal or a contributing investment that indirectly supports the goal.
- How this investment supports the Commonwealth’s overall long-term objectives as established by the Council on Virginia’s Future. For each goal, document whether this investment is a primary investment that directly supports the objective or a contributing investment that indirectly supports the objective.

Please refer to Appendix A for the detailed view of information technology investments, aligned with service areas. **As a reminder, agencies must post Appendix A on their Web site in the same location as their Agency Strategic Plan.**

Procurements documented in this section include annual contracts for maintenance or support, licenses, and staff augmentation supporting operations.

Enter summarized investment cost figures in the table shown below. These cost figures are a rollup by category of the cost figures for each investment found in Appendix A.

The last row of the table, Proposed Changes to Agency IT Current Services is a total line that sums each column. These figures are carried forward and entered in the table, Projected Total IT Budget, in the appropriate row.

Enter proposed IT investments for the agency in the table below:

<i>Category</i>	<i>Cost - Year One</i>		<i>Cost - Year Two</i>		<i>Total Cost</i>
	<i>General Fund</i>	<i>Nongeneral Fund</i>	<i>General Fund</i>	<i>Nongeneral Fund</i>	
<i>Major IT Projects</i>					
<i>Non-Major IT Projects</i>					
<i>Major IT Procurements</i>					
<i>Non-Major IT Procurements</i>					
<i>Proposed Changes to Agency IT Current Services</i>					

Projected Total IT Budget (Agency IT Current Services + Proposed IT Investments):

The table below is built by carrying forward the cost figures from the prior tables.

The first row is populated by cost figures carried forward from the last row of the table, Agency IT Base Budget. The second row is populated by cost figures carried forward from the last row of the table, Proposed Changes to Agency IT Current Services. The resulting summation is the Agency Projected Total IT Budget.

Enter total information technology budget costs for the agency in the table below:

<i>Category</i>	<i>Cost - Year One</i>		<i>Cost - Year Two</i>		<i>Total Cost</i>
	<i>General Fund</i>	<i>Nongeneral Fund</i>	<i>General Fund</i>	<i>Nongeneral Fund</i>	
<i>Agency IT Base Budget</i>					
<i>Proposed Changes to Agency IT Current Services</i>					
<i>Agency Projected Total IT Budget</i>					

Note: For additional details on the IT summary, see pages 35-39.

Capital Investments Summary (if applicable)

This section presents the agency's view of capital outlay investments over the next two years. It identifies, at the enterprise level, the Current State/Issues, Factors Impacting Capital investments, and Capital Investment Alignment. These categories provide an opportunity for the agency to identify issues and challenges it is encountering in the area of capital planning. This section needs to be completed only by agencies that will have capital investments. This includes capital outlay leases.

Current State/Issues:

Current state/issues documents agency opportunities, challenges and issues. Examples are:

- *There are a number of aging facilities that are no longer cost effective to maintain.*
- *Due to residents with more physical handicaps, interior renovations will be necessary to accommodate wheelchairs and walkers.*
- *A declining census will result in more vacant space. Consolidation of existing programs could reduce overhead costs.*

Factors Impacting Capital Investments:

Factors impacting capital investments are things such as requirements or mandates that predominately come from external sources. Examples are increased demand from external entities, changes in customer base, and changes in products and services provided.

Examples of factors impacting capital investments:

- *The need to repair or upgrade major building components due to the general aging of buildings, many of which are in excess of 40 years old;*
- *Increasing and changing demands for state products and services;*
- *Modifications in building codes that require significant investment in existing facilities to maintain healthy and safe conditions; and*
- *The rapidly changing nature of technology.*

Capital Investment Alignment:

This section describes how the capital investments detailed in an agency's Capital Improvement Plan align to the mission of the agency, its strategic direction, or any mandates. It also describes how these investments align with Virginia's long-term objectives.

Example:

- *The Virginia State Police provide high quality, statewide law enforcement services to the people of Virginia and visitors. This includes promoting public safety through enforcing the criminal and motor vehicle laws of the state, and being independent yet supportive of other law enforcement agencies. As the State's lead law enforcement agency, the Department has statewide law enforcement jurisdiction, except in the independent cities. The State Police currently coordinate field operations through 47 area offices spread throughout the state. A major emphasis of the State Police's capital improvement program is the development of the STARS (Statewide Agencies Radio System) and related support systems. It was originally conceived to replace the state's police's radio system, but will support the communications needs of over 20 state agencies as well as interoperability with local law enforcement. This system will allow the State Police to help ensure the public safety needs of the Commonwealth.*

GOALS

The goal section is used to list each of the goals identified by the organization and additional supporting information. These goals will be used to guide the organization and will provide a reference point to which service area plan objectives can align.

A goal is a broad statement of the long-term results needed to accomplish the organization's mission and achieve its vision. It is typically phrased in general language, such as to *strengthen, serve, become, or improve*. Alternatively, a goal may include a broad performance target to be achieved in a specific timeframe (e.g., *to be in the top quartile in the nation; to achieve a 50 percent improvement by FY200X*). It is recommended that an organization not have an overwhelming number of goals. Approximately five to seven goals are generally considered manageable. Even though the planning period is tied to a biennium, a goal is long term and may extend past that period.

Examples of strategic goals:

- *Goal #1: Enhance the independence, well being, and personal responsibility of customers.*
- *Goal #2: Cultivate a diverse workforce capable of accomplishing the system's mission.*
- *Goal #3: Rank among the top 10 states in the U.S. in the number of successful adoptions of children with disabilities by FY2007.*

GOAL SUMMARY AND ALIGNMENT

The goal summary and alignment section is used to provide a narrative overview of the goal, its purpose, and its alignment.

Examples:

- *Reference Goal #1 above: By assisting citizens to become independent and achieve a level of personal responsibility they will, in turn, achieve a higher level of well being. This will increase the available work force within Virginia and assist in economic growth. This aligns with the economic long-term objective of Virginia.*
- *Reference Goal #2 above: In enabling the department to achieve efficiency and effectiveness benefits and to support Virginia's long-term objective of Best Managed State, it must ensure it has a workforce that is capable of the challenges posed.*

OBJECTIVES, MEASURES AND STRATEGIES (OPTIONAL)

This section of the handbook will discuss the use of objectives, measures and strategies at the agency strategic plan level. Although not a requirement of the state's planning model, as a best practice and as a good management tool, their use is recommended. The benefit of having objectives, measures and strategies at this level is to provide the leadership of an organization with a tool by which they can, from an enterprise perspective, provide guidance, identify desired results, monitor progress and target specific activities/strategies to help achieve those desired results.

□ *Objectives*

An objective is a description of the results that, when achieved, move an organization toward its stated goals. There can be any number of objectives associated with a goal, but the number should be manageable. An objective could have one or more of the following key characteristics.

Key Characteristics

- Describes results needed to accomplish a goal

-
- Measurable
 - Usually begins with an action verb or an introductory phrase, followed by an action verb
 - May support multiple initiatives or strategies
 - Collectively address key business areas

Following are examples of objectives:

- *Develop a financially balanced and structurally sound budget for Virginia.*
- *Inform, educate and empower youth to make healthy lifestyle choices.*

□ *Measurement Information*

Measure - A measure is a meaningful indicator used to determine performance, a criterion or value used to determine the magnitude or degree of something, a tool used by management and members of the organization to determine the effect that strategies and activities are having on the accomplishment of objectives and goals. Measures are assigned to objectives. An objective may have one or multiple measures. There are different types of measures (as can be seen in “Measure Type” below) and an objective can be measured different ways to ensure the desired results are being achieved.

Following are examples of measures:

- *Violent crime rate*
- *Average citizen satisfaction rating*
- *Employee turnover rate*

Measure Type - Measurement commonly occurs in one of three different formats, input, output, or outcome. The Measure Type section of the plan is used to specify the type of measure being used (e.g., input, output, or outcome).

The Governor has asked that, to the extent possible, agencies use outcome measures for their objectives.

Following are definitions and examples of the three types of measures:

- **Input Measure Definition:** A measure that describes the amount of resources used to conduct an activity, produce an output or provide a service; a measure that describes the volume of incoming work to be processed; 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 Definition:** 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 Definition:** 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*

Measure Frequency - Measurement can occur in different cycles: monthly, quarterly, annually, etc. Agencies will be asked to identify the frequency of each measure in their plan. Ensure you collect data for your measure frequently enough to identify problems quickly and enable course corrections. When establishing measures, it is highly recommended that data be gathered and results monitored monthly.

Data Source and Calculation - Identify the source of the measurement data that will be used and give a description of how any calculations for the measure will work.

Following is an example of data source.

- *Survey of customers as they complete their interaction with the local departments (Note: You may wish to provide the name of the survey).*

Following is an example of the calculation.

- *Calculate an average customer satisfaction rating for each survey question for all completed surveys received in a locality in a given calendar month. Aggregate the data for all localities in a region to provide an organization-wide score.*

Baseline - A baseline is a description or measure of the current state. It is the starting point from which an organization monitors progress. Each *new* measure established will have an associated baseline. Baselines should include the actual data value and an “as of” date.

Examples of baselines:

<i>Measure: Violent crime rate</i>	<i>Baseline: 15 crimes in FY 2006</i>
<i>Measure: Employee turnover rate</i>	<i>Baseline: 82 percent, 12/31/06</i>
<i>Measure: Customer satisfaction rating</i>	<i>Baseline: 12 percent for FY 2006</i>

Target - A target is the specific level of performance the organization is striving to achieve; a desired level of performance of an objective that can be measured within a specific point in time, usually expressed as a number or percentage. Targets should include the numeric value of the target and the date by which the agency intends to achieve the target.

Examples of targets:

<i>Measure: Violent crime rate</i>	<i>Target: 3% reduction by FY 2008</i>
<i>Measure: Employee turnover rate</i>	<i>Target: 2% reduction in FY 2008 and FY 2009</i>
<i>Measure: Customer satisfaction rating</i>	<i>Target: 89% by 12/31/08</i>

- If you have targets that exceed the biennium, set interim targets for the plan that relate to the second year of the budget biennium.
- If your performance consistently exceeds your target, it is time to reassess the target. Otherwise, it will give the impression that the agency is striving to make its performance worse.

- Ensure targets are challenging, but realistic and achievable.
- Consider where the target places Virginia among other states. Check targets against national data from other states and, where possible, avoid setting targets that fall below other states.

Strategies - Strategies are actions that support the accomplishment of the strategic plan and deliver the results needed to accomplish goals and objectives. The methods of achieving an objective are the actions or tasks an agency intends to carry out to accomplish its objectives within a specified time frame. Normally, these high level strategies become objectives and action items within or across specific business/service areas. When monitoring measures, it is the adjustment of these strategies that will influence the direction of the measures.

Following are examples of strategies.

- *Customer service standards development*
- *Development and delivery of customer service training for all employees*
- *Establishment of an employee awards and recognition program*

□ *Example of Relationships Among the Elements that Support a Goal*

Goal: Provide state-of-the-art financial management for the Commonwealth to protect its fiscal integrity.	
Objective #1:	Develop a financially balanced and structurally sound budget for Virginia.
• Measure #1.1	% of new budget initiatives in the introduced budget bill with specified performance measures or outcomes
– Measure Type:	Outcome
– Target:	100%, FY 2010
– Frequency:	Annual
– Date Source & Calculation	<ul style="list-style-type: none"> ✓ Source: Introduced budget bill ✓ Calculation: # of new budget initiatives with specified performance measures or outcomes divided by the total number of new budget initiatives
• Strategies:	<ul style="list-style-type: none"> ✓ Submit a budget to the General Assembly that manages the available general fund resources resulting from one-time revenues and savings actions. ✓ Limit the contingent appropriations in the budget submitted to the General Assembly. ✓ Submit a budget to the General Assembly that has clear performance measures for budget actions involving new initiatives.

STANDARD GOAL: COMMONWEALTH PREPAREDNESS

In accordance with Executive Order 44 (2007), each agency must incorporate a goal for Commonwealth Preparedness into its strategic plan. The information shown in the table below should be used in the strategic plan.

There will be one standard strategy for the goal. Other strategies should be developed by each agency, as appropriate and necessary. The following is a guideline for each agency to develop its own, unique strategy. *The agency will determine preparedness enhancements needed at the agency level from federal and state guidance and from comparison of current capability and then distribute funding to meet target increases.*

Goal	We will strengthen the culture of preparedness across state agencies, their employees and customers.
Goal Summary & Alignment	This goal ensures compliance with federal and state regulations, polices and procedures for Commonwealth preparedness, as well as guidelines promulgated by the Assistant to the Governor for Commonwealth Preparedness, in collaboration with the Governor's Cabinet, the Commonwealth Preparedness Working Group, the Department of Planning and Budget and the Council on Virginia's Future. The goal supports achievement of the Commonwealth's statewide goal of protecting 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.
Objective	We will be prepared to act in the interest of the citizens of the Commonwealth and its infrastructure during emergency situations by actively planning and training both as an agency and as individuals.
Measure	Agency Continuity of Operations Plan (COOP) Assessment Score
Measure type	Outcome
Measure frequency	Annual
Baseline	2007 COOP Assessment Results (% out of 100)
Target	Minimum of 75% or, if at 75%, increase the average by 5% each year
Data source and calculation	The COOP Assessment Review is a 24-component assessment tool that helps measure the viability of a COOP plan.
Strategy	The agency Emergency Coordination Officer will stay in continuous communication with the Office of Commonwealth Preparedness and the Virginia Department of Emergency Management.

STANDARD OBJECTIVE: AGENCY ADMINISTRATION

The Virginia Performs Management Scorecard program has served as a common gauge of agency operations over the past several years. To help punctuate these accomplishments, the Governor's Office would like to include the results of each agency's performance in its strategic and service area plans. This addition should be made to the Administrative and Support Service Area of an agency's service area plan. If an agency does not have an Administrative and Support Service Area, then it should choose the most logical service area where an administrative type of objective would fit. If an agency does not have any service area appropriate for this objective, include it in the agency's strategic plan.

The standard objective to use is outlined in the table below.

Objective	To ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.
Measure	Percent of scorecard categories marked as "meets expectations" for the agency Note: You may find your agency's most recent scores at: http://vaperforms.virginia.gov/agencylevel/src/scorecardresults.cfm
Measure type	Outcome
Measure frequency	Quarterly
Baseline	The 2007 score of the agency
Target	To be developed by each agency
Data source and calculation	The Management Scorecard grades agencies on six criteria. Take the number of cases where your agency scored "Meets Expectations" and divide by six. For example, if your agency "Meets Expectation" in four cases, and "Needs Improvement" in two, divide four by six, to receive a score of 66.7%. This number will serve as your agency's baseline as we head into the new biennium.
Strategy	To be developed by each agency

APPENDICES

□ *Appendix A: Information Technology Investments*

Agencies must post Appendix A on their Web site in the same location as their Agency Strategic Plan)

This detailed view of information technology investments 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). Each investment is also classified into one of the following categories, as defined in the *Code of Virginia* and the Commonwealth Technology Management Glossary:

- IT Projects (Major and Non-Major)
- IT Procurements (Standalone and Project-Related; Major and Non-Major)

The Commonwealth has implemented an application to capture required strategic and service planning information. This application is called the Commonwealth Technology Portfolio (ProSight). Embedded within the workflow area of this application is specific guidance regarding the completion of agency IT strategic planning information. A printed copy of these instructions can be found at the following link, http://www.vita.virginia.gov/ctp/docs/AITR_MyProcesses.pdf. The ProSight system may be accessed at: <http://www.vita.virginia.gov/ctp/proSight.cfm>.

Following are the investment categories as defined in the *Code of Virginia* and the Commonwealth Technology Management Glossary.

- IT Projects (Major and Non-Major) - A project is a temporary endeavor undertaken to deliver a unique product or service.

Major IT Project - In the Commonwealth of Virginia, a major IT Project is any state agency information technology project that: (i) is mission critical, (ii) has statewide application, or (iii) has a total estimated cost of more than \$1 million.

Non-Major IT Project - In the Commonwealth of Virginia, non-major IT Projects are those technology projects with an estimated total project cost of less than \$1 million and not deemed to be mission critical or designated by the Chief Information Officer as having statewide application.

- IT Procurements (Standalone and Project-Related; Major and Non-Major)

Procurements are used to obtain goods or services and include all activities from the planning steps, preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment. There are two types of information technology procurements, standalone procurements and project-related procurements. Examples of procurements are as follows:

- ✓ Application-Agency: Procurement supports an agency's application. An example is staff augmentation.
- ✓ Application-Enterprise: Procurement supports an enterprise application. An example is any procurement that supports the VEAP project.
- ✓ Infrastructure-Specialized, Agency: Procurement that supports specialized infrastructure out of scope to VITA. An example is point of sale equipment used by the Department of Alcoholic and Beverage Control in the ABC stores.

- ✓ Infrastructure-VITA: Procurement that supports a new VITA service or an enhancement to an existing VITA service.
- ✓ Instruction/Research: Procurement that supports instruction/research type functions in higher education only.
- ✓ Dep't of Rehabilitative Services Fees: Procurement that documents service fees paid by rehab agencies to the Department of Rehabilitative Services for managing their IT functions.

Standalone Procurements – These procurements are used to obtain goods or services, not associated with a project, and include all activities from the planning steps to preparation and processing of a requisition, through receipt and acceptance of delivery and processing of a final invoice for payment. Examples: a procurement to renew an existing software license; a procurement to retain contracting services to augment existing staff.

Project Related Procurements – These procurements are those that must be executed in order to complete a project. For example, if it were necessary to procure an application, hardware, or services to complete a project, the procurement cost would be included in the total project cost and would not be reported separately.

Both standalone and project-related procurements can be further classified as major or non-major.

Non-Major IT Procurements – Cost falls between \$50,000 and \$1 million.

Major IT Procurements – Cost is equal to or greater than \$1 million.

A major IT project can have major and/or non-major IT procurements. However, a non-major IT project can only have non-major IT procurements.

Note that any investments that are associated with a grant must be entered into the Commonwealth Technology Portfolio (ProSight) prior to or at the time of submitting the grant application. Many grants have very strict timelines; and in order to meet these timelines, it is important for the agency to obtain planning approval as soon as the decision is made to apply.

Examples of Appendix A (breakdown of IT projects and procurements):

Major IT Projects

The following example is a project that crosses biennia. Therefore, the estimated costs for the first and second year of the biennium do not equal the estimated total cost. The project also has an associated procurement.

PROJECT NAME: Integrated Systems Redesign			
DESCRIPTION: Redesign DMV core mainframe systems and related applications.			
Is this a proposed project or the continuation of an active project? (Proposed or Continuing)?			Proposed
Appropriation Act/Funding Status			
Planned project start date:	7/1/2006	Planned project end date:	6/30/2009

Estimated Costs:	Total	General Fund	Nongeneral Fund	Nongeneral Fund Type
Project Cost (estimate at completion):	\$32,600,000.00	\$0.00	\$32,600,000.00	
Estimated project expenditures first year of biennium:	\$4,800,000.00	\$0.00	\$4,800,000.00	Nongeneral - State
Estimated project expenditures second year of biennium:	\$16,000,000.00	\$0.00	\$16,000,000.00	Nongeneral - State
Funding Required:	Total	General Fund	Nongeneral Fund	Nongeneral Fund Type
Funding required for first year of biennium:	\$0.00	\$0.00	\$0.00	Nongeneral - State
Funding required for second year of biennium:	\$0.00	\$0.00	\$0.00	Nongeneral - State
Service Area:		Weight:		
154 DMV 69902 Information Technology Services		Primary		
154 DMV 60101 Vehicle Regulation Services		Secondary		
154 DMV 60103 Driver Regulation Services		Secondary		
154 DMV 60105 Motor Carrier Regulation Services		Secondary		
154 DMV 69901 General Management and Direction		Secondary		
Project Related Procurements				
Contractor Services for BPR				
Procurement Description:	Through a Statement of Work using an exiting Advanced IT Services Contract, DMV is seeking a business process re-engineering contractor who will provide support to the DMV System s Redesign project during Phases 1, 2, and 3.			
Planned Delivery Date: 9/5/1006	Procurement Cost: \$4,750,000			

Non-Major IT Projects

The following example is a project that has allocated funds and will be completed in the next biennium. Therefore, the estimated costs for the first and second year of the biennium do equate to the estimated total cost. The project also has associated procurements.

PROJECT NAME: ABC Data warehouse			
DESCRIPTION: Expand data warehouse capabilities into finance, policy and analysis			
Is this a proposed project or the continuation of an active project? (Proposed or Continuing)?		Continuing	
Appropriation Act/Funding Status			Fully Funded NGF 100%
Planned project start date:	3/1/2004	Planned project end date:	6/30/2008

Estimated Costs:	Total	General Fund	Nongeneral Fund	Nongeneral Fund Type						
Project Cost (estimate at completion):	\$600,000.00	\$0.00	\$600,000.00							
Estimated project expenditures first year of biennium:	\$0.00	\$0.00	\$0.00	Nongeneral - Other						
Estimated project expenditures second year of biennium:	\$0.00	\$0.00	\$0.00	Nongeneral - Other						
Funding Required:	Total	General Fund	Nongeneral Fund	Nongeneral Fund Type						
Funding required for first year of biennium:	\$100,000.00	\$0.00	\$100,000.00	Nongeneral - Other						
Funding required for second year of biennium:	\$500,000.00	\$0.00	\$500,000.00	Nongeneral - Other						
<table> <tr> <td>Service Area</td> <td>Weight</td> </tr> <tr> <td>999 ABC 80102 Alcoholic Beverage Control Retail Store Operations</td> <td>Primary</td> </tr> <tr> <td>999 ABC 80103 Alcoholic Beverage Purchasing, Warehousing and Distribution</td> <td>Secondary</td> </tr> </table>					Service Area	Weight	999 ABC 80102 Alcoholic Beverage Control Retail Store Operations	Primary	999 ABC 80103 Alcoholic Beverage Purchasing, Warehousing and Distribution	Secondary
Service Area	Weight									
999 ABC 80102 Alcoholic Beverage Control Retail Store Operations	Primary									
999 ABC 80103 Alcoholic Beverage Purchasing, Warehousing and Distribution	Secondary									
Project Related Procurements										
ETL tool										
Procurement Description:	ETL tool									
Planned Delivery Date:	10/1/2006	Procurement Cost:	\$175,000.00							

Standalone Major IT Procurement:

Stand Alone Major Procurements

Procurement Name:	Upgrade PBX procurement						
Procurement Description:	Up grade the PBX to new technologies supported by the manufacturer.						
Project Planned Start Date	8/7/2007	Project Planned Completion Date	8/7/2007				
Procurement cost (estimate at completion):	\$3,200,000.00	Appropriation Act Status					
<table> <tr> <td>Service Area:</td> <td>Weight:</td> </tr> <tr> <td>214 LU 10000 Educational and General Programs</td> <td>Primary</td> </tr> </table>				Service Area:	Weight:	214 LU 10000 Educational and General Programs	Primary
Service Area:	Weight:						
214 LU 10000 Educational and General Programs	Primary						

Standalone Non-Major IT Procurements

Procurement Name:	License and support renewal S/W, Point Of Sale 2008		
Procurement Description:	License and support renewal S/W, Point Of Sale		
Project Planned Start Date	6/1/2008	Project Planned Completion Date	6/1/2008
Procurement cost (estimate at completion):	\$200,000.00	Appropriation Act Status	
Service Area:	Weight:		
999 ABC 80103 Alcoholic Beverage Purchasing, Warehousing and Distribution	Primary		

- ❑ *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 structure inserted here should not contain names.

SERVICE AREA PLAN

SERVICE AREA PLAN

The service area plan is a management tool that details what a specific service area is planning to achieve. It assists management in several ways:

- ❑ To proactively identify what products and services are supplied to customers and how they align with mandates or the strategic direction of the organization.
- ❑ To identify issues around customers, products, and services, such as any changes and challenges.
- ❑ To identify current and future resource levels such as funding.
- ❑ To set clear objectives and determine how progress toward achieving them will be measured.
- ❑ To use the measures to determine whether specific strategies being implemented have the desired effect in making progress toward the achievement of an objective.
- ❑ To identify precise actions in the form of strategies that will contribute to the achievement of an objective.

SERVICE AREA PLAN STRUCTURE

Background Information

- ❑ Service area description
- ❑ Alignment to mission
- ❑ Statutory authority
- ❑ Customers: customer base; anticipated changes in base
- ❑ Partners (optional)
- ❑ Products & services: current products and services, factors impacting products and services, anticipated changes to products and services
- ❑ Resources: financial summary, human resource summary (optional)

Objectives & Measures

- ❑ Description
- ❑ **New: Standard objective and measure for “Agency Administration” if there is an Administration & Support or similar service area in the agency**
- ❑ **New: Identification of key objective(s) and key measures**
- ❑ Alignment
- ❑ Priority
- ❑ Measurement information:
 - Measure
 - Measure type
 - Measure frequency
 - Data source & calculation
 - Baseline
 - Target
- ❑ Strategies

Appendices

- A. Additional statutory authority information (optional)
- B. Service area structure (optional)

BACKGROUND INFORMATION

- ❑ *Service Area Description*
Provide a brief overview of the service area and its purpose.
- ❑ *Alignment to Mission*
Describe how the service area supports the mission of the organization.
- ❑ *Statutory Authority*
The information captured here will also roll up to the agency strategic plan. For a description of what to include in this section, refer to the information in this handbook under “Agency Strategic Plan - Background Information - Statutory Authority.”
- ❑ *Customers*
The information captured here will also roll up to the agency strategic plan. For a description of what to include in this section, refer to the information in this handbook under “Agency Strategic Plan - Background Information – Customers.”
- ❑ *Partners*
The information in this section is optional. If you use this section, the information captured here will also roll up to the agency strategic plan. For a description of what to include in this section, refer to the information in this handbook under “Agency Strategic Plan - Background Information – Partners.”

Examples of how a service area might use this section in its service area plan:

- *The Foster Care service area uses local governments as well as 10-12 private and not-for-profit entities throughout the state to recruit foster parents.*
- *The Adoption service area uses local governments as well private and not-for-profit entities throughout the state for its recruiting process.*

- ❑ *Products and Services*
The information captured here will also roll up to the agency strategic plan. For a description of what to include in this section, refer to the information in this handbook under “Agency Strategic Plan - Background Information – Products and Services.”
- ❑ *Resources*
The resources section will list the service area’s available resources from both a financial and staffing perspective.

Financial Resource Summary

The information captured here will be a service area view. It will roll up to the agency strategic plan. For a description of what to include in this section, refer to the information in this handbook under “Agency Strategic Plan – Resources – Financial Resource Summary.”

Human Resource Summary (Optional)

The information captured here will be a service area view. It will roll up to the agency strategic plan. For a description of what to include in this section, refer to the information in this handbook under “Agency Strategic Plan – Resources – Human Resource Summary”).

OBJECTIVES AND MEASURES

The Objectives and Measures section of the service area plan will document the objectives the service area wishes to achieve, the alignment of the objectives to a mandate or to the strategic direction of the organization, the measures that will be used to assess whether the supporting strategies are having the desired effect, and the ultimate level of success achieved.

- ❑ *Objective*
State the service area objective to be undertaken.
- ❑ *Description*
Provide a brief narrative overview of the objective, including its purpose.
- ❑ *Alignment*
Provide a brief description of how this objective aligns with a mandate the service area has or the strategic direction (i.e., a specific goal in the Agency Strategic Plan) of the organization.
- ❑ *Priority*
Establish a numeric priority for the objective relative to the other objectives in the plan, with one being the highest priority.

Example:

<i>Objective</i>	<i>To improve customer satisfaction with our services.</i>
<i>Description</i>	<i>This objective ensures that we work proactively to understand our customers' changing needs and their level of satisfaction with the way we deliver our services to them. It focuses our attention on identifying gaps in service and any problems with delivery vehicles.</i>
<i>Alignment</i>	<i>The services provided by this service area are mandated in section 2.2-1500 of the Code of Virginia. In addition, this objective aligns to the strategic direction of the organization under the agency's strategic goal# 4: Deliver high-quality customer-focused services.</i>
<i>Priority</i>	<i>Priority #1</i>

- ❑ *Measurement Information*
A measure is a meaningful indicator used to determine performance, a criterion or value used to determine the magnitude or degree of something, a tool used by management and members of the organization to determine the effect that strategies and activities are having on the accomplishment of objectives and goals. Measures are assigned to objectives. An objective can have one or multiple measures. As there are also different types of measures – input, output, and outcome. An objective can be measured different ways to ensure the desired results are being achieved. When establishing measures, it is highly recommended that data be gathered and results monitored monthly.

For a description of what to include in this section, refer to the information in this handbook under “Agency Strategic Plan - Background Information – Measures.”

KEY OBJECTIVES AND KEY MEASURES

Each agency must identify at least one key objective and at least one of the objective's associated key measures to report to the Governor's Office.

- ❑ **Key objectives** are the desired outcomes for an agency's major or most important programs or activities.
 - Standard phrasing will be required for key objectives. They must start with the phrase "We will..."
- ❑ **Key measures** are indicators of how well an agency is performing on the major or most important programs or activities (i.e., the key objectives) that reflect the agency's primary mission.
 - If a measure is designated as "key," the objective to which it aligns is automatically designated as "key."
 - Standard phrasing will be required for key measures. The required phrasing results in a **Key Measure Summary**, reported as follows:
 - They start with the phrase "We will..."
 - The sentence that follows the introductory phrase combines the measure with the target to create a summary of desired performance, communicated in a citizen-friendly manner.
 - A field has been developed in the strategic planning area of Virginia Performs. If you check the "Governor's Key" box to designate a measure as a "key measure," a new field entitled **Key Measure Summary** will pop up. Record your "We will..." statement for the key measure in that field. The key measure summary statement will appear in the measures information section in your agency's strategic plan with the title "Key Measure Summary." Note: The "Governor's Key" box is only checked if the measure has been approved as key by the Governor's office.
- ❑ Key objectives and measures are monitored by the Governor's Office and reviewed as part of the budget decision-making process.
- ❑ If you wish to make a change to a key objective or key measure (e.g., add, delete, revise), DPB will facilitate obtaining approval through the Governor's Office. Please notify your DPB analyst of any changes in advance of requesting approval.

EXAMPLE: KEY OBJECTIVE & KEY MEASURE SUMMARY

Objective & Measure as Reported in the Department of Juvenile Justice Service Area Plan		Conversion to a Key Objective and a Key Measure Summary
Objective: To decrease the number of repeat juvenile offenders in Virginia, specifically those convicted of a new misdemeanor or felony within one year of being placed on probation with DJJ.	→	Key Objective: We will decrease the number of repeat juvenile offenders in Virginia, specifically those convicted of a new misdemeanor or felony within one year of being placed on probation with the Department of Juvenile Justice.
Measure: Percentage of juveniles convicted of a new misdemeanor or felony within a year of being placed on probation	→	Key Measure Summary: We will reduce the percentage of juveniles convicted of a new misdemeanor or felony within a year of being placed on probation to 20.6% by 12/1/2008.
Target Value: 20.6% or less	→	
Target Date: 12/1/2008	→	

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: Organizational Structure (Optional)*

In this appendix the agency may insert its organizational structure. The organizational structures inserted here should not contain names.

ANNUAL PLANNING CALENDAR

ANNUAL PLANNING CALENDAR

PLANNING CALENDAR OVERVIEW

One of the keys to understanding the process of strategic planning, service area planning, and performance based budgeting is the planning cycle. This is best explained through the annual planning calendar. The calendar depicts the high-level, standard cyclic events that take place over the period of a biennium and show the relationship between them.

Two calendars are shown below. The calendar headed “Example” spans the period of four calendar years, showing three biennia with each biennium consisting of years one and two. Following the example calendar is a calendar headed “Actual” that depicts the actual dates for the next four calendar years.

EXAMPLE - THE CYCLE:

The annual planning calendar of events starts in the spring of calendar year one when agencies prepare their service area and strategic plans for biennium two. These plans will be used to create and support the base budget of the organization.

Note: The dates in the Annual Planning Calendar may vary based upon factors such as:

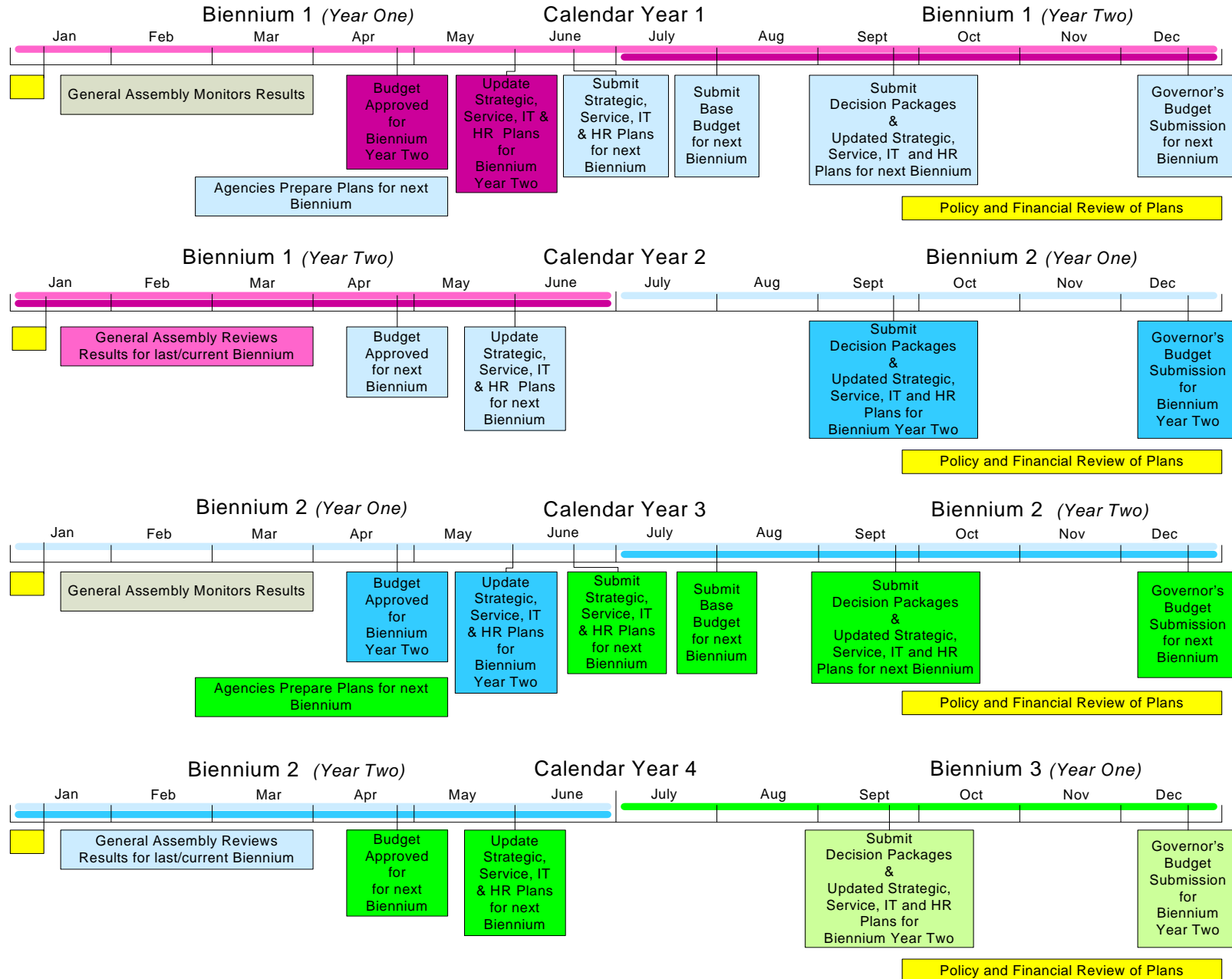
- Extension of the General Assembly session
- Governor’s amendments at the re-convened session
- Governor’s vetoes

CALENDAR YEAR ONE	
July	Strategic and service area plans will be submitted.
August	Organizations will submit their base budgets.
September	Decision packages will be submitted supported by updates to the service area and strategic plans.
<i>Note: After the submission of the decision packages, plans will undergo a continuous process of review for alignment to policy and financial changes made during the budgeting process. This review process will end in January.</i>	
December	Governor will publish the budget to be presented to the General Assembly. Plans will be updated to align with budget.
CALENDAR YEAR TWO	
April	Budget approved.
May	Strategic and service area plans will be updated based upon the outcome of the budget.
<i>Note: Plans are executed July 1, at the start of the biennium. The collection of measurement data starts. Agency management teams can begin the process of monitoring, managing, and decision making based upon data collected and indicators read.</i>	
October	Decision packages will be submitted for the second year of the biennium
November	Strategic and service area plan updates to reflect 2006 General Assembly budget actions (Chapter 3).
<i>Note: After the submission of the decision packages, plans will undergo a continuous process of review for alignment to policy and financial changes made during the budgeting process. This review process will end in January.</i>	
December	Governor will publish the budget to be presented to the General Assembly. Plans will be updated to align with budget.

CALENDAR YEAR THREE	
Spring	Agencies start the process of reviewing and updating service area and strategic plans for biennium three using data collected and performance achieved to date. These plans will support the submission of the base budget.
April	The budget for biennium two (<i>year two</i>) is approved.
May	Updated strategic and service area plans will be submitted for biennium two (<i>year two</i>) based upon the outcome of the budget.
June	Updated strategic and service area plans for biennium three will be submitted.
<i>Note: On July 1, 2007 the execution of updated biennium plans continues.</i>	
August	Organizations submit their base budgets for biennium three.
September	Decision packages will be submitted supported by updates to the service area and strategic plans for biennium three.
<i>Note: After the submission of the decision packages, plans will undergo a continuous process of review for alignment to policy and financial changes made during the budgeting process. This review process will end in January.</i>	
December	Governor will publish the budget to be presented to the General Assembly. Plans will be updated to align with budget.
CALENDAR YEAR FOUR	
April	Budget for biennium three is approved.
May	Updated strategic and service area plans will be submitted based upon the outcome of the budget.
<i>Note: Plans are executed July 1, calendar year three, for biennium three.</i>	

As can be seen from the above cycle, after the initial strategic and service area plans have been created, they can be simply maintained by a cyclic process and resubmitted with each required update. On the following page is a diagram of the annual planning calendar. It is recommended that this calendar be printed in color for readability.

ANNUAL PLANNING CALENDAR (Actual)



GLOSSARY OF TERMS

GLOSSARY

Annual Planning Calendar	The annual planning calendar identifies when steps within the planning cycle are to be completed and when outputs (e.g., a plan or budget) are to be delivered.
Baseline	<p>A baseline is a description of the current state of data reported in a measure. It is the starting point from which an organization tracks progress and improves. Baselines should be included for new measures that are identified in a plan.</p> <p>Example:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Measure: % of new budget initiatives in the introduced budget bill with specified performance measures or outcomes <input type="checkbox"/> Baseline: 100% as of 12/31/06
Customer	<p>Customers are persons, groups, or organizations directly impacted by the products and services an organization provides. Customers can be classified as internal (i.e., co-workers, other departments within an organization) or external (i.e., service recipients, purchasers of your products). They are often referred to by different names (e.g., client, citizen, patient), depending on the industry.</p> <p>Any person, group or organization that has a vested interest in the agency's attention, resources or services or is affected by what the agency does or the service it provides; the primary intended beneficiaries of agency services, the group(s) of individuals whom the agency exists to serve</p> <p>Example: Adults over the age of 65 who live in Virginia</p>
Goal	<p>A goal is a broad, general statement of the long-term results needed to achieve the mission and vision. It is typically phrased in general language, such as to strengthen, serve, become, or improve. A goal is clarified by the objectives associated with it.</p> <p>Example: Provide state-of-the-art financial management for the Commonwealth to protect its fiscal integrity.</p>
Input Measure	<p>Tracks the resources dedicated or consumed by the service area (e.g., appropriations, staff, capital, technology).</p> <p>Example: Number of hours used to analyze a new software package</p>
Key Measure	Key objectives are the desired outcomes for an agency's major or most important programs or activities.
Key Objective	Key measures are indicators of how well an agency program is performing on the activities that reflect the agency's primary mission.
Measure	A measure is a meaningful indicator used to determine performance, a criterion, or value used to determine the magnitude or degree of something.

	Example: % of new budget initiatives in the introduced budget bill with specified performance measures or outcomes
Mission	<p>A mission is a statement of an organization’s purpose. It is the fundamental reason for an organization’s existence. 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. The primary purpose of the agency, the reason for its existence.</p> <p>Example: Department of Planning & Budget – We advise the Governor on how to wisely use public resources. We analyze, develop, and carry out fiscal, programmatic, and regulatory Policies that benefit Virginians.</p>
Objective	<p>An objective is a description of the results that, when achieved, moves an organization toward its stated goals.</p> <p>Example: Develop a financially balanced and structurally sound budget for Virginia.</p>
Outcome	<p>An outcome is a change that results from actions taken. It is the way a customer or stakeholder responds to a product or service.</p> <p>Example: Immunized child</p>
Outcome Measure	<p>Tracks changes/benefits experienced by intended beneficiaries at least partially because of agency services provided to them. Changes/benefits typically relate to beneficiaries’ behavior, condition, knowledge, attitude, skills, and values (e.g., change in reading ability, employment status).</p> <p>Example: Customer satisfaction rate</p>
Output Measure	<p>Tracks the direct products of agency activities; usually reported as the number of units of service provided (e.g., number of training sessions held, miles of road repaired).</p> <p>Example: Number of service calls completed</p>
Partner	<p>An organization that a state agency uses or collaborates with to deliver its services. A partner could be another government entity, a not-for-profit organization, or a private organization</p> <p>Example: Local government</p>
Performance Budgeting	<p>A systematic incorporation of planning, strategic performance, and productivity measurement, and program evaluation information into the budgetary process</p>
Product	<p>A product is an item an agency produces (i.e., the tangible output of a process) to meet the needs or demands of its customers and fulfill its</p>

	<p>mission.</p> <p>Example: Driver's license issued by the Department of Motor Vehicles</p>
Service	<p>A service is a distinct endeavor that an agency undertakes to meet the needs or demands of its customers and fulfill its mission. A service can result from action taken by a single service area or multiple service areas. The service can impact individuals, groups of individuals, organizations, or organizational units both internal and external. An example of an internal service may be the information-technology support to the business units of the organization. An example of an external service may be a service supplied to a citizen or another part of government such as state or local agencies that receives financial support.</p> <p>Example: Water quality testing done by the Department of Environmental Quality</p>
Service Area	<p>In the 2005 program budgeting system, a subprogram generally equates to a service area, i.e., an area of expenditure that supports one or more products or services. A service area can cut across more than one organizational unit.</p> <p>Example: Department of Motor Vehicles – 60101 Vehicle Regulation Services</p>
Service Area Plan	<p>A service area plan is an operational management tool and document, developed by an agency, for use in managing the service area and guiding the expenditure of service area resources.</p>
Strategy	<p>Strategies are actions that support the accomplishment of the strategic plan and deliver the results needed to accomplish goals and objectives.</p> <p>Alternate definition (Michael Porter): ... the set of activities in which an organization will excel to create a sustainable difference in the marketplace.</p> <p>Specific actions or tasks an agency intends to carry out to accomplish its objectives within a specified time frame; specifies the methods of achieving an objective.</p> <p>Example: Submit a budget to the General Assembly that has clear performance measures for budget actions involving new initiatives.</p>
Strategic	<p>Strategic is large scale and/or long-term.</p>
Strategic Plan	<p>The strategic plan is a statement or affirmation of your organization's intention for the next period of time specified and is the basis for monitoring its progress and determining results.</p>
Strategic Planning	<p>Strategic planning is a continuous and systematic process where the guiding members of an organization make decisions about its future, develop the necessary procedures and operations to achieve that future, and</p>

	<p>determine how success is to be measured. (Goodstein, Nolan, Pfeiffer)</p> <p>It is the systematic clarification and documentation of what an organization wishes to achieve and how to achieve it. The objective of strategic planning is a set of goals, action steps, and measurements constructed to guide performance.</p>
S.W.O.T. Analysis	<p>A S.W.O.T. analysis is an assessment to develop a clear sense of an organization's strengths (S-internal resources or capabilities), weaknesses (W-internal deficiencies in resources or capabilities), opportunities (O-external factors or situations that can favorably impact the organization), and threats (T-external factors or situations that can negatively impact the organization).</p>
Target	<p>A target is the specific level of performance you are striving to achieve.</p> <p>Desired level of performance of an objective which can be measured within a specific point in time, usually expressed as a number or percentage.</p> <p>Example:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Measure: % of new budget initiatives in the introduced budget bill with specified performance measures or outcomes <input type="checkbox"/> Target: 100% by 12/31/07
Values	<p>Values are the principles that govern behavior and the way in which the organization and its members conduct business.</p> <p>Example: Integrity, professionalism, creativity, responsiveness, accountability, customer focus, and performance</p>
Vision	<p>An inspirational expression of a future condition for the Commonwealth that is both essential and desirable and extends at least 10 years into the future.</p> <p>A vision is a description of the ideal future state of the organization. It 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 incorporates a shared understanding of the nature and purpose of the organization and uses this understanding to move the organization toward a greater purpose.</p> <p>Example: Department of Rail & Public Transportation: Every resident, visitor, and business in Virginia will have attractive transportation choices.</p>

DOCUMENT INFORMATION

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1	First Publication.	5/01/2005
2	Information Technology Summary Update	8/7/2006
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