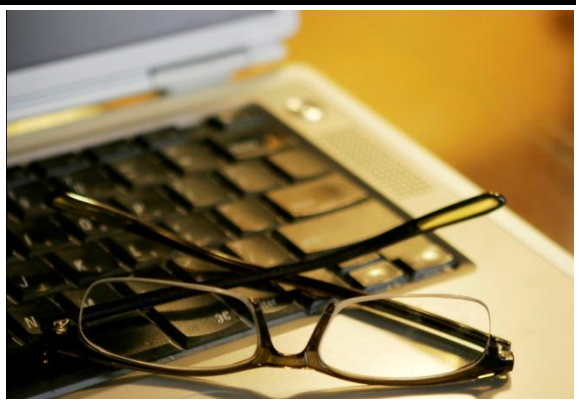
Strategic Planning Workshop Series

Commonwealth of Virginia



Strategic Planning for the 2012-2014 Biennium

July 28, August 2 & 3, 2011

Office of the Secretary of Finance
Department of Planning and Budget

STRATEGIC PLANNING FOR THE 2012-2014 BIENNIUM

Facilitators and Subject Matter Experts

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- Don Darr and Christy Berry, Department of Planning and Budget

Learning Objectives

At the end of today's session, you should be able to:

- Describe how the agency strategic planning process has evolved over the past few years.
- Explain the purpose and benefits of strategic planning.
- Describe the planning process.
- Determine how to develop and align objectives to support enterprise priorities and strategies.
- Describe criteria for developing clear and effective mission statements.
- List the parts that comprise measures used in agency strategic and service area plans and describe how measures are typically structured.
- Evaluate and improve agency measures and prevent common errors.

Agenda

- Introduction: Agenda and Learning Objectives
- Opening Remarks
- Enterprise Strategic Priorities and Strategies
- Auditor of Public Accounts Observations and Findings – 2010 Audit of Agency Measures
- The Strategic Planning Process & Calendar; Changes for the Next Biennium
- Agency Strategic Plan and Service Area Plan Structures
- Improving Mission Statements
- Improving Measures

Introductory Remarks .....Notes

Introductory Remarks - The Evolution of Strategic Planning in the Commonwealth

COMPELLING REASONS FOR CHANGE

- It's good "business."
- Sets the stage for significant, positive changes in societal outcomes.
- Continuation of improvement efforts.
- Establishes a system that can transcend administrations.
- Right timing (opportunity to leave a legacy

KEY CHANGES AND OUTCOMES OVER TIME

- More robust planning process
- Stronger link between agency plans and their budgets
- Transition to performance budgeting that provides decisions makers the tools to:
  - Define priorities and clearly show what needs to be done
  - Determine resources needed to carry out initiatives and manage state government efficiently
  - Gauge how well we are accomplishing our objectives and serving citizens
- Standardization of the strategic plan structure – first used for 2008-2010 biennium
- Greater transparency
  - Publication of agency strategic plans on agency and Virginia Performs web sites
  - Results reporting on Virginia Performs web site
- Ongoing improvements in the quality of strategic plans and performance measures
- Ongoing investment in training
- New performance budgeting system
- Establishment of a standardized approach for conveying strategic priorities from the Cabinet to agencies

THE PLANNING and BUDGETING LINK

- Strategic planning begins the 2012-2014 budget process.
- Your strategic plan is the foundation for your budget requests.
- Quality performance measures and accurate, timely results data are important.
- Agency performance is one input used to make budget decisions by the following: Governor's Office, Cabinet, Department of Planning and Budget (DPB).
- Your strategic plan will eventually be a public document.

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Introductory Remarks - The Evolution of Strategic Planning in the Commonwealth

KEYS TO SUCCESS

- This is not about compliance.
- The development and use of a strategic plan provides ongoing value to management.
- Plans should be developed with input from key constituent groups and agency staff.
- Plans should be used to lead the agency and make decisions.
- Development of your plan at the right time is important.

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ONGOING CHALLENGES

- There is a need for a concise mission statement. It will be in the budget document.
- Performance measures:
    - Have a plan for periodic reviews and improvement.
    - Focus should be on outcomes and on the most important agency work.
- Use of plans and performance data:
    - Should be a normal part of the way you do business.
    - Timely reviews of progress and results allow for course corrections.

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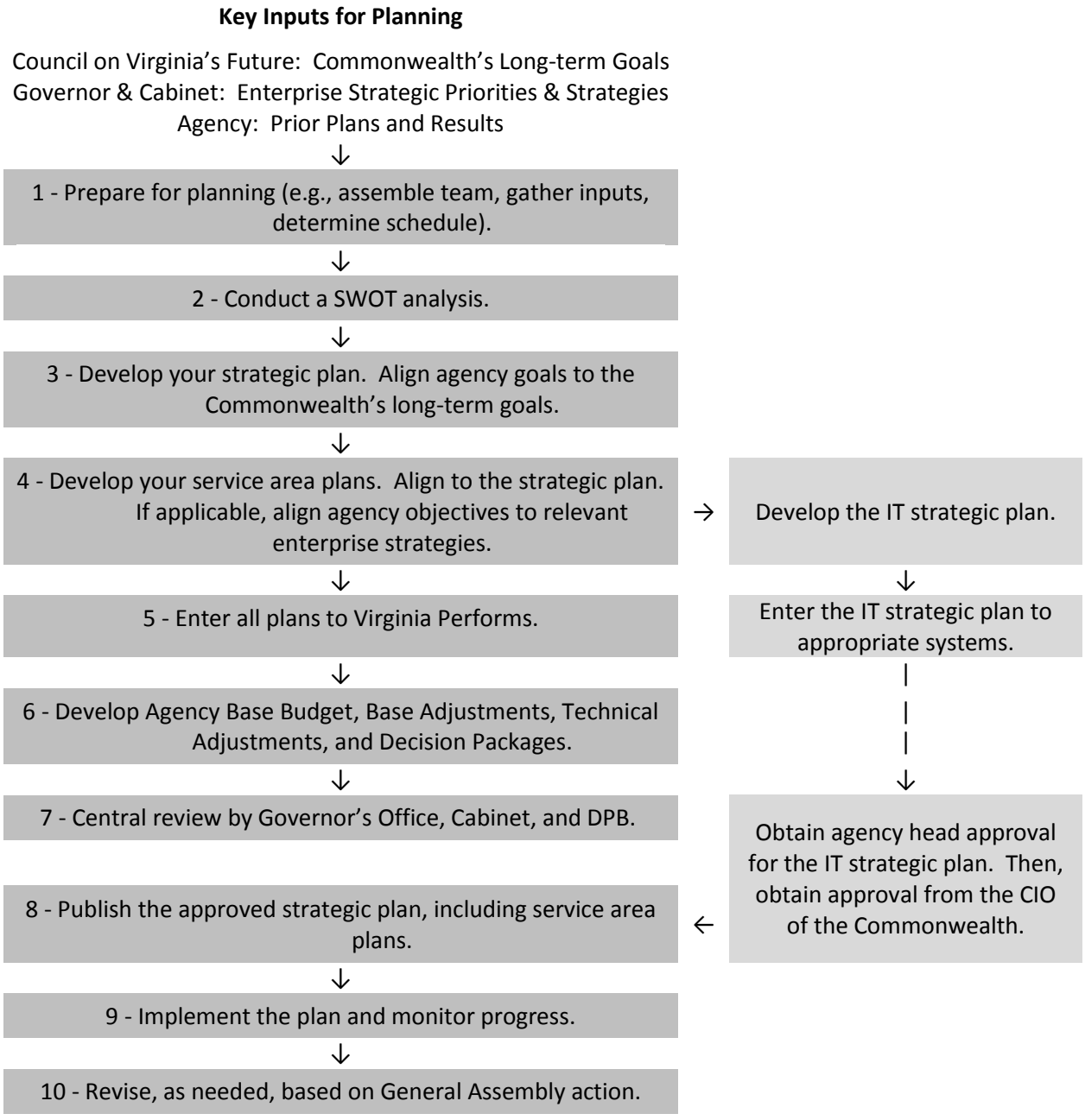
Planning Calendar – Key Agency Due Dates

FUNCTIONAL AREA	DATE	EVENT
Budget Development - Base Budget	August 15	Base budget due from agencies.
Strategic Planning	August 26	Agency and Service Area Strategic plans due to DPB (except for IT strategic plan).
Budget Development - Technicals	September 1	Agencies submit base budget and technical adjustments to DPB.
Budget Development - Decision Packages	September 15	Decision packages due.
Strategic Planning	October 3-7	Secretaries finalize review of agency strategic plans.
Strategic Planning	October 28	IT strategic plan is due to CIO of the Commonwealth
Strategic Planning	November 1	Agencies post approved strategic plans to their web sites.

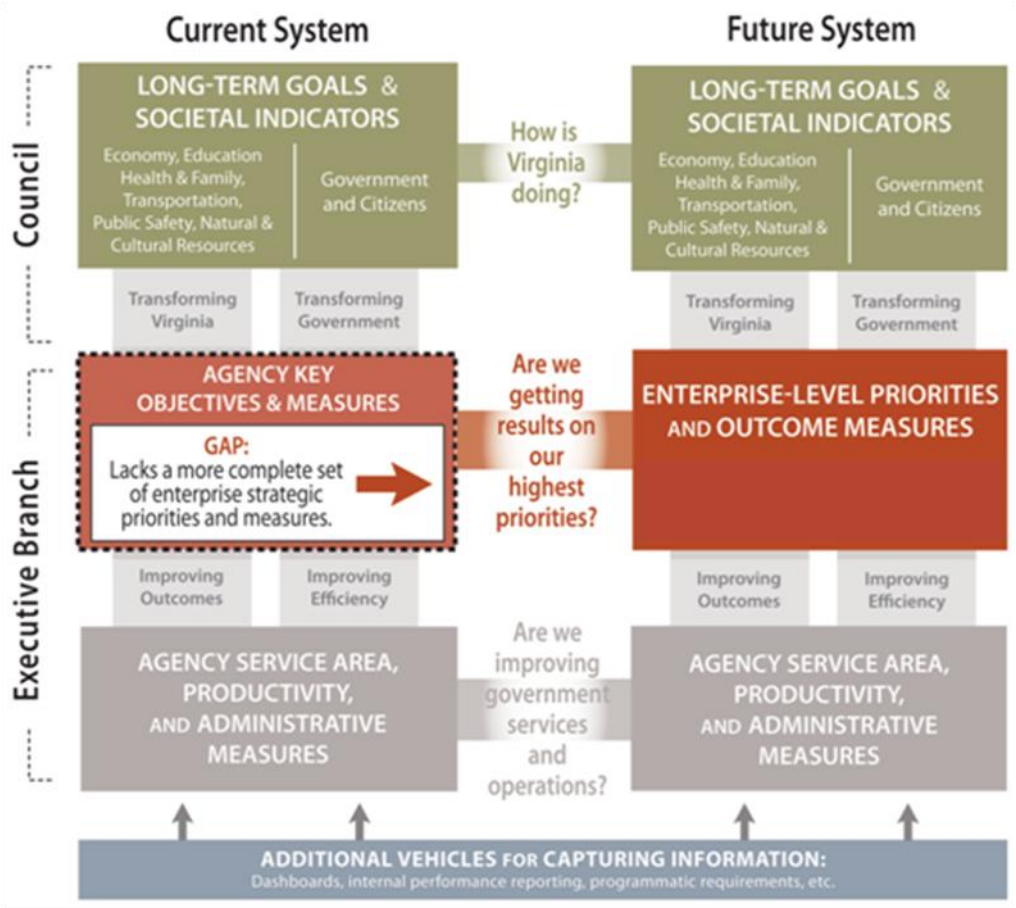
The first drafts of your strategic and service area plans will be done using Virginia Performs.

The Strategic Planning Process



Enhancing the Process: Enterprise Strategic Priorities

- In the past, agencies linked their plans to the Commonwealth's long-term goals, which are very broad (for example economy, transportation, health and family).
- We will continue to afford you the opportunity to make this linkage, and we will also provide the potential for your agency to link to the priorities and strategies that are of particular significance to this Administration.
- These enterprise priorities are not intended to capture all critical state functions as that is the purpose of the traditional agency-level strategic planning process.
- Instead, it is hoped that these priorities will educate and inspire agencies regarding how they can best contribute to these initiatives.



Enterprise Strategic Priorities – Example

EDUCATION	
5 - COLLEGE DEGREE ATTAINMENT Significantly increase college degree attainment in the Commonwealth; award 100,000 additional associate and bachelor's degrees by 2020.	5.1. Develop the roadmap and funding model to support policies established in the *Higher Education Opportunity Act* in order to enable the Governor and General Assembly to base the 2012-2014 biennial budget on the new funding model and policies, thereby aligning ongoing higher education investment with the reform and innovation objectives of the *Higher Education Opportunity Act*. 5.2. Establish a public-private partnership for science, technology, engineering and mathematics (STEM) education that develops and implements strategies toward increasing access to STEM education and future career opportunities. 5.3. Increase student interest in STEM fields and expand STEM–related teaching capabilities and numbers. 5.4. Enhance the six-year planning and review process to assist state-level and institutional-level determinations regarding higher education policies. 5.5. Use reform-based investment to promote excellence and efficiency in Virginia's higher education system. 5.6. Support the evolution of the Career Pathways system.

APA Audit Findings for the Year Ending 6/30/10

BACKGROUND ON APA'S REVIEW

- APA performs an annual review of performance measures information on the Virginia Performs web site.
- Required by Section 30-133(B) of the Code of Virginia.
- Performed annually since 2002.
- Statewide report is issued each year.
- Objectives are to determine whether the performance measure information is:
    - Accurate and reliable
    - Understandable
- Select a sample and review all of the data elements for each measure selected as they appear on the Virginia Performs website.

SUMMARY OF MEASURES TESTED SINCE 2008

	2008 Review	2009 Review	2010 Review
Number of Key Measures Tested	59	48	52
Number of Productivity Measures Tested	0	9	17
How We Selected Measures For Review	Key measures for 12 agencies – agencies with budgets greater than $1 billion or central service agencies	Key measures for 19 agencies with budgets between $50 million and $1 billion and productivity measures from agencies whose key measures were in the 2008 Review	Key measures and productivity measures for agencies with budgets between approximately $20 million and $50 million

APA Audit Findings for the year ending 6/30/10, continued

RESULTS OF THE REVIEW

- Most recent review covers FY 2010 and included 52 key measures and 17 productivity measures.
- 91% of performance measures results reported for 2010 were accurate and reliable.
- 95% of measures had some type of issue that affected understandability.

Most common understandability issues: measure names & measure methodologies

- Measure names
  - Measure name is worded like an objective.
    - *Starts with "we will…" or with a verb…*
  - Measure name is not consistent with other information within the measure or is unclear.
- Measure methodologies
  - Lack of clarity for average user
    - *Use of acronyms*
    - *Source of data/measure calculation excluded*

- Agencies and DPB need to improve their review of performance measures information.
- DPB should clarify procedures for updating and changing performance measures information.
- APA issues a statewide report with detailed information by agency and specific performance measures we reviewed.
- Report for FY 2010 is available at http://www.apa.virginia.gov/reports/SWAPM2010.pdf

APA Contacts: Linda.Wade@apa.virginia.gov; Judy.Bolt@apa.virginia.gov

Overview of Changes for the Next Biennium

ITEMS ELIMINATED

- Commonwealth Preparedness Goal and Associated Measure: This has been eliminated from the plan.

  Strengthen the culture of preparedness across state agencies, their employees and customers.

- Agency Administration Objective & Measure: This has been eliminated from the plan. Agencies will be required to develop at least one objective and measure for their Administrative and Support Services program.

  To ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.

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CHANGES

- Key Measures and Objectives:
  - Now called Agency Key Objectives and Agency Key Measures (not Governor's Key).
  - Key Measure Summary is eliminated. Therefore, the "We will" introductory phrase for key measure summaries is eliminated.
  - The "We will" introductory phrase for agency key objectives is eliminated. Start your agency key objectives with an action verb – just like other objectives.
- Targets:
  - Two targets will be required for each measure to standardize across state agencies.
  - The first required target date is June 30, 2013.
  - The second required target date is June 30, 2016.
- There is now an opportunity for agencies to link their objectives to enterprise strategies that support achievement of enterprise strategic priorities.

For your convenience, your 2010-2012 strategic and service area plans have been rolled over in Virginia Performs. This was not possible in those instances where you have a new program or service area.

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Information Technology (IT) Strategic Plan

- Only in-scope agencies need to prepare this.
- Remember that IT planning is a part of the agency strategic planning process.
- The IT strategic plan must be approved your agency head before submitting it the CIO of the Commonwealth for review and approval.
- Agencies are expected to manage their IT investments to their IT strategic plan although changes may occur.
- VITA will conduct refresher training on how to develop the IT strategic plan. Communication will be forthcoming.
- The IT strategic plan is a collaborative effort between the business and IT organizations.
- Representatives from the business and IT organizations are strongly encouraged to attend the refresher training.
- There will be a staggered submission date for the IT strategic plan. IT plans are due to the CIO of the Commonwealth on October 28, 2011.

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Refresher – Agency Strategic Plan Elements

ELEMENT	DESCRIPTION
Mission	A statement of an organization's purpose; the fundamental reason for an organization's existence
Vision (optional)	A description of the ideal future state of the organization
Values (optional)	The principles that govern behavior and the way in which the organization and its members conduct business
Executive Progress Report	Provides an overview of current agency performance and productivity; shows progress achieved, challenges being faced, and the direction for the future
Background information	• Statutory authority • Customers • Partners (optional) • Products and services • Resources: financial, human resources (HR), information technology (IT), capital
Goals	Broad statement of the long-term results needed to accomplish the organization's mission and achieve its vision • Goal summary and alignment • Objectives, measures and strategies (optional) • Measurement information (for listed measures): measure, measure type, measure frequency, methodology (data source and calculation), baseline, target
Appendices	• Information technology investments • Additional statutory authority information (optional) • Organization structure (optional)

Agency Service Area Plan Elements

ELEMENT	DESCRIPTION
Background information	• Service area description • Alignment to mission • Statutory authority • Customers • Partners (Optional) • Products and services • Resources
Objectives	With supporting strategies and measures
Appendices	• Additional statutory authority information (optional) • Service area structure (optional)

Mission Statement

A brief statement of an organization's purpose; the fundamental reason for an organization's existence

CHARACTERISTICS OF A WELL-WRITTEN MISSION STATEMENT

- Clear
- Concise
- Conveys the contribution your agency makes to society
- Broad enough to provide organization-wide strategic direction
- Specific enough to communicate the reason for the organization's existence to those not familiar with its work
- Written so that readers can distinguish it from other mission statements

We recommend that you include your agency's name so that the mission statement can stand alone.

> Example: The Department of Planning and Budget advises the Governor on how to wisely use public resources for the benefit of all Virginians by analyzing, developing, and implementing various fiscal, programmatic, and regulatory policies.

Remember that your agency's mission statement will be published in the Budget Document and on your agency's web site.

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EXAMPLES

- The (U.S.) Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.
- Google's mission is to organize the world's information and make it universally accessible and useful.
- Harley-Davidson, Inc. – We fulfill dreams through the experience of motorcycling, by providing to motorcyclists and to the general public an expanding line of motorcycles and branded products and services in selected market segments.
- The Virginia Department for the Aging fosters the independence and well-being of older Virginians and supports their caregivers through leadership, advocacy and oversight of state and community programs, and guides the Commonwealth in preparing for an aging population.
- The mission of the Frontier Culture Museum is to increase public knowledge of the formation of a distinctive American folk culture from a blending of European, African, and indigenous peoples.
- The Department of Correctional Education's mission is to provide quality educational programs that enable incarcerated youth and adults to become responsible and productive members of their communities.
- The mission of the Virginia Department of Emergency Management is protecting the lives and property of Virginia's citizens from emergencies and disasters by coordinating the state's emergency preparedness, mitigation, response and recovery efforts.

Mission Statement Exercise

1. Work in a small group of people from 2-4 different agencies.

2. Discuss mission statements in general and review one or two of those listed on the previous page.

3. Identify one or two guidelines for developing and evaluating mission statements, using the DOs and DON'Ts table below.

DOs	DON'Ts

4. Then, discuss your mission statements. Identify your agency and read your agency's mission statement to the group. Get feedback. Does it conform to the DOs?

5. Repeat step 4 for the other agencies represented in your group.

Refresher – Goals and Objectives

GOALS	OBJECTIVES
Broad statements of the long-term results needed to accomplish the organization's mission and achieve its vision; part of your agency's strategic plan Typically start with a verb and are phrased in general language, such as to strengthen, expand, or improve. 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). Should be limited in number (5 to 7) to be manageable. Will generally extend past the biennial planning period.	A description of the results that, when achieved, move an organization toward its stated goals; part of your service area plans; may also be in your agency's strategic plan Objectives are shorter-term and/or narrower in focus than the goals they support. They describe the results needed to accomplish a goal. They usually begin with an action verb or an introductory phrase that is followed by an action verb. They should be measurable. Collectively, they address key business areas. There should be a manageable number of objectives for a given goal, but you must have at least one for each goal.

EXAMPLES

U.S. Department of Education

- Goal 1: Improve student achievement, with a focus on bringing all students to grade level in reading and mathematics by 2014.
  - Objective 1: Improve student achievement in reading/language arts.
  - Objective 2: Improve student achievement in mathematics.
  - Objective 3: Improve teacher quality.
  - Objective 4: Promote safe, disciplined, and drug-free learning environments.
  - Objective 5: Increase information and options for parents.
  - Objective 6: Increase the high school completion rates.
  - Objective 7: Transform education into an evidence-based field.
- Goal 2: Increase the academic achievement of all high school students.
  - Objective 1: Increase the proportion of high school students taking a rigorous curriculum.
  - Objective 2: Promote advance proficiency in mathematics and science for all students.
  - Objective 3: Increase proficiency in critical-need foreign languages.

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Aligning Agency Objectives to Enterprise Strategies

Commonwealth's Long-Term Goals ↑	Enterprise Strategic Priorities ↑
Agency Goals (from the Agency's Strategic Plan) ↑	Enterprise Strategies ↑
Agency Objectives (primarily from the agency's service area plans) Align with agency goals. Support enterprise strategies, if applicable.	

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Tips for Writing Better Objectives

TIP #1: By answering the following questions, you should be able to identify objectives that support achievement of a specific goal.

- *What has to be accomplished in order to achieve this goal?*
- *How can I break this goal into smaller, more manageable pieces?*

TIP #2: Try to distinguish objectives from functions or responsibilities.

- Functions – statements that describe what you do (responsibilities)
- Objectives – statements of what you want to achieve (transformational; aspirational)

SOUNDS LIKE A FUNCTION (AVOID)	SOUNDS LIKE AN OBJECTIVE (YES!)
Enforce fair housing laws.	Introduce existing products into a new market.
Assist American citizens to travel, conduct business and live abroad securely.	Increase community outreach.

TIP #3: After writing objectives for a goal, review the objectives as a group and ask whether the set of objectives, if accomplished, will enable your agency to achieve the goal. Is anything missing?

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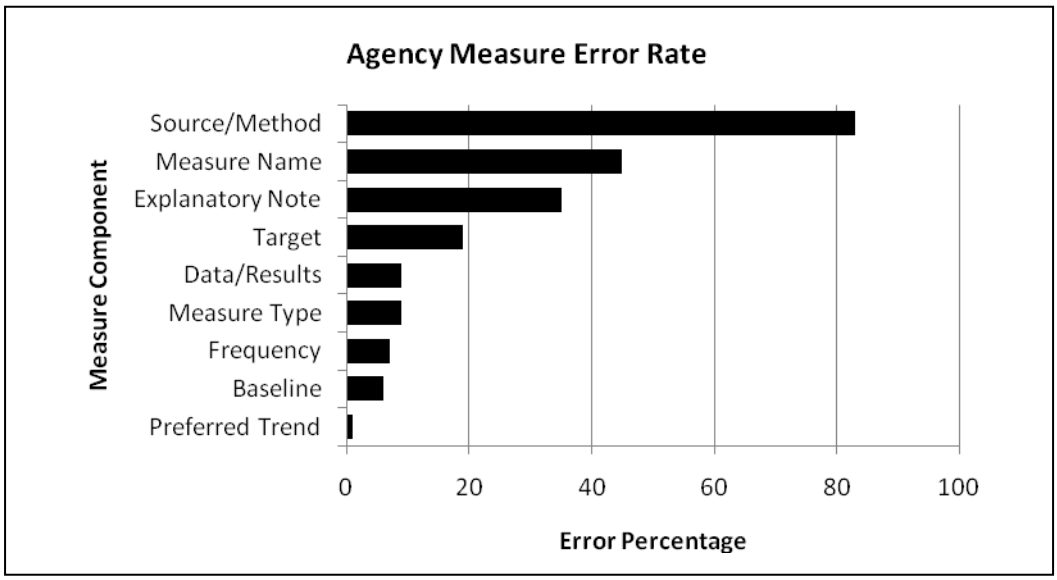
APA Audit Findings - Specifics

- **Measure Name** was not an accurate description of what the agency was measuring or did not follow Planning and Budget naming guidance for 31 performance measures (45 percent error rate).
- **Measure Type** was not accurate for six performance measures (9 percent error rate).
- **Preferred Trend** was not appropriate for one performance measure (1 percent error rate).
- **Measure Methodology** was not adequate so the user could understand how the agency calculated the measure for 57 performance measures (83 percent error rate).
- **Measure Baseline** did not include the appropriate information required by Planning and Budget for four performance measures (6 percent error rate).
- **Measure Target** was not reasonable or did not include the appropriate information required by Planning and Budget for 13 performance measures (19 percent error rate).
- **Measure Frequency** was not accurate for five performance measures (7 percent error rate).
- **Measure Data** was not on Virginia Performs per DPB's established guidelines for six performance measures (9 percent error rate.)
- **Explanatory Note** did not include appropriate information to assist the user in determining the basis of the measurement for 24 performance measures (35 percent error rate).



Measures – Parts that Comprise Measures

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 measure or multiple measures that monitor different aspects of the desired results.

Measure Title/Name	The descriptive name for the measure
Measure Class	• Agency key • Productivity • Agency other
Measure Type	• Input • Output • Outcome
Measure Frequency	The time period you will use to monitor your measurement data (e.g., monthly, quarterly, annually)
Methodology: Data Source and Calculation	• *Source*: Identify the source from which the measurement data will be obtained. • *Calculation*: Provide a description (e.g., mathematical formula) of how calculations for the measure will work. Define terms used in the measure and describe what is included or excluded in the calculation.
Baseline	All *new* measures will have baselines, i.e., current state data from which to monitor progress and the date of the current state data.
Target	A target is the specific level of performance the organization is striving to achieve. Targets should include the numeric value of the target and the date by which the agency intends to achieve the target. Required targets: • June 30, 2013 • June 30, 2016
Preferred Trend	The preferred trend indicates the desired direction of change in the results reported for the measure. There are three options: maintain, increase, or decrease.

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U.S. Department of State 2010 Agency Financial Report – Page 18

"To meet the many challenges, the Department strategically uses performance metrics and program evaluation to achieve results for the American people while maximizing the impact of every dollar spent.

Program evaluation and performance measurement are critical to the success of the Department's foreign policy goals. Program evaluation is essential both for prospective planning of programs and for retrospective assessment of effectiveness."

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Improving Measure Names – Part 1

MEASURE NAME PROBLEMS FROM THE APA REPORT

- Incomplete – no criterion or modifier or data form
- Started with a verb
- Unclear – incomplete description, use of acronyms
- Contained a target
- Conflicts between measure name, how the data are reported, the target, and/or how the calculation method is described

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REFRESHER – MEASURE STRUCTURE

Measure names should include the data form (e.g., percent, number, rate), an object (e.g., % of what) and, if needed, a criterion or modifier.

Example: % of productivity measures that are written in the proper format

- The data form is "%."
- The object is "productivity measures."
- The modifier is "written in the proper format."

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EXERCISE: Let's improve these!

MEASURE	REVISED MEASURE
Absenteeism	
On-time delivery of XYZ service	
Labor cost for technical and user support	
Call handle time	

Improving Measure Names – Part 2

Measure names should not start with a verb. This can cause the measure to be confused with goals, objectives or strategies.

- **Goal or objective** = What you ultimately want to accomplish; the end result/outcome you want to see
- **Strategy** = How you will go about achieving the goal/objective; the means (approaches and methods)
- **Measure** = The data you will gather (i.e., the "gauge" you will use) to track progress

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EXAMPLE – DISTINGUISHING AMONG OBJECTIVES, STRATEGIES and MEASURES

Review the objectives, strategies, and measures listed below and on the next page for the following HUD Goal: *Ensure equal opportunity in housing.*

OBJECTIVES	STRATEGIES (Excerpts)
1. Ensure access to a fair and effective administrative process to investigate and resolve complaints of discrimination.	Provide for efficient and effective enforcement of fair housing laws. a. HUD will investigate and resolve (as appropriate) housing discrimination complaints under the /Fair Housing Act (and others listed). b. HUD has established an Office of Systemic Investigations to address complex, systemic, and secretary-initiated complaints more effectively.
2. Improve public awareness of rights and responsibilities under fair housing laws.	Raise awareness of fair housing laws among housing industry professionals and the general public. a. HUD also will monitor the government-sponsored enterprises' compliance with fair housing requirements, as well as with the Federal Housing Enterprises Financial Safety and Soundness Act.
3. Improve housing accessibility for persons with disabilities.	Improve the accessibility of housing to persons with disabilities. a. The Department supports building industry compliance with fair housing laws by continuing the Fair Housing Accessibility program, which provides training and technical assistance for industry professionals on meeting accessibility requirement. b. HUD will provide more homeownership opportunities to persons with disabilities through enforcement of the Fair Housing Act and Section 504 of the Rehabilitation /act of 1973. c. HUD administers housing programs for the disabled, including the Section 811 rental housing program, Housing Opportunities for Persons with AIDS, Mainstream Housing Opportunities for Persons with Disabilities, and other rental assistance for persons with disabilities.

Improving Measure Names – Part 2, continued

HUD PERFORMANCE MEASURES THAT SUPPORT THE OBJECTIVES

1. To improve the quality and rigor of investigations, increase the proportion of complaints that use testing as evidence by 6 percentage points from the FY 2006 baseline by FY 2011.

2. Take corrective action on all findings resulting from civil rights limited monitoring reviews.

3. Increase public awareness of the Fair Housing Act's prohibitions against racial steering by 4 percentage points from the baseline of 58 percent in 2005.

4. Through development of a national strategy, we will conduct 280 compliance and monitoring reviews by 2011.

What is your assessment?

- Do the objectives and strategies conform to Virginia's criteria? Can you tell them apart?
- Do the measures conform to Virginia's criteria for measures?
- Can you easily distinguish HUD's measures from objectives and strategies?

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Improving Measure Names – Part 3

Convert these eight (8) measures so that they conform to Virginia's measure structure.

1. XYZ will eliminate all remaining material weaknesses by MM/YY.	
2. Increase the number of performance assessments received from XYZ centers.	
3. Increase the percentage of customers and business partners who are satisfied with the security, rapidness, and reliability of XYZ-provided data and information.	
4. Certify and accredit all information systems prior to their operation.	
5. Provide security awareness training to all XYZ users annually.	
6. Revise and implement standards for the timeliness and accuracy of critical IS management data with the goal of achieving 97% timeliness and accuracy of data.	
7. Employee satisfaction will increase by 5% from the MM/YY baseline by MM/YY.	
8. Properly align XYZ home office and field office operations to facilitate the implementation of asset-based management.	

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Measures – Format

A BETTER EXAMPLE - U.S. Department of Education

Goal 1: Improve student achievement, with a focus on bringing all students to grade level in reading and mathematics by 2014.

Strategies (condensed)

1. Seek enactment of a bill that incorporates the key elements of *Building on Results,* the Department's blueprint for ESEA reauthorization.
2. Assist states and LEAs in turning around schools in restructuring status or in need of improvement.
3. Collect, analyze, and publicly disseminate disaggregated student information on a timely basis.
4. Assist states in achieving their *Individuals with Disabilities Education Act (IDEA)* State Performance Plan (SPP) targets in reading and math.

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Measures (Excerpt)

- Measures of student proficiency on state reading/language arts assessment by student characteristic (e.g., all students, students with disabilities) - (%)
- Measures of students in grades 9-12 affected by or involved in selected risk behaviors - %
    - Carried a weapon on school property one or more times during the past 30 days
    - Missed one or more days of school in the past 30 days because they felt unsafe at school or on their way to and from school
    - Were offered, given, or sold an illegal drug by someone on school property in the past year
- % of 18-24 year olds who have completed high school
- # of AP tests taken
- % of Upward Bound participants enrolling in college
- % of employees with performance standards in place within 30 days of the start of the current rating cycle

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Summary – Measure Name Checklist

✓	IS THE MEASURE NAME OKAY?	WRONG	RIGHT
	It does not start with a verb (it is not a sentence).	***Increase*** the number of performance assessments received from centers.	Number of performance assessments received from centers
	It includes the data form (e.g., number of, percentage, and rate).	Charter schools in operation	***Number*** of charter schools in operation
	It has an object (i.e., the thing about which you are taking the measurement).	# participating in Upward Bound	# of ***high school seniors*** participating in Upward Bound
	It should have or may need a criterion or modifier.	# of AP tests	# of AP tests ***taken by high school juniors and seniors***
	It does not have acronyms.	# of ***AP*** tests	# of ***advanced placement*** tests taken by high school juniors and seniors
	It does not include the target.	***20% increase in*** # of AP tests taken	# of advanced placement tests taken by high school juniors and seniors
	It agrees in format with the target and calculation method and the way results are reported.	Measure: ***# of employees*** who attain XYZ certification level 3 Target: ***60% of certified employees*** have a level 3 XYZ certification Calculation: (total # of employees who have a level 3 XYZ certification/total number of XYZ-certified employees)	Measure: % of certified employees who have a level 3 XYZ certification Target: 60% by 6/30/12 Calculation: {(total # of certified employees who have a level 3 XYZ certification/total number of XYZ-certified employees) X 100}
	It is clear and understandable to the general public as well as to decision makers.	Daily cost to provide for inmates in Virginia's prisons	Questions: Daily cost per inmate or total? Provide for what? Average daily food cost/inmate in Virginia's adult prisons
	The measure is focused on the most important thing the agency does.		

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Outcome Measures

- Output Measure – A measure that describes the amount of work completed or output produced; usually consists of a single numeric value (e.g., 47 people trained); a type of workload measure
- Outcome Measure – A measure that describes the results achieved by an activity compared to the activity's intended purpose; the extent to which a service or activity has impacted its intended audience

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EXERCISE
Listed below are objectives from various state agencies. Create an output or productivity measure and an outcome measure for each objective.

Department of Corrections' Objective: Provide appropriate public safety programs to promote successful re-entry and offender compliance with supervision plans.

- Output or Productivity Measure
- Outcome Measure

Department of Health Professions' Objective: To promptly process applications for initial licensure and, where necessary, conduct examinations and deny eligibility for all individuals and entities who seek to provide services.

- Output or Productivity Measure
- Outcome Measure

Department of Health Objective: Increase access to primary health, oral health, and mental health care services in underserved areas of the Commonwealth.

- Output or Productivity Measure
- Outcome Measure

Department of Health Objective: Improve pregnancy outcomes by assuring early entry into prenatal care.

- Output or Productivity Measure
- Outcome Measure

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Targets

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
- Should include the numeric value of the target and the date by which the agency intends to achieve the target

NEW TARGET DATE REQUIREMENTS FOR EACH MEASURE

- 6/30/2013
- 6/30/2016

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PROBLEMS WITH TARGETS FROM APA AUDIT

- Not clear; not easy to understand
- Target date not current
- Not reasonable
- Conflicts with data form in the measure name
- Inaccurate
- Set below the baseline, which the agency exceeded
- No target

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EXAMPLES

What are the issues with these targets? How would you address the issues?

Measure: Rate of occupancy in the XYZ facility

- Baseline: 94 as of 6/30/2005
- Target: 90 as of 6/30/2012
- Target Description: Maintain a 90-93% occupancy rate in the XYZ facility.

Measure: Number of injuries at XYZ work sites per 200,000 worker hours

- Baseline: .28 as of 6/30/2009
- Target: .26 as of 6/3/0/2012
- Results:

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
.46	.44	.44	.39	.34	.33	.32	.30	.27	.27	.24

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Improving Measures: Data Source and Calculation Method

PURPOSE OF THESE MEASURE COMPONENTS

- Source: To identify where you will get the data that will be reported in the measure (e.g., *ABC Stores Quarterly Customer Satisfaction Survey*)
- Calculation Method: To describe how the measure is calculated, which typically includes the following:
  - Mathematical formula
  - Definitions of terms used in the calculation
  - Information on what is / is not within the scope of the measure

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MEASURE METHODOLOGY PROBLEMS FROM THE APA AUDIT

- Data source was missing.
- Methodology was inadequate to explain the calculation and/or the source of the data used for the calculation.
- Methodology was inaccurate.

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CALCULATION METHOD EXAMPLES

Department of Planning and Budget Measure: Ratio of recurring general fund revenue to recurring general fund spending

- Calculation Method: The introduced budget bill is the analysis source for calculating this measure. Calculation: Recurring general fund revenue divided by recurring general fund spending. A result of greater than 1.00 is preferable.

Department of Social Services Measure: Percent of TANF participants engaged in a work activity (TANF is Temporary Assistance for Needy Families)

- Calculation Method: Data source for this measure: Employment Services Program Automated System (ESPAS). Calculation: The federal participation rate equals the percentage of TANF participants engaged in a work activity. The calculation used for this measure is Employment Services Program Automated System (ESPAS). The federal participation rate equals the number of individuals enrolled in Virginia Initiative for Employment not Welfare (VIEW) who participate in countable work activities for a requisite number of hours divided by the total number of TANF cases (minus Child-Only cases and VIEW-exempt cases).

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Improving Measures: Data Source and Calculation Method

ADDITIONAL EXAMPLES FROM U.S. DEPARTMENT OF EDUCATION

	Baseline ('06)	Targets					
		'07	'08	'09	'10	'11	'12
Maintain an unqualified (clean) audit opinion*	U	U	U	U	U	U	U
Acquire and maintain compliance with the *Federal Information Security Management Act of 2002*	NC	NC	NC	NC	NC	NC	NC
Percentage of new discretionary grants awarded by June 30	40	60	70	80	90	90	90

What is your opinion of the measure, source information and notes?

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Sources: Independent Auditors' financial statement and audit reports; Office of Inspector General's annual *Federal Information Security Management Act* audit; U.S. Department of Education's Grant Administration and Payment System

Note: U=unqualified (clean); NC=non-compliant; C=compliant

*An unqualified or clean audit opinion means that the Department's financial statements present fairly the Department's financial position in all material aspect, in conformity with accounting principles generally accepted in the United States.

EXAMPLE BASED ON AN EMPLOYEE SURVEY

Measures related to the strategic management of the Department's human capital

	Baseline (year)	Targets					
		'07	'08	'09	'10	'11	'12
Percentage of employees believing that:							
• Leaders generate high levels of motivation and commitment.[a]	28 ('06)	31	34	37	40	43	46
• Steps are taken to deal with a poor performer who cannot or will not improve.[a]	25 ('06)	28	31	34	37	40	43
Average number of days to hire is at or below the OPM 45-day hiring model for non-Senior Executive Service employees[b]	Not achieved (54 was median from July '05 to June'06	Achieved					

What is your opinion of the measure, source information and notes?

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Sources: Federal Human Capital Survey, annual Department employee surveys, and data from the Education Department Performance Appraisal System and the U.S. Department of the Interior's Federal Personnel Payroll System.

[a]These metrics are based on the percentage of favorable responses to questions on the Federal Human Capital Survey. Department-wide responses to the 2006 survey are used as the baseline.
[b]The Office of Personnel Management 45-day hiring model for non-Senior Executive Service employees tracks the hiring process from the date of vacancy announcement closing to the date a job offer is extended. It is measured in workdays, not calendar days. The average is based on the total number of hires made within a specified period of time (quarterly).

Exercise: Data Source and Calculation Method

Assess the measures below. Identify what works and suggest improvements, if any.

State Council of Higher Education of Virginia (SCHEV)

Objective: Promote the strategic management of Virginia's system of higher education.

Measure: Institutional success in meeting their performance measure targets

- Measure Methodology - The number of institutions certified by SCHEV as having met their performance targets as defined in the Appropriation Act
- Description - 100% of public institutions were certified in 2006, 2008, and 2009 (the first three years of these measures).
- Measure Target - Value: 100
- Measure Target - Date: 6/30/2010
- Measure Target Description - 100% of the institutions certified
- Measure Frequency - Annual
- Measure Frequency Description - The State Council certified public institutions annually at its May meeting.
- Explanatory Note - At its May 2010 meeting, the State Council certified all public institutions.

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Department of Health

Objective: Reduce the prevalence of smoking among Virginians.

Measure: Percentage of youth aged 12-17 in Virginia who smoke

- Measure Methodology - The youth smoking rate, which is reported as a weighted percentage, is based on the number of survey respondents who reported that they smoked at least 100 cigarettes in their lifetime and have smoked on at least one day in the previous 30 days. The data source is the state Youth Tobacco Survey (YTS), which was developed by the CDC and is administered by a majority of states, including Virginia. The Virginia Tobacco Settlement Foundation sponsors the YTS. The survey is administered as a paper-and-pencil questionnaire in a school setting to a statewide random sample of public middle- and high school students in grades 6 through 12 (representing ages 12 to 17 years). The survey has been administered every other year in Virginia since 2001. In 2007, the state sample size for the survey was over 2,600 students.
- Measure Target - Value: 9
- Measure Target - Date: 6/30/2012
- Measure Target Description - Percent
- Measure Frequency - Annual

- Measure Frequency Description - Biannually
- Explanatory Note - This data is collected in the fall of odd number years. There is no data to report for even number years. There is a delay between the time the data is collected and the time it is available to be reported by VDH.

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Department of General Services

Objective: To increase the utilization of eVA, electronic procurement, through education to both buyers and suppliers.

Measure: Increase the number of local government eVA users.

- Measure Methodology - Data Source: eVA user administration database hosted by CGI-AMS. The specific tables used are the BuysenseClientName and UserBuysenseCSV tables. In eVA each organization is assigned a “Client Name”. The values for this name are preceded with a character that indicates whether the organization is a Local or State government entity. The values of “L” and “S” are used to identify Local government entities. eVA users are assigned to a specific “Client Name” and the data that their User ID was created is captured. User IDs have a status stored with each record to indicate that it is “Active” or “Inactive”. Query Used: For this metric, we do a query that identifies all User IDs belong to a “Client Name” that begins with either “L” or “S” and are currently in an “Active” status. The query gathers all of these records based on the “Create Date” falling within the reporting period.
- Measure Target - Value: 2,300
- Measure Target - Date: 7/1/2012
- Description: Increase to 2,300 by the end of FY12.
- Measure Frequency - Quarterly
- Explanatory Note - In Fiscal Year 2010 (FY10), eVA users increased 387 from the end of Fiscal Year 2009. The FY10 performance exceeds the "measure target". Q3FY11, reduction due to eVA security audit eliminating accounts that had not logged into system within a specified timeframe.

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Explanatory Notes

Used to provide additional information that will help the reader understand how and why you are measuring and reporting results in the manner selected.

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EXPLANATORY NOTES PROBLEMS FROM THE APA AUDIT

- Note included undefined acronyms.
- Note was not clear; did not explain "why."
- Note contained outdated information.
- Note did not include appropriate information to assist the user in determining the basis of the measurement.
- Note was incomplete; stopped mid-sentence.

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EXAMPLE

Department of Social Services Measure: Percent of TANF participants engaged in a work activity (TANF is Temporary Assistance for Needy Families)

- Explanatory Note: Historical data calculation for this measure is very different from the methodology used prior the baseline year of 2005. The projected target is based on FFY 2006 TANF re-authorization requirements for work participation rate. Data for FFY 2006 and beyond are based on data available at the time of required reporting submissions. Adjustments will be made to reflect final calculations from federal sources, once reports of those calculations are available.

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Measure Checklist

✓	IS THE MEASURE NAME OKAY?	WRONG	RIGHT
	It does not start with a verb (it is not a sentence).	***Increase*** the number of performance assessments received from centers.	Number of performance assessments received from centers
	It includes the data form (e.g., number of, percentage, and rate).	Charter schools in operation	***Number*** of charter schools in operation
	It has an object (i.e., the thing about which you are taking the measurement).	# participating in Upward Bound	# of ***high school seniors*** participating in Upward Bound
	It should have or <u>may need</u> a criterion or modifier.	# of AP tests	# of AP tests ***taken***
	It does not have acronyms.	# of ***AP*** tests	# of ***advanced placement*** tests taken
	It does not include the target.	***20% increase in*** # of AP tests taken	# of advanced placement tests taken
	It agrees in format with the target and calculation method and the way results are reported.	Measure: ***# of employees*** who attain XYZ certification level 3 Target: ***60% of certified employees*** have a level 3 XYZ certification Calculation: (total # of employees who have a level 3 XYZ certification/total number of XYZ-certified employees)	Measure: % of certified employees who have a level 3 XYZ certification Target: 60% by 6/30/12 Calculation: {(total # of certified employees who have a level 3 XYZ certification/total number of XYZ-certified employees) X 100}
	It is clear and understandable to the general public as well as decision makers.	Daily cost to provide for inmates in Virginia's prisons	Questions: Daily cost per inmate or total? Provide for what? Average daily food and clothing cost/inmate in Virginia's adult prisons
✓	**OTHER MEASURE ASPECTS OKAY?**		
	Class	• Correct class selected: agency key, productivity, agency other	
	Type	• Correct type selected: input, output, outcome • ***Strive for outcome measures.***	
	Frequency	• Correct frequency, i.e., when the data will be reported	
	Data Source and Calculation Method	• Data source is listed. • Explanation is provided for how the data are calculated. • Format described matches format used in measure name and target (e.g., all show percentage).	
	Baseline	• For new measures	
	Target	• Use these dates: 6/30/2013 and 6/30/2016. • Format used for target matches format used in measure name and calculation method (e.g., all show percentage).	
	Preferred Trend	• Correct trend identified: maintain, increase, decrease	
	General	• Information is clear. • Information is complete. • Explanatory notes are used to clarify information, provide details, or explain exceptions. • There are no acronyms, unless defined. • All information is filled in.	

Workshop Recap

What are three things you can check today and easily fix to prevent measure errors?

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Where to Go for Help

- Call your DPB analyst.
- Refer to the strategic planning handbook on the DPB web site.

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Next Steps

- Begin or continue the process of developing your plan.
- Determine whether you have or should have objectives that support enterprise strategies.
- Make changes, as needed, to your mission statement to ensure it is clear.
- REVIEW ALL MEASURES and make improvements or refinements where appropriate.
- Watch for an announcement about training to be scheduled for the new performance budgeting system.

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