

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

Strategic & Service Area Planning: Cabinet Training

October 2007



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

Facilitators

John Wheatley & Jacqueline Anderson
International Consulting Services, LLC (ICS)

Session Objectives

- Provide information on the Commonwealth's requirements for agency strategic and service area plans, including changes since the last planning cycle.
- Discuss standards for specific elements of agency plans and the selection of and format for key objectives and key measures.
- Discuss roles and the planning review calendar.

Agenda

- Introduction
- Evolution of Planning in the Commonwealth
- Planning Process
- Agency Strategic & Service Area Plan Components
 - ↳ Mission Statements and Other Elements to Monitor
 - ↳ Key Objectives and Key Measures
- Roles and Responsibilities
- Agency Plan Review Calendar
- Wrap-up and Questions

Evolution of Planning in the Commonwealth

Before 2003

Inconsistency in planning approaches, language and schedules; various plans

2003

HB 2097 (2003) signed by Governor

Mandate for agency strategic planning and performance-based budgeting

Council on Virginia's Future

2004

Council on Virginia's Future Long-Term Goals

Development of Commonwealth Strategic Planning & Performance-Based Budgeting Process & Structure

2005

Implementation of Commonwealth Strategic Planning & Performance-Based Budgeting Process & Structure

Agency Training

Agency Strategic Plans

- Consolidation of Financial, IT, HR, and Capital Investments plans
- Standard "Agency Administration" objective

Service Area Plans

2006

Commonwealth Strategic Plan for Information Technology

Key Objectives & Measures

www.VAPerforms.virginia.gov

Agency Training on Measures

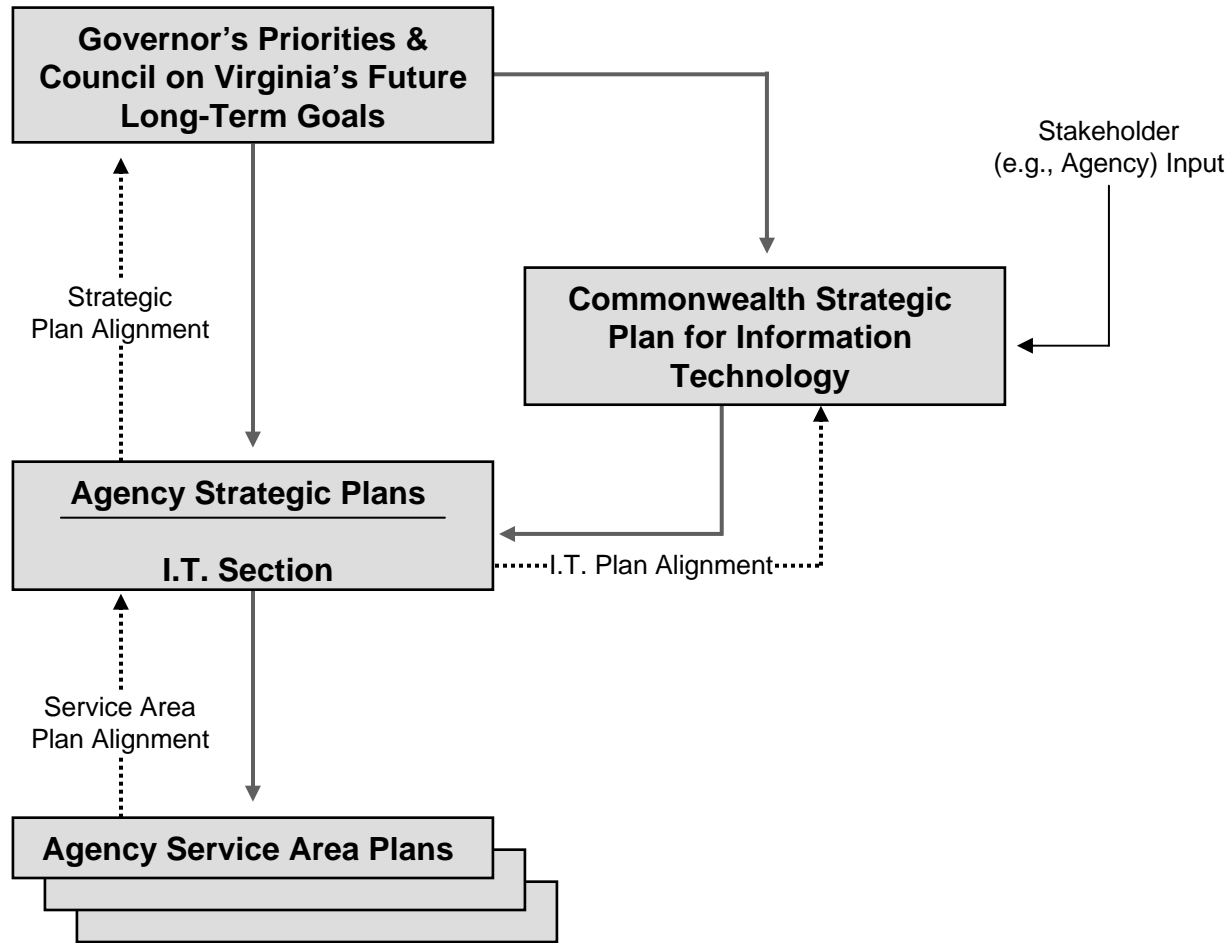
2007

Refinement of Planning Process and Requirements

- DOA Requirement for S.W.O.T Analysis
- VDA Requirement for aging population impact analysis
- Executive Order requiring Commonwealth Preparedness goal

Agency & Cabinet Training

Alignment of Plans



Planning in the Commonwealth - Benefits

- Consolidation of planning schedules and plans for agencies – lessens the planning burden for agencies
- Consistent structure for agency plans – creates uniformity and a common planning language across agencies, and improves the quality of the plans
- Ongoing training increases planning knowledge across agencies – improves the quality of the plans



**Best Managed State
in the Nation**

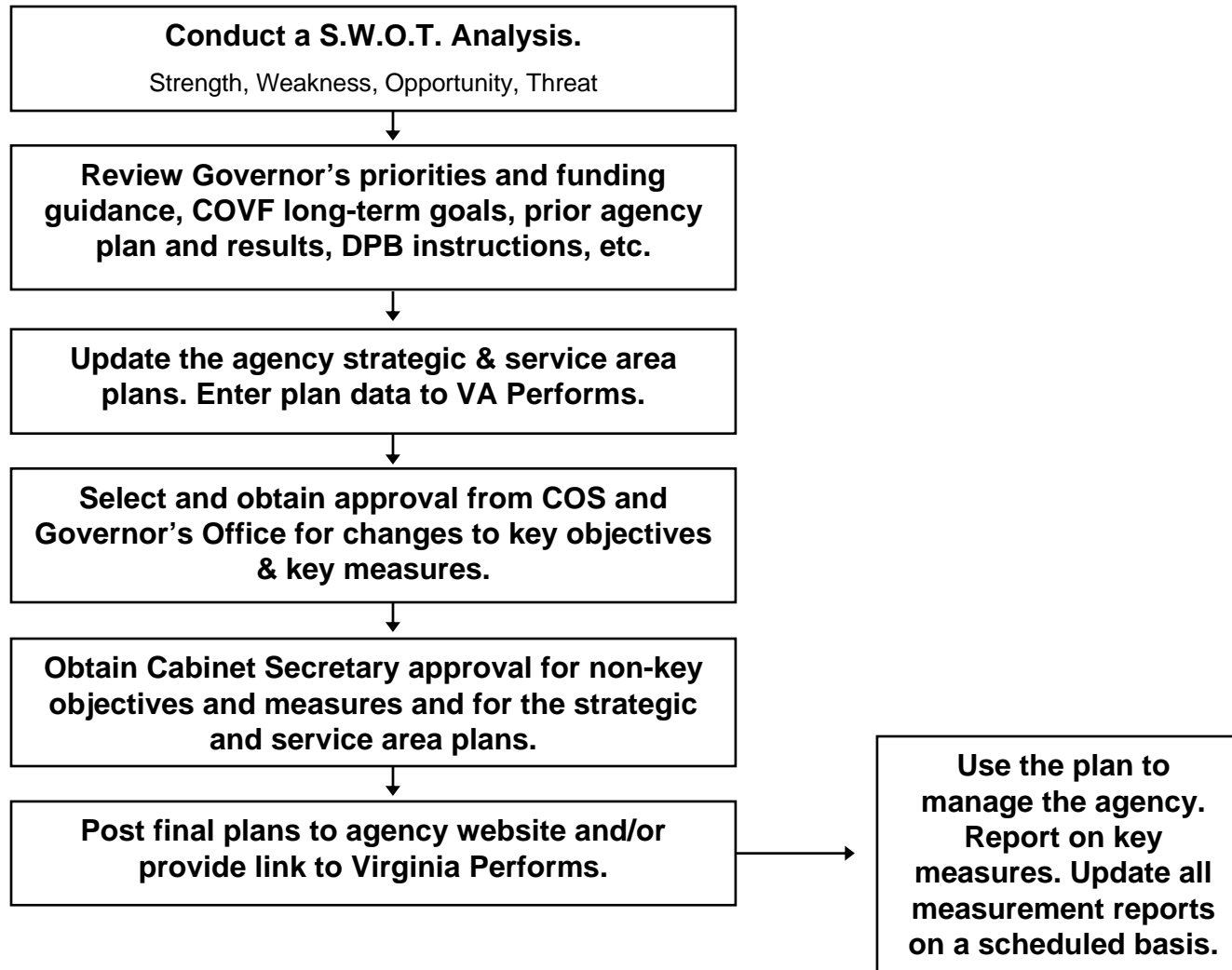
**Virginia Maintains
AAA Bond Rating**



**Virginia: Best State
for Businesses**

**Council on Virginia's Future:
Digital Government Achievement
Award in the Government to
Citizen category for its Web site,
"Virginia Performs"**

The Agency Planning Process



Virginia Performs

“One of the Council on Virginia’s Future’s important roles is to assess the progress being made toward long-term goals for both Virginia and state government. In order to facilitate this assessment, the Council developed *Virginia Performs*, an information system and website that tracks performance. This “scorecard” for Virginia presents data for a comprehensive set of performance indicators for both societal outcomes (quality of life) and state agency performance outcomes (programmatic). Approximately 45 macro (societal) indicators and 200 key agency metrics provide a high-level status report on progress toward long-term goals.”

Agencies enter their strategic and service area plan data to Virginia Performs. In addition, they update measurement results to Virginia Performs. Agencies, Governor’s Office staff and Cabinet Office staff can review reports online or print reports via a password-protected area within the website.

www.vaperforms.virginia.gov

Virginia Performs

Virginia Performs

VISION
FOCUS
RESULTS

[Key Facts & Demographic Data](#)

Mapping: [Intro](#) • [Map It](#)

[Scorecard at a Glance](#)



Public Safety is Strong in Virginia with below-average crime rates and high marks for emergency preparedness.

A message from Virginia Governor Tim Kaine

The Commonwealth of Virginia is a spectacular place to live. We treasure the heritage and resources that contribute to our high quality of life, but it takes constant planning and fine tuning to maintain this quality and make needed improvements.

This website, brought to you by the Council on Virginia's Future, shows you how we measure the state's current performance, plan for the future and monitor our progress. Click on the links below to see how we're working to make Virginia strong and healthy. Thanks for visiting.

Governor Tim Kaine

Measuring Virginia

This website shows you how Virginia is doing in areas that affect quality of life for you and your family. Learn more about how the Commonwealth is doing from region to region and compared to other states by exploring the areas below. For more about your community, visit our [mapping page](#). To learn how your state government is working on your behalf, view [state agency performance measures](#).

[Scorecard at a Glance](#)

[State Agency Performance Measures & Management Scorecard](#)

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[Economy](#) [Education](#) [Health & Family](#) [Public Safety](#) [Natural Resources](#) [Transportation](#) [Government & Citizens](#)

Virginia Performs



State Agency Performance Measures



How does Virginia measure the performance of state agencies?

Virginia state government measures the performance of its agencies in two ways: **Agency Performance Measures** (program measures) and the **Management Scorecard** (administrative measures).

As part of its commitment to transparency in government, details on these measures are available online through Virginia Performs. Learn what objectives each state agency has set and view how agencies are measuring progress against those objectives. Learn also how state agencies are measuring up on key management criteria. Explore the data for yourself. Discover why Virginia has earned the title of best-managed state in America.

Using this Site

First time users may wish to begin with the **visitor's guide**, or you may go directly to the interactive pages below. These pages will allow you to browse performance measures by state agency name, number or secretariat; search on key words; view all measures or only key measures; create reports; and use the **Management Scorecard**.

Management Scorecard

A report on the effectiveness of state government management.

[More »](#)

[Strategic Planning](#) (Coming soon)

About State Agency Measures | [Visitor's Guide](#)

[Overview by Secretariat](#)

[Browse Agency Measures](#)

[Agency Reports](#)

[Keyword Search](#)

Agency Strategic Plan Components

Mission

Vision

Values (optional)

Executive Progress Report

- Current service performance
- Productivity
- Major initiatives & related progress
- Virginia ranking & trends
- Customer trends & coverage (**New: Information on the impact of the aging population on the agency**)
- Future direction, expectations & priorities
- Impediments

Background Information

- 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, information technology summary (**New: Instructions for IT summary**), capital investments summary

Goals

- Goal: goal summary and alignment
- **New: Standard goal, objective and measure for “Commonwealth Preparedness”**
- **New: Standard objective and measure for “Agency Administration” if there is not an Administration & Support or similar service area in the agency**
- Objectives, measures & strategies (optional)
- Measurement information (for listed measures): measure, measure type, measure frequency, data source & calculation, baseline, target
- Strategies

Appendices

- A. Information technology
- B. Additional statutory authority information (optional)
- C. Organizational structure (optional)

Agency Service Area Plan Components

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)

The agencies' initial plans are developed without resource constraints. Instead, agencies anticipate the base budget and any decision packages they will be submitting when developing their objectives, targets and strategies. The plans are subsequently revised to bring them in line with available resources at future points (i.e., based on the introduced budget in January or the final budget approved by the General Assembly).

Summary of Changes Since the Last Planning Cycle

<p>Web-Enabled System - For recording and reporting plan information</p>	<ul style="list-style-type: none"> • Capability to view and print reports online • Secretarial staff members have access • You can obtain access through Christy King in DPB.
<p>Information Technology Summary & Appendix</p>	<ul style="list-style-type: none"> • Changes in format and requirements
<p>Commonwealth Preparedness - Inclusion of a standard goal, objective and associated measure for each agency strategic plan</p>	<ul style="list-style-type: none"> • Goal: We will strengthen the culture of preparedness across state agencies, their employees and customers.
<p>Aging Population Assessment - Information about the impact that an aging population will have on the agency</p>	<ul style="list-style-type: none"> • Requirement enacted in 2006 (and amended in 2007) that each agency shall include in its strategic plan “<i>(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.</i>” (VA Code § 2.2-5510.A.4) • Included in the agency strategic plan Executive Progress Report, Customer Trends & Coverage section
<p>Agency Administration - Inclusion of a standard objective and associated measure for each agency for agency administration</p>	<ul style="list-style-type: none"> • Objective: To ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements. • Measured via the Management Scorecard
<p>Key Objectives and Key Measures</p>	<ul style="list-style-type: none"> • Identification and approval of key objectives and key measures • Standard format for phrasing key objectives and key measures
<p>S.W.O.T. Analysis</p>	<ul style="list-style-type: none"> • Completion and retention at an agency level • Requirement to make the S.W.O.T. available to DOA and DPB upon request • Not included in the body of the plan

Plan Elements to Monitor

<p>Mission Statement</p> <ul style="list-style-type: none"> • The mission should reflect the fundamental purpose of the agency and describe what the agency does on a daily basis for its customers. 	<p style="text-align: center;">DPB Mission</p> <p style="text-align: center;">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>
<p>Vision</p> <ul style="list-style-type: none"> • The vision should describe the ideal future state of the organization. 	<p style="text-align: center;">DPB Vision</p> <p style="text-align: center;">DPB advises the Governor in the prudent allocation of public resources and promotes the development and implementation of effective fiscal, legislative, and regulatory policies in the Commonwealth. The Department serves its customers through creative, proactive, objective, accurate, and timely planning, analysis, and evaluation.</p>
<p>Goals</p> <ul style="list-style-type: none"> • Goals should describe the end results / outcomes the agency intends to achieve. • They should be broad and long-term. • They can begin with a verb phrase or “To” followed by a verb phrase. • They should support accomplishment of the agency’s mission and align with one or more of the Council on Virginia’s long-term goals for the Commonwealth. 	<p style="text-align: center;">DPB Goal 1.0</p> <p style="text-align: center;">Provide state-of-the-art financial management for the Commonwealth to protect its fiscal integrity.</p>
<p>Objectives</p> <ul style="list-style-type: none"> • Objectives describe the results needed to accomplish a higher level goal. • An objective developed for a service area plan must align to a goal in the agency’s strategic plan. • Objectives should be included in an agency’s <u>strategic plan</u> if the objective cuts across multiple service areas. • They should start with an action verb phrase or have an action verb phrase that follows “To”. • They should be easily understood by citizens. • They should be measurable. 	<p style="text-align: center;">DPB Objective 1.1</p> <p style="text-align: center;">Develop a financially balanced and structurally sound budget for Virginia.</p>

Mission Statement Examples

Poorly Written Mission Statements

1. Become a \$125 billion company by the year 2010.
2. To be the premier provider in our industry.
3. As ambitious employees of our budding corporation, we as a whole shall aim to affordably manufacture the highest quality products that will exponentially increase mankind's eternal quest for a higher worldwide standard of living.*
4. We produce new and dynamically innovative products from new ideas, using new approaches, in the most cost-effective manner, with strong financial support from various industry leaders.*

Better Examples

Do you recognize these mission statements?

1. Explore strange new worlds, seek out new life and new civilizations and boldly go where no man has gone before.
2. To organize the world's information and make it universally accessible and useful.

Examples from Virginia State Government:

1. Department of Social Services: People helping people triumph over poverty, abuse and neglect, to shape strong futures for themselves, their families and communities.
2. The Virginia Department for the Aging (VDA) works with 25 local Area Agencies on Aging (AAAs) as well as various other public and private organizations to help older Virginians and their families find the services and information they need.

*Source: <http://www.tcnj.edu/~rgraham/rhetoric/mission-statements.html>

Examples of Objectives

Objective Example:

Goal: Provide state-of-the-art financial management for the Commonwealth to protect its fiscal integrity.



Objective: Develop a financially balanced and structurally sound budget for Virginia.

Examples of Poorly Written Objectives

Provide financial assistance.
Complete hardware upgrades in the Roanoke office.

Plan Elements to Monitor

<p>Measures</p> <ul style="list-style-type: none"> • Measures are indicators that help the agency track progress toward or achievement of an objective or goal. • To develop a measure, ask the following question: <i>What data will I monitor to determine whether I'm making progress toward achievement of this objective?</i> Your answer will likely begin with a phrase similar to these: <i>the number of, the percentage of, the rate of, the degree to which.</i> • Consistent formatting across agencies reduces confusion. Separate the measure from the target, as designated in the structure of the plan. • Keep the wording of the measure neutral. Avoid writing measures that start with a verb phrase (e.g., to improve, reduce). It makes them sound like goals, objectives or targets and may cause confusion. • Don't confuse the measures with strategies, which tell you what you will be doing to achieve an objective. Strategies are things like programs, initiatives, studies and projects. The effects of the strategies will be reflected in the measures. • When designing and reporting measures, try to avoid "cumulative" data. • Ensure the measure is written so that it is easily understood by citizens. • To the extent possible, the focus should be on using outcome measures, although input and output measures can also be used. 	<p>DPB Measure 1.1.1</p> <p>One-time general fund revenues and savings actions in the introduced budget as a percent of proposed general fund spending</p>
<p>Targets</p> <ul style="list-style-type: none"> • Targets should be challenging, but realistic and achievable. • They should include the desired level of performance and the date by which the agency wishes to achieve the desired level of performance. • If the agency has long-term targets (ones that exceed the biennium), it should set interim targets that relate to the second year of the budget biennium (FY 2008-2010) to report in its plan. • If an agency's performance consistently exceeds its target, it is time to reassess the target. • Agencies should consider where the target places Virginia among other states. Check targets against national data from other states and avoid, where possible, setting targets that fall below other states. 	<p>DPB Target 1.1.1</p> <p>Less than 10% Target date: FY 2010</p>

Three Types of Measures: Input, Output and Outcome

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*
- ↪ *Number of incoming phone calls to the I.T. help desk*

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 completed*
- ↪ *Number of system updates completed*
- ↪ *Number of care packages delivered*

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*

Measures and Targets

Are these measures?

HUD's goal is to increase homeownership.

1. Between FY 2006 and FY2011, approximately 219,000 claims are expected to be submitted under the FHA loss mitigation program.
2. Publish regulations for FHA mortgage insurance programs that increase lender compliance and accountability.
3. Enforcement of RESPA and the Interstate Land Sales Act will reduce unnecessary housing costs.
4. FHA increases the percentage of at-risk loans that substantively comply with FHA program requirements.

Key Objectives and Key Measures

Key objectives are the desired outcomes for an agency's major programs or activities, that reflect the agency's primary mission.

Key measures are indicators of how well an agency is performing on the major or most important programs or activities that reflect the agency's primary mission (i.e., the key objectives).

- If a measure is designated as "key," the objective to which it aligns is automatically designated as "key."
- A key objective must have one key measure, but may have more than one key measure.
- Key objectives and measures are approved and monitored by the Governor's Office and reviewed as part of the budget decision-making process.
- If an agency wishes to make a change (e.g., add, delete, revise) to a key objective or key measure, DPB will facilitate obtaining approval through the Governor's Office.
- Standard, citizen-friendly phrasing (We will...) is required for key objectives and key measures.
- A field has been developed in the strategic planning area of Virginia Performs (i.e., where agencies enter their plan data). When an agency checks the "Governor's Key" box to designate a measure as a "key measure," a new field entitled *Key Measure Summary* will pop up. The agency will record its "We will..." statement for the key measure in that field. The key measure summary statement will appear in the measures information section in the agency's strategic or service area 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.

Format for Key Objectives & Key Measures

Objective & Measure as Reported in the <i>Department of Juvenile Justice Service Area Plan</i>		Conversion to a Key Objective and a Key Measure
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: <u>We will</u> 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: <u>We will</u> reduce the percentage of juveniles convicted of a new misdemeanor or felony within a year of being placed on probation to 20.6% or less by 12/1/2008. Or (with the baseline included) <u>We will</u> reduce the percentage of juveniles convicted of a new misdemeanor or felony within a year of being placed on probation from 25% as of 12/1/2006 to 20.6% or less by 12/1/2008.
Target Value: 20.6% or less	→	
Target Date: 12/1/2008	→	

Roles & Responsibilities

Governor / Chief of Staff

- Ensure key objectives and measures align with the Governor's funding priorities.
- Review and approve changes to key objectives and key measures.

Cabinet

- Focus review on mission, vision, goals, objectives, and measures.
- Ensure plans address Governor's funding priorities.
- Review how plans align to Council on Virginia's Future's long-term goals.
- Review mission and vision statements for appropriateness.
- Review and approve changes to non-key objectives and measures.
- Communicate approved changes to agencies and DPB.
- Facilitate with their agencies to ensure changes are made.

Department of Planning & Budget

- Identify proposed agency changes to objectives and measures (key and non-key).
- Offer suggestions to Cabinet and agencies on how to improve the quality of the plans.
- Review plans for technical correctness.

Planning Review Calendar

Date	Event
September 28	Agencies submit strategic and service area plans.
October 17	Training is conducted for Cabinet on reviewing plans.
October 19	DPB analysts complete review of plans.
October 23	DPB sends key objective and measure change report to COS for review.
October 24	DPB sends non-key objectives and measures change reports to respective Cabinet Secretary for review.
November 1	First quarter results on existing key measures due.
November 14	COS and Cabinet approve strategic and service area plans, including key objectives and measures.
November 15	DPB notifies agencies of COS and Secretarial approvals. Agencies begin making changes.
November 30	Agencies post their strategic and service area plans on their websites and/ or provide a link to Virginia Performs.
December 17	Printed Budget Document lists key objectives and key measures. Link to Virginia Performs cited. (Decision needed on higher education measures)
January 2008	Agencies begin reporting on key measures approved in November.

Planning Resources

For detailed instructions on how to use the web-based tool and for access to the latest version of the agency planning handbook, go to www.DPB.virginia.gov.



If you have questions, call your DPB analyst.

Thank You