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

Strategic & Service Area Planning: Cabinet Training

October 2007
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

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 2003</td>
<td>Inconsistency in planning approaches, language and schedules; various plans</td>
</tr>
<tr>
<td>2003</td>
<td>HB 2097 (2003) signed by Governor</td>
</tr>
<tr>
<td>2004</td>
<td>Council on Virginia’s Future Long-Term Goals</td>
</tr>
<tr>
<td>2005</td>
<td>Development of Commonwealth Strategic Planning &amp; Performance-Based Budgeting Process &amp; Structure</td>
</tr>
<tr>
<td>2006</td>
<td>Common Wealth Strategic Plan for Information Technology</td>
</tr>
<tr>
<td>2007</td>
<td>Refinement of Planning Process and Requirements</td>
</tr>
<tr>
<td></td>
<td>• DOA Requirement for S.W.O.T Analysis</td>
</tr>
<tr>
<td></td>
<td>• VDA Requirement for aging population impact analysis</td>
</tr>
<tr>
<td></td>
<td>• Executive Order requiring Commonwealth Preparedness goal</td>
</tr>
</tbody>
</table>

### Before 2003

- **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**

### 2004

- **Key Objectives & Measures**
- www.VAPerforms.virginia.gov
- **Agency Training on Measures**
- **Agency & Cabinet Training**
Alignment of Plans

Governor’s Priorities & Council on Virginia’s Future Long-Term Goals

Commonwealth Strategic Plan for Information Technology

Agency Strategic Plans

I.T. Section

Agency Service Area Plans

Stakeholder (e.g., Agency) Input

Strategic Plan Alignment

I.T. Plan Alignment

Service Area Plan Alignment
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

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

Conduct a S.W.O.T. Analysis.
Strength, Weakness, Opportunity, Threat

Review Governor’s priorities and funding guidance, COVF long-term goals, prior agency plan and results, DPB instructions, etc.

Update the agency strategic & service area plans. Enter plan data to VA Performs.

Select and obtain approval from COS and Governor’s Office for changes to key objectives & key measures.

Obtain Cabinet Secretary approval for non-key objectives and measures and for the strategic and service area plans.

Post final plans to agency website and/or provide link to Virginia Performs.

Use the plan to manage the agency. Report on key measures. Update all measurement reports on a scheduled basis.
“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

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.
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.

About State Agency Measures | Visitor’s Guide

Overview by Secretariat | Browse Agency Measures | Agency Reports | Keyword Search
Agency Strategic Plan Components

<table>
<thead>
<tr>
<th>Mission</th>
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<tbody>
<tr>
<td>Vision</td>
</tr>
<tr>
<td>Values (optional)</td>
</tr>
</tbody>
</table>

**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

| Web-Enabled System - For recording and reporting plan information | • Capability to view and print reports online  
• Secretarial staff members have access  
• You can obtain access through Christy King in DPB. |
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Information Technology Summary &amp; Appendix</td>
<td>• Changes in format and requirements</td>
</tr>
<tr>
<td>Commonwealth Preparedness - Inclusion of a standard goal, objective and associated measure for each agency strategic plan</td>
<td>• Goal: We will strengthen the culture of preparedness across state agencies, their employees and customers.</td>
</tr>
</tbody>
</table>
| Aging Population Assessment - Information about the impact that an aging population will have on the agency | • Requirement enacted in 2006 (and amended in 2007) 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)  
• Included in the agency strategic plan Executive Progress Report, Customer Trends & Coverage section |
| Agency Administration - Inclusion of a standard objective and associated measure for each agency for agency administration | • 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 |
| Key Objectives and Key Measures | • Identification and approval of key objectives and key measures  
• Standard format for phrasing key objectives and key measures |
| S.W.O.T. Analysis | • 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

<table>
<thead>
<tr>
<th><strong>Mission Statement</strong></th>
<th><strong>DPB Mission</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• The mission should reflect the fundamental purpose of the agency and describe what the agency does on a daily basis for its customers.</td>
<td>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.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th><strong>Vision</strong></th>
<th><strong>DPB Vision</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• The vision should describe the ideal future state of the organization.</td>
<td>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.</td>
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<table>
<thead>
<tr>
<th><strong>Goals</strong></th>
<th><strong>DPB Goal 1.0</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Goals should describe the end results / outcomes the agency intends to achieve.</td>
<td>Provide state-of-the-art financial management for the Commonwealth to protect its fiscal integrity.</td>
</tr>
<tr>
<td>• They should be broad and long-term.</td>
<td></td>
</tr>
<tr>
<td>• They can begin with a verb phrase or “To” followed by a verb phrase.</td>
<td></td>
</tr>
<tr>
<td>• 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.</td>
<td></td>
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<table>
<thead>
<tr>
<th><strong>Objectives</strong></th>
<th><strong>DPB Objective 1.1</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Objectives describe the results needed to accomplish a higher level goal.</td>
<td>Develop a financially balanced and structurally sound budget for Virginia.</td>
</tr>
<tr>
<td>• An objective developed for a service area plan must align to a goal in the agency’s strategic plan.</td>
<td></td>
</tr>
<tr>
<td>• Objectives should be included in an agency’s strategic plan if the objective cuts across multiple service areas.</td>
<td></td>
</tr>
<tr>
<td>• They should start with an action verb phrase or have an action verb phrase that follows “To”.</td>
<td></td>
</tr>
<tr>
<td>• They should be easily understood by citizens.</td>
<td></td>
</tr>
<tr>
<td>• They should be measurable.</td>
<td></td>
</tr>
</tbody>
</table>
**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.*

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**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](http://www.tcnj.edu/~rgraham/rhetoric/mission-statements.html)
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

<table>
<thead>
<tr>
<th>Measures</th>
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<tbody>
<tr>
<td>• Measures are indicators that help the agency track progress toward or achievement of an objective or goal.</td>
</tr>
<tr>
<td>• To develop a measure, ask the following question: <em>What data will I monitor to determine whether I’m making progress toward achievement of this objective?</em> Your answer will likely begin with a phrase similar to these: <em>the number of, the percentage of, the rate of, the degree to which.</em></td>
</tr>
<tr>
<td>• Consistent formatting across agencies reduces confusion. Separate the measure from the target, as designated in the structure of the plan.</td>
</tr>
<tr>
<td>• 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.</td>
</tr>
<tr>
<td>• 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.</td>
</tr>
<tr>
<td>• When designing and reporting measures, try to avoid “cumulative” data.</td>
</tr>
<tr>
<td>• Ensure the measure is written so that it is easily understood by citizens.</td>
</tr>
<tr>
<td>• To the extent possible, the focus should be on using outcome measures, although input and output measures can also be used.</td>
</tr>
</tbody>
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<thead>
<tr>
<th>Targets</th>
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<tbody>
<tr>
<td>• Targets should be challenging, but realistic and achievable.</td>
</tr>
<tr>
<td>• They should include the desired level of performance and the date by which the agency wishes to achieve the desired level of performance.</td>
</tr>
<tr>
<td>• 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.</td>
</tr>
<tr>
<td>• If an agency’s performance consistently exceeds its target, it is time to reassess the target.</td>
</tr>
<tr>
<td>• 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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DPB Measure 1.1.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-time general fund revenues and savings actions in the introduced budget as a percent of proposed general fund spending</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DPB Target 1.1.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10%</td>
</tr>
<tr>
<td>Target date: FY 2010</td>
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</tbody>
</table>
### 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

<table>
<thead>
<tr>
<th>Objective &amp; Measure as Reported in the <em>Department of Juvenile Justice Service Area Plan</em></th>
<th>Conversion to a Key Objective and a Key Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective:</strong> 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.</td>
<td><strong>Key Objective:</strong> 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.</td>
</tr>
<tr>
<td><strong>Measure:</strong> Percentage of juveniles convicted of a new misdemeanor or felony within a year of being placed on probation</td>
<td><strong>Key Measure Summary:</strong> 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% or less by 12/1/2008.</td>
</tr>
<tr>
<td><strong>Target Value:</strong> 20.6% or less</td>
<td><strong>Or (with the baseline included)</strong> We will 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.</td>
</tr>
<tr>
<td><strong>Target Date:</strong> 12/1/2008</td>
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</tbody>
</table>
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

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