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

Agency Strategic & Service Area Measures: Continuous Improvement

July 29, 30 and August 4, 2009
**Opening Remarks**

Jane Kusiak, Council on Virginia’s Future (July 29, 30)
Wayne Turnage, Office of the Governor (August 4)

**Facilitators**

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

**Subject Matter Experts**

Don Darr, DPB
Emily Ward, DPB
Constance Scott, VITA
**Agenda**

- **Introduction:** Opening Remarks, Learning Objectives, and Workshop Logistics

- Measurement Issues and Challenges

- Refresher on Measures
  - Evolution of measures
  - Administrative measures
  - Measures as a management tool

- Improving Measures
  - Measure components
  - Practice exercises

- Evaluating and Improving Your Measures
  - Analysis
  - Your game plan

- Issues and Questions

- Strategic Planning/Budgeting for the 2010-2012 Biennium

- Review and Feedback
Learning Objectives

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

• List and explain the measurement requirements for agency strategic and service area plans.

• Evaluate and improve measures.

• Describe how to effectively use measures as a management tool.

• Describe changes in the strategic planning process for the next biennium.
**Workshop Logistics**

- **Time:** 9:30 a.m. – 4:30 p.m.
- **Lunch:** 45 minutes, starting around 11:45 a.m. or 12:00 p.m.
- **Breaks will be woven into group activities.**
Topics for Today’s Workshop Submitted Via E-Mail

• Budget development, reductions, expectations
• Schedules and deadlines
• Administrative measures
• Developing good measures and targets
• Strategic planning process and plan maintenance
• Agency-level measures vs. service area-level measures

What measurement challenges or issues would you like to discuss today?
The Evolution of Agency Measures

Variation in approaches to measurement

Management Scorecard

Standard approach for strategic plan measures

Governor’s key measures

Productivity measures

Administrative measures (replacing the old Management Scorecard)

Integration of measures into a new agency management scorecard

- Administrative Measures: Related to critical management and compliance categories
- Governor’s Key Measures: Related to the agency’s core mission
- Productivity Measures: Related to the costs associated with core business functions
- Other Agency Performance Measures: Related to performance and service area functions
Management Scorecard Review Team

Sara Wilson, DHRM
Pat Finnerty, DMAS
Carl Garrison, DOF
Barry Green, DJJ
Alex Nyerges, VMFA
Dave Paylor, DEQ
Bill Shelton, DHCD
Rich Sliwoski, DGS
D.B.Smit, DMV
Lem Stewart, VITA
David Von Moll, DOA
**Administrative Measures Team Recommendations**

**Objectives** – Recognize that there are multiple audiences, including the public and management.

**Criteria** – Use only criteria that apply to most agencies.

**Measures** – Be more specific and objective.

**Frequency** – Report in August with year-end information made public (deadline to be published in the Leadership Communiqué). Evaluate again in January to ensure you are on track to achieve targets.
# New Administrative Measures

<table>
<thead>
<tr>
<th>ADMINISTRATIVE MEASURES - FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong></td>
</tr>
<tr>
<td>HUMAN RESOURCES</td>
</tr>
</tbody>
</table>
| HR 1 Talent Acquisition | Percent of hiring offers accepted  
Source: DHRM HR-at-a-Glance | 0-74% | 75-84% | 85-100% |
| HR 2 Talent Management | Percent turnover excluding internal promotions and transfers  
Source: DHRM HR-at-a-Glance | 25-100% | 15-24% | 0-14% |
| HR 3 Fairness and Equity | Percent rating in EEO Assessment report  
Source: DHRM HR-at-A-Glance | 0-96% | 97-99% | 100% |
| HR 4 Telework | Percent of eligible employees that telework  
Source: DHRM HR-at-A-Glance | 0-4% | 5-19% | 20-100% |
| FINANCIAL MANAGEMENT |  |  |  |  |
| FM 1 Budget Plan | Percent of expenditures within budget plan  
Source: CARS | >100% | N/A | 0-100% |
| FM 2 APA Audits | Number of recurring findings/material weaknesses  
Source: Comptroller's Quarterly Report | 2+ recurring/ 1 material | 1 recurring | 0 |
| FM 3 Prompt Pay | Percent of compliance with prompt pay act  
Source: Comptroller's Quarterly Report | 0-94% last 2 Qtrs | 0-94% last Quarter | 95-100% last Quarter |
| FM 4 Internal Control | Percent of compliance with ARMICS  
Source: Comptroller's Quarterly Report | 0-99% | N/A | 100% |
| GOVERNMENT PROCUREMENT |  |  |  |  |
| GP 1 eVA Usage | Percent of procurement transactions made through eVA  
Source: DGS eVA Reports | 0-74% | 75-94% | 95-100% |
| GP 2 Small, Women & Minority Vendor Participation | Percent of SWaM agency goal achieved  
Source: DMBE SWaM Dashboard | 0-89% | 90-94% | 95-100% |
| INFORMATION TECHNOLOGY |  |  |  |  |
| IT 1 Information Security | Percent of compliance with information security standards  
Source: VITA Information Security Report | 0-94% | 95-97% | 98-100% |
| IT 2 Accessibility | Percent of compliance with IT accessibility standards  
Source: DRS Accessibility Report | 0-69% | 70-89% | 90-100% |
| Emergency Preparedness | Percent of recommended preparedness actions taken  
Source: OCP Agency Preparedness Survey | 0-49% | 50-74% | 75-100% |
# New Administrative Measures – Data Entry

**Administrative Measure Details**

<table>
<thead>
<tr>
<th>Goal</th>
<th>Measure</th>
<th>Rating</th>
<th>Explanatory Note</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Emergency Preparedness</strong></td>
<td>Percent of recommended preparedness actions taken</td>
<td>75-100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>50-74%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>0-49%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Source: OCP Agency Preparedness Survey</td>
<td>Unavailable</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Management</strong></td>
<td>Number of recurring findings/material weaknesses</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>APA Audits</td>
<td></td>
<td>1 recurring</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2+ recurring or 1 material</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Source: Comptroller's Quarterly Report</td>
<td>Unavailable</td>
<td></td>
</tr>
<tr>
<td>Budget Plan</td>
<td>Percent of expenditures within budget plan</td>
<td>0-100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>&gt;100%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Source: EPE Expenditure Variance Report - facilities &amp; EPE</td>
<td>Unavailable</td>
<td></td>
</tr>
</tbody>
</table>
Agency Administration Objective

What stayed the same?

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

Measure type - Outcome
Measure class – Agency Other
Target – To be developed by each agency
Strategy – To be developed by each agency
Changes for the 2010-2012 Planning & Budgeting Process

Agency Administration Objective

Changes

• Measure
  • Old: Percent of scorecard categories marked as “meets expectations” for the agency
  • New: Percent of administrative measures marked as “meets expectations” (green indicator) for the agency

• Measure Frequency
  • Old: Quarterly
  • New: Annually with a review in January

• Baseline
  • Old: FY 2007 agency results
  • New: FY 2009 agency results

• Data source and calculation
Other Classes of Measures

Key Measures – Approved by Chief of Staff
Productivity – Approved by Chief of Staff
Other Agency Performance Measures – Approved by Secretary
Starting in 2008, APA audit exceptions to measures are appearing in agency-specific audits.

The appropriate time to propose changes to measures is during the 2010-2012 strategic planning cycle.
Measure Components Refresher

Measure
   Class
   Type
   Frequency

Data Source & Calculation (Methodology)
   Baseline
   Target
   Preferred Trend
Summary of APA Audit Findings

1. **Data** were generally accurate and reliable. ☺☺☺☺☺
   
   “…Virginia Performs has undergone significant improvement in the overall completeness and accuracy of reported information since our first review.”

2. **Measures** were not as descriptive or clear as they should have been.

3. **Targets** were not specific enough, not within the biennium covered by the plan, or not revised.

4. **Baselines** were not specific enough.

5. **Calculation** methods were not clear or did not align to the measure.

6. **Data sources** were not clear.

7. **Measure types** were incorrect.

*We can make more improvements!*
What makes a measure clear and descriptive?
Measure – Format

Does not start with a verb.
Does not include a target.

Typical Format

Data form – Object – Modifier

Percentage of two-year-olds in FAMIS who are fully immunized
EFFECTIVE, HIGH-VALUE MEASURE

Clear alignment to the objective, goal, mission, vision

Focuses on something important

Addresses outcomes

Relates to something you control

Understandable

Provides useful input for decisions
# Measure Types – Input, Output, and Outcome

## Input Measure

**Definition:** Workload Measure
- Resources used
- Volume of incoming work
- Usually a single numeric value (e.g., $2,000 spent on conference fees)

**Examples:**
- Number of license applications received
- Number of incoming phone calls to the customer service department
- Number of job applications received for open position

## Output Measure

**Definition:** Workload Measure
- Amount of work completed or output produced
- Usually a single numeric value (e.g., 47 people trained)

**Examples:**
- Number of licenses issued
- Number of customer calls completed
- Number of interviews conducted for open position

## Outcome Measure

**Definition:**
- Results achieved by an activity compared to the activity’s intended purpose
- Extent to which a service or activity has impacted its intended audience

**Examples:**
- % of hairdressers with valid licenses
- Customer satisfaction rate
- % of open positions filled with internal job candidates

## Process

Inputs → Outputs → Outcomes

---

*Training Workbook Page 15*
## Targets – Annual, Biennial and Long-range

<table>
<thead>
<tr>
<th>Annual</th>
<th>Biennial</th>
<th>Long-range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optional</td>
<td>Required</td>
<td>Required; applies only to key measures</td>
</tr>
<tr>
<td>End of first year of plan/budget biennium</td>
<td>End of plan/budget biennium</td>
<td>Exceeds plan/budget biennium</td>
</tr>
<tr>
<td>Use notes field</td>
<td>Field provided</td>
<td>Field provided</td>
</tr>
</tbody>
</table>
Key Objectives and Key Measures

- **Key objectives** - desired outcomes for an agency’s major programs or activities, that reflect the agency’s primary mission – “We will....”

- **Key measures** - indicators of how well an agency program is performing with respect to the key objectives – Report as a key measure summary.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Number of acres of farmland preserved by local purchase of development rights programs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Measure Target</strong></td>
<td>Value 32,000 acres preserved; Date 6/30/2010</td>
</tr>
</tbody>
</table>

**Key Measure Summary**

We will preserve 32,000 acres of farmland by local purchase of development rights programs by 6/30/2010.
# Planning & Budgeting Changes for 2010-2012 Biennium

## PLANNING CALENDAR

<table>
<thead>
<tr>
<th>Date</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2009</td>
<td>LATE JULY: Training for agencies on developing effective measures and updating their strategic plans for the 2010-2012 biennium.</td>
</tr>
<tr>
<td></td>
<td>LATE JULY: Instructions issued for 2010-2012 Strategic and Service Area Plans</td>
</tr>
<tr>
<td>August 2009</td>
<td>Agencies publish administrative measures results on Virginia Performs, if so directed by the Leadership Communiqué.</td>
</tr>
<tr>
<td>September 2009</td>
<td>SEPTEMBER 1: Agencies submit their strategic and service area plans for the 2010-2012 biennium.</td>
</tr>
<tr>
<td></td>
<td>September 1: Agencies submit budget decision packages.</td>
</tr>
<tr>
<td></td>
<td>SEPEMBER 30: Pilot agencies submit executive progress reports.</td>
</tr>
<tr>
<td></td>
<td>Agencies publish administrative measures results on Virginia Performs, if so directed by the Leadership Communiqué.</td>
</tr>
<tr>
<td>October 2009</td>
<td>MID OCTOBER: Agencies enter quarterly updates for all performance measures for the July-September 2009 quarter.</td>
</tr>
<tr>
<td>December 2009</td>
<td>DECEMBER 18: Governor releases budget.</td>
</tr>
<tr>
<td></td>
<td>Agencies review administrative measures and publish updates, if desired, in Virginia Performs.</td>
</tr>
<tr>
<td>May 2010</td>
<td>MAY 1: Agencies enter quarterly updates for all performance measures for the January-March 2010 quarter.</td>
</tr>
<tr>
<td></td>
<td>General Assembly approves the biennial budget.</td>
</tr>
<tr>
<td></td>
<td>Agencies update strategic and service area plans to align with finalized budget.</td>
</tr>
</tbody>
</table>
Plan Submission Changes

Agency login
• Puts you in work area tables to make changes.
• Select plan year for the new biennium.
• Some fields will be populated.
• Can cut and paste from prior plan.

Changes not made public until DPB publishes them.
Commonwealth Preparedness Objective

We will be prepared to act in the interest of the citizens of the Commonwealth and its infrastructure during emergency situations by actively planning and training both as an agency and as individuals.

Changes
• Measure: Agency Preparedness Assessment Score.
• Target: Minimum of 75%
• Data Source & Calculation: New wording
• Strategy: One-word change (from continuous to regular communication)
Highlights of Changes to the Information Technology Summary Section & Appendix A: Information Technology Investments

• Agency head (or designee) must certify that the following are accurate and up-to-date:
  • IT Summary section
  • Appendix A
  • Application Portfolio
• CIO must approve ITSP prior to agencies obtaining planning approval for IT projects.
• Agencies must explain the business value of IT investments in the IT Summary Section.
  • Constituent service
  • Operational efficiency
  • Strategic alignment
• Agencies must relate IT investments to customers, partners, products, services or resources described in the plan.
Highlights of Changes to the Information Technology Summary Section & Appendix A: Information Technology Investments

• Agencies should group agency lines of business into one of four categories:
  • Services for citizens
  • Mode of delivery
  • Support delivery of services
  • Management of agency resources

• CAO must review and approval all agency IT budgets.

• Agencies use standardized Agency IT staff cost table to estimate previous year costs.

• Agencies must enter into ProSight proposed investments associated with a grant at the time of the grant application.

• Agencies must include non-major IT projects <$100,000 in their estimated budget, but not in Appendix A.
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
Let’s Adjourn!