

Commonwealth of Virginia

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



Workshop

Agency Strategic & Service Area Measures: Continuous Improvement

July 29, 30 and August 4, 2009

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

Facilitators

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Subject Matter Experts

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Agenda

- Introduction: Opening Remarks, Learning Objectives, and Workshop Logistics
- Measurement Issues and Challenges
- Refresher on Measures
- Improving Measures – Practice Exercises
- Evaluating and Improving Your Agency Measures
- Your Game Plan for Measures
- Open Issues and Questions
- Strategic Planning/Budgeting for the 2010-2012 Biennium: Changes and Handbook Updates
- Workshop Recap and Your Feedback

Learning Objectives

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

- List and explain the components of measures used in agency strategic and service area plans.
- Evaluate and improve measures.
- Describe how to effectively use measures as management tools.
- Describe changes in the strategic planning and budgeting 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.

Measurement Challenges & Issues

Topics Submitted Via E-Mail:

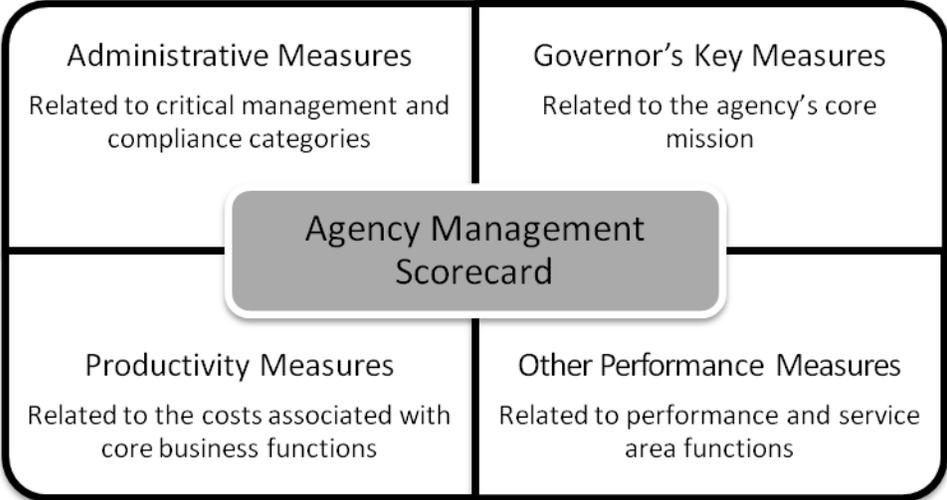
- Budget development, reductions, expectations
- Schedules and deadlines
- Administrative measures
- Developing good measures and targets
- Strategic planning process and plan maintenance
- Agency-level measures vs. service area-level measures

What measurement challenges or issues would you like to discuss today?

The Evolution of Agency Measures

Circa 2004: Great 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



What is Virginia’s vision for measures? What is your vision?

Transforming the Management Scorecard into Administrative Measures

A review team representing 11 agencies was created. Their 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 semi-annually (January and August) with year-end information made public (deadline to be published in the Leadership Communiqué).

The New Administrative Measures

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

Administrative Measures

Entering Data for Administrative Measures:

1. Log in to your agency work site in Virginia Performs.
2. From the agency screen, click on the administrative measures tab and choose the 'Edit' link.
3. Make sure the version pull-down has "2009" selected.
4. Select the rating (green, yellow, red) for each measure, based on results. Select gray if data are not available. The data entry screen is shown below.
5. Explanatory comments are mandatory if your color indicator is yellow or red. Comments are optional for green indicators.
6. Unlike your performance measures, you can use the "Publish" link on the Administrative Measures tab to make your administrative measures public when you are ready.

Goal	Measure	Rating	Explanatory Note
Emergency Preparedness			
Emergency Preparedness	Percent of recommended preparedness actions taken <i>Source: OCP Agency Preparedness Survey</i>	<input type="checkbox"/> 75-100% <input type="checkbox"/> 50-74% <input type="checkbox"/> 0-49% <input type="checkbox"/> Unavailable	
Financial Management			
APA Audits	Number of recurring findings/material weaknesses <i>Source: Comptroller's Quarterly Report</i>	<input type="checkbox"/> 0 <input type="checkbox"/> 1 recurring <input type="checkbox"/> 2+ recurring or 1 material <input type="checkbox"/> Unavailable	
Budget Plan	Percent of expenditures within budget plan <i>Source: DPB Expenditure Variance Report - derived from OARS</i>	<input type="checkbox"/> 0-100% <input type="checkbox"/> N/A <input type="checkbox"/> >100% <input type="checkbox"/> Unavailable	

Data Sources & Helpful Resources for Administrative Measures

In the near future, a table that lists all data sources for administrative measures will be available in the administrative measures area of Virginia Performs. The table will also contain contact information for subject matter resources for each measure.

Changes in the Agency Administration Objective - 2010-2012 Planning & Budgeting Process

Changes for 2010 – 2012 Biennium

Objective <i>-No Change</i>	To ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.
Measure <i>-Changed for 2010-2012 biennium – used to be “percent of scorecard categories...”</i>	Percent of administrative measures marked as "meets expectations" (green indicator) for the agency Note: You may find your agency's most recent scores at: http://vaperforms.virginia.gov/agencylevel/src/scorecardresults.cfm
Measure type <i>-No Change</i>	Outcome
Measure class <i>-No Change</i>	Agency other
Measure frequency <i>-Changed for 2010-2012 biennium – used to be quarterly</i>	Annual - Agencies are required to publish results for their administrative measures on Virginia Performs after the end of each fiscal year. The specific deadline for publishing results will be posted in the <i>Leadership Communiqué</i> . Agencies should review their results in January to determine whether actions are needed to meet their targets by the end of the fiscal year.
Baseline <i>-Changed for 2010-2012 biennium – formerly listed as FY 2007 agency results</i>	The FY 2009 score of the agency
Target <i>-No Change</i>	To be developed by each agency
Data source and calculation <i>-Changed for 2010-2012 biennium – used to be based on old scorecard categories</i>	Data Source: There are currently 13 administrative measures organized into five categories. Each measure has a different data source. Agencies should refer to the administrative measures data source information table to locate the data source for each measure. The table is located in Virginia Performs / Agency Planning and Performance / Administrative Measures. Calculation: Agencies select the appropriate colored indicator (green, yellow, red) for each measure, depending on results. A gray indicator is used for measures where data are unavailable. The agency administration measure is the percent of the administrative measures that have a green indicator (meets expectations). Exclude items with a gray indicator from the calculation.
Strategy <i>-No Change</i>	To be developed by each agency

The Other Classes of Measures from the New Management Scorecard

- Key Measures – Approved by Chief of Staff
- Productivity Measures – Approved by Chief of Staff
- Other Agency Performance Measures – Approved by Secretary

Quick Quiz

What is it?	Key?	Productivity?	Other?
A. We will control the amount of square feet of office space leased per occupant of leased space to 205 square feet or below by 07/01/2012.			
B. Average cost to process an individual income tax return			
C. Number of boat registration and titling transactions completed per hour.			
D. The percentage of time each year the Virginia Criminal Information Network (VCIN) is available			
E. We will reduce the percentage of Virginia households who spend more than 30 percent of their income for housing to less than 30 percent by the end of CY 2008.			
F. Average turn-around time for DNA and mitochondrial samples that are analyzed and the results reported to the requesting authority			

Things You Need to Know About Measures

- 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.

Exercise: Changing Measures

1. Work in a group.
2. Select a spokesperson.
3. Discuss the two questions shown below and record your answers.

What are some good reasons for changing a measure?

What are some not-so-good reasons for changing a measure?

Exercise: Using Measures as Internal Management Tools

Answer the following questions.

1. Does your agency use the measures in your strategic and service area plans today?

2. If yes:

– Who uses the measures?

– How do you use the measures?

– How frequently do you review them?

– What benefits have you derived from using the measures?

3. If no, why aren't the measures being used?

4. What needs to change in order for the measures to be used or to be used more effectively?

Improving Measures – Measure Components Refresher

<p>MEASURE COMPONENTS</p> <p>Measure Class Type Frequency Data Source & Calculation Baseline Target Preferred Trend</p>
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Measure - A phrase that clearly describes what you are measuring to monitor progress toward achieving a specific objective

Measure Class - Three classes of measures used in the strategic plan: Governor’s key, productivity, and agency other (all measures not considered Governor’s key or productivity, e.g., service performance measures)

Measure Type - Three commonly used types: input, output, and outcome.

Measure Frequency - Measurement can occur in different cycles: monthly, quarterly, annually, etc. Where possible, monitor results quarterly, at a minimum. Collect data for your measure frequently enough to identify and address problems quickly.

Data Source and Calculation (Methodology)

- *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.

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.

Examples:

<i>Measure</i>	<i>Baseline</i>	<i>Target</i>	<i>Preferred Trend</i>
<i>Violent crime rate</i>	<i>15 crimes in FY 2009</i>	<i>3% reduction by FY 2010</i>	<i>Decrease – Indicates that the agency is striving to decrease the violent crime rate from current levels in the future.</i>
<i>Customer satisfaction rating</i>	<i>82 % for FY 2009</i>	<i>89% by 12/31/11</i>	<i>Increase – Indicates that the agency is striving to increase the percentage of satisfied customers that will be reported in the future.</i>

Improving Measures – Summary of APA Audit Findings

Source: http://www.apa.virginia.gov/reports/PERFORMANCE_MEASURES_08.pdf

Good news: Data were generally accurate and reliable.

What internal controls do you have in place to ensure your data are accurate and reliable?

Problems:

1. Measures were not as descriptive or clear as they should have been.
2. Targets were not specific enough, not within the biennium covered by the plan, or not revised.
3. Baselines were not specific enough.
4. Calculation methods were not clear or did not align to the measure.
5. Data sources were not clear.
6. Measure types were incorrect.

Improving Measures

Examples:

- The number of days to process a new retail licensee application
- Percentage of eligible FAA-registered aircraft that are licensed per Code of Virginia requirements
- Rate of workplace injuries in the high-hazard construction industry per 100 employees

Group Exercise: What makes a measure clear and descriptive? Take a 10 minute break as part of this exercise.

Format for Agency Measures

- A measure does not start with a verb. This is to avoid confusion with objectives or goals that are designed to start with verb phrases.
- A measure does not include a target (except for key measure summaries).
- A measure is a neutral statement that is formatted as follows:
 - Data form – the form that the data value will take (e.g., rate, percentage, number, average, proportion, dollars)
 - Object – the issue or outcome that is being monitored; generally includes a criterion or modifier; often follows the preposition “of” or “to”

Examples:

Measure: Average rating of citizen satisfaction	Measure: Percentage of two-year-olds in FAMIS who are fully immunized
• Data form – Average rating	• Data form – Percentage
• Object – Citizen	• Object – Two-year-olds in FAMIS
• Criterion/Modifier – Satisfaction	• Criterion/Modifier – Fully immunized

Exercise:

Determine the data form, object and criterion/modifier for the following three measures.

1. The number of days to process a new retail licensee application	Data form	
	Object	
	Criterion/Modifier	
2. Percentage of eligible FAA-registered aircraft that are licensed per Code of Virginia requirements	Data form	
	Object	
	Criterion/Modifier	
3. Rate of workplace injuries in the high-hazard construction industry per 100 employees	Data form	
	Object	
	Criterion/Modifier	

Evaluating and Improving Measures – Content

While the format of a measure is important, the content is critical. An effective, high-value measure should:

- Clearly align to a specific goal and objective that ultimately support the agency’s mission and vision
- Focus on something important or strategic
- Address outcomes, whenever possible
- Relate to something you control
- Be understandable
- Provide information that helps you make decisions, including budget decisions

According to a publication by The Pew Center on the States, high-value metrics are those focused on the specific outcomes desired and demonstrate whether or not those outcomes are being achieved. These metrics must answer the question, “How effectively and efficiently is the agency achieving its mission?”

The paper also provides the following advice:

- “Knowing the input and output measures is important, but only by tracking outcomes measurement will an agency know whether it is achieving its mission.”
- “Once the performance information is collected, states should use it to make decisions and hold all agencies accountable for results.”
- “Agency directors should also incorporate agency strategic plan metrics in the performance plans of managers and employees. In addition to the governor, members of the legislative branch should also be using performance metrics to make decisions.”
- “...performance measures should link to the budget process to ensure greater accountability.”

Source: http://www.pewcenteronthestates.org/initiatives_detail.aspx?initiativeID=51806

Exercise – Content & Format

1. Evaluate the objectives and associated measures below for content and format.
2. Identify what needs to be improved and make the improvements.

	Content	Format
<i>Objective A: Children are, first and foremost, protected from abuse and neglect.</i>		
<ul style="list-style-type: none"> • Measure A1 – Children that are maltreated do not experience repeat maltreatment. 		
<ul style="list-style-type: none"> • Measure A2 – Incidence of child abuse and/or neglect of children in foster care 		
<i>Objective B: Children have permanency and stability in their living arrangements.</i>		
<ul style="list-style-type: none"> • Measure B1: Children do not re-enter foster care. 		
<ul style="list-style-type: none"> • Measure B2: Permanency goals of finalized adoption are achieved timely. 		
<i>Objective C: Promote decent, affordable housing.</i>		
<ul style="list-style-type: none"> • Measure C1: Unoccupied units in public housing that are not HUD-approved vacancies decline by 5 percent by 2011. 		
<ul style="list-style-type: none"> • Measure C2: The percentage of clients who maintain housing stability, avoid homelessness, and access care each year 		
<ul style="list-style-type: none"> • Measure C3: The Capital Fund Financing program will leverage a projected total of \$315 million in private financing for public housing projects between 2006 and 2011. 		

Measure Content – Aligning Measures to Objectives; Measuring What’s Important

There should be an obvious link between measures and the goals and objectives they support. Measures should be directed toward what is most important in the goal and objective.

Exercise:

Evaluate the measures below to see if they align with and reflect the intent of the objectives and reflect what’s most important in the objective. Note: The measures and objectives may have been altered for the purpose of creating this exercise.

<i>The Objectives</i>	<i>The Measures</i>	<i>Evaluation Notes</i>
1. Enhance food safety for citizens of the Commonwealth.	Number of inspections conducted	
	Percentage of food establishments inspected by the Food and Dairy Division that are in voluntary compliance with the Virginia Food Safety Code	
2. Assist businesses in the Commonwealth to create and retain jobs through the economic development incentive offered through the Virginia Jobs Investment Program	Number of companies assisted by the Virginia Jobs Investment Program	
	Number of jobs created and retained through the Virginia Jobs Investment Program	
3. Increase the percentage of at-risk third graders who are proficient in reading at a third-grade level	Percentage of third-graders who tested at a third grade proficiency level in reading	
4. Increase the influenza and pneumococcal vaccination coverage rates in adults 65 years of age and older.	The percentage of adults in Virginia who are appropriately immunized	
5. Effectively manage all building construction and renovation projects.	On-time and on-budget project performance	
6. Timely processing of accurate, effective, and defensible permits that protect worker safety	Number of work sites where human exposure to safety hazards are determined to be under control	

Types of Measures

Input Measure	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.	<i>Examples: Number of hours used to analyze a new software package Amount of money invested/spent</i>
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.	<i>Examples: Number of service calls closed Number of customer calls handled</i>
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. This is the preferred measure.	<i>Examples: Problem resolution rate Employee retention</i>

Exercise: What is it?

Measure	Input	Output	Outcome
1. Percent of program participants gainfully employed at least six months after program exit			
2. Percentage of annual allowable tree harvest actually harvested			
3. Number of fuels tax audits conducted per calendar year			
4. Number of workers with disabilities served through follow along services.			
5. Average hourly wage of vocational rehabilitation consumers employed at the time of their case closure.			
6. Number of safety violations reported by citizens			
7. Percentage of safety violations successfully eliminated by the violations’ due dates			
8. Number of applications received			
9. Number of applications processed			
10. Percent of applications processed in a timely manner			

Targets – Update for Next Planning Cycle

Agencies may establish up to three targets for any measure.

Annual Target	Optional	<ul style="list-style-type: none"> • Corresponds to the end of the first year of the biennium. • Should be used if the strategies that align with the target are to be accomplished within the first year of the strategic plan. 	Use the measure notes field in Virginia Performs to record this target.
Biennial Target	Required	<ul style="list-style-type: none"> • Corresponds to the end of the second year of the biennium. • Should correlate with what the agency plans to accomplish by the end of the timeframe covered in the strategic plan and its associated budget. 	There is a field for this target in Virginia Performs.
Long-range Target	Applies only to key measures; required	<ul style="list-style-type: none"> • Corresponds to a date that exceeds the biennium for those agencies that prefer or need to set targets well into the future, based on when outcomes will be impacted by strategies and budgets. 	There is a field for this target in Virginia Performs.

Considerations when establishing targets:

- If performance consistently exceeds a target, reassess the target. Otherwise, it may give the impression that the agency is satisfied with the status quo or intends to lower its performance. Use the notes field in Virginia Performs to explain why a target is not changing.
- Align the deadline for the target to the time period of the budget investment that supports achievement of the target.
- Adjust targets to reflect changes from the General Assembly session.
- Consider where the target places Virginia among other states. Check targets against national data from other states and, where possible, avoid setting targets that fall below other states.
- Consider the priority of the objective to which the target is aligned when setting the target. For example, an agency may determine that most of its efforts will be directed at its top five objectives. If that is the case, the targets for remaining objectives may focus on maintaining results or making small gains. It is important to look at all targets together.
- Ensure targets are challenging, but realistic and achievable.

What would prevent you from establishing a challenging (stretch) target?

Exercise: Setting Targets

Note: Some data were altered for the exercise.

Determine what, if anything, is wrong with the following baselines and targets.

Objective A: Efficiently provide financial assistance to needy families with children.

- Measure: Number of TANF applications processed timely
 - Baseline: 93% as of 6/30/05
 - Target: 97% as of 6/30/10
-
-
-

Objective B: Maintain compliance with standards established by the State Board of Juvenile Justice.

- Measure: Compliance by all locally operated Court Service Units (CSUs) with Board of Juvenile Justice Standards
 - Baseline: 98% as of 6/30/08
 - Target: 100% as of 6/30/14
-
-
-

Objective C: Operate a cost efficient and operationally effective enterprise vehicle management program.

- Measure: Annual maintenance cost per vehicle
 - Baseline: \$478/vehicle as of 6/30/07
 - Target: \$502/vehicle as of 6/30/10
-
-
-

Objective D: Raise the number of students completing GED certificates at Community Corrections sites.

- Measure: The number of GEDs earned annually
 - Baseline: 130 in 2005
 - Target: 5% increase in 2010
-
-
-

Measure Methodology: Data Source & Calculation

Exercise:

You've been asked to present instructions and advice to a group of people who will be responsible for collecting and calculating data for their agencies' strategic plans. Others in the audience will be responsible for ensuring the measure methodology information in Virginia Performs is precise and clear.

Develop a checklist of things (i.e., a quality standard) that these individuals should address to ensure the measurement methodology section is done well.

Key Objectives & Key Measures

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

Key Objectives	Desired outcomes for an agency's major or most important programs or activities	Standard phrasing: Objectives start with the phrase "We will..."
Key Measures	Indicators of how well an agency is performing on the major or most important programs or activities (i.e., the key objectives) that reflect the agency's primary mission.	Standard phrasing: Combines the measure, the target value, and target date into a <u>key measure summary</u> that starts with the phrase "We will..."

Exercise:

Write Key Measure Summaries for the following. Correct other problems you may identify.

<p>Objective A: The IALR will develop robust research activities which build high tech economic capacity in Southside Virginia.</p> <ul style="list-style-type: none"> • Measure: Dollar amount of IALR research expenditures • Baseline: \$3.9 million as of 6/30/2006 • Target Value: \$8.5 million • Target Date: 6/30/2010 	
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<p>Objective B: To maximize the efficiencies available through the use of information systems technology.</p> <ul style="list-style-type: none"> • Measure: Reduce completion time for investigation of complaints • Baseline: 3.5 months as of FY 06 • Target Value: 2 months • Target Date: 6/30/2010 	
<p>Objective C: Provide high-level customer service</p> <ul style="list-style-type: none"> • Measure: Percentage of customers rating services received as good or better • Baseline: New measure; no baseline • Target Value: 90% • Target Date: 6/30/2010 	

The Final Exam

Evaluate the following objective and its associated measures and make improvements or make a note of questions you would ask in order to make improvements.

Service Area: Investment Management Services

Objective: Operational Standards

Measure #1: 90% of the partnerships' financial analysis to ABC Bank by month end (4th business day of the following month)

Class	Other
Type	Outcome
Frequency	Quarterly
Methodology	This measure is calculated manually utilizing the fax logs which indicate the partnership financial analyses that are sent to ABC Bank.
Baseline Value	
Baseline Date	
Baseline Description	The baseline is a set expectation
Target Value	90
Target Date	6/30/2010
Target Description	90% of analysis submitted to ABC Bank.
Preferred Trend	Maintain
Notes	

Measure #2: Monitor and maintain approved asset allocations

Class	Other
Type	Outcome
Frequency	Quarterly
Methodology	This measure is based on a calculation of asset balances by asset class.
Baseline Value	
Baseline Date	
Baseline Description	The baseline is a set expectation.
Target Value	100%
Target Date	6/30/2010
Target Description	100% of total trust fund
Preferred Trend	Maintain
Notes	The Investment Portfolio, which consists of nine asset allocations, is rebalanced daily to the policy established by the Board of Trustees.

Measure #3: 100% of fees must be verified for accuracy within prescribed error margins.

Class	Other
Type	Outcome
Frequency	Quarterly
Methodology	Invoices for management fees are compared to an independent verification of fees utilizing an excel spreadsheet.
Baseline Value	
Baseline Date	
Baseline Description	The baseline is a set expectation.
Target Value	100%
Target Date	6/30/2010
Target Description	100% accuracy
Preferred Trend	Maintain
Notes	

Measure #4: Receive 100% of the reconciliations from all investment managers for all four quarters.

Class	Other
Type	Outcome
Frequency	Quarterly
Methodology	Invoices for management fees are compared to an independent verification of fees utilizing an excel spreadsheet.
Baseline Value	
Baseline Date	
Baseline Description	The baseline is a set expectation.
Target Value	100%
Target Date	6/30/2010
Target Description	100% receipt
Preferred Trend	Maintain
Notes	

Evaluating and Improving Your Measures

Exercise #1: Measure Content and Format, Types, Classes and Methodologies

1. Work with a partner who is not in your agency.
2. Select three non-key measures from any service area plan. Record the measures in the column headings.
3. Use the worksheet below to evaluate the measure.
4. Get feedback from your partner and provide feedback to your partner.
5. Make changes to the measures to improve them.
6. If you finish early, work on other measures.
7. Record next steps in your game plan on the last page in the workbook.

Quality Checklist for Measures	Measure #1:	Measure #2:	Measure #3
Class is correct.			
Type is correct.			
Content:			
• Aligns to objective.			
• Focuses on something important.			
• Addresses outcome.			
• Relates to something you control.			
• Is understandable.			
• Helps you make decisions.			
Format:			
• Does not start with a verb.			
• Does not contain a target.			
• Is specific.			
Data Source & Calculation:			
• Source is clear.			
• Calculation is clear.			

Exercise #2: Targets, baselines, preferred trends and frequency

1. Work individually at first.
2. Use the same three measures from the previous exercise.
3. Review the baselines, targets and recent performance data.
4. Use the worksheet below to evaluate the targets, etc. Record the measure in the column headings.
5. Exchange information with your partner to get a different perspective. Make improvements, as appropriate, based on the feedback.
6. If you finish early, work on other measures
7. Record next steps in your game plan.

Quality Checklist for Measures	Measure #1:	Measure #2:	Measure #3
Is the frequency appropriate?			
Targets:			
• Is long-range target needed?			
• Is biennial target challenging, but achievable?			
• Is annual target needed?			
• Are explanatory notes needed?			
Is the preferred trend okay?			
Is a new baseline needed?			

Exercise #3: Game Plan

Outline your next steps for completing a thorough review of your agency's measures.

1. Work individually or with someone from your agency, if he/she is seated nearby.
2. Review and update your game plan for completing a thorough review of your measures, using the worksheet on the last page. There are two parts to the game plan.
 - a. Evaluating and improving the measures.
 - b. Using the measures.

Notes:

Changes for the 2010-2012 Strategic Planning & Budgeting Cycle

CHANGES ALREADY COVERED IN CLASS

- Addition of new measure element: measure class
- Instructions for setting targets
- Addition of new measure element: preferred trend
- Agency administration objective and measure
- Administrative measures

UPDATED PLANNING CALENDAR

This is an excerpt of the full planning calendar you will find in the handbook.

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

PLAN SUBMISSION CHANGES

Update your agency strategic and service area plans and administrative measures by going to www.vaperforms.virginia.gov. Click on Agency Planning and Performance / Agency login. Enter User ID and Password. If you do not have access to the system, apply for a login and password at <http://vaperforms.virginia.gov/agencylevel/request.cfm> and fill out the requested information. Your User ID should consist of your agency abbreviation and initials.

When logged in as an agency user, you will be working from the "work area" tables in the Virginia Performs database.

- You can use the browse, search and report screens in the same way as when you are not logged in, however, when you click on an objective or measure you will be able to change the information.
- Your changes are initially kept in the "work area" tables that are not immediately made public.
- Once DPB publishes your changes, all changes will be copied to the public table of Virginia Performs.

To update your plan for the next biennium:

- Select the plan year for that biennium.
- Some fields will already be populated with information from the prior plan as part of a roll-up done by DPB. Populated fields are those that were deemed least likely to have changes (e.g., mission, statutory authority) from one biennium to the next.
- Review those sections as your agency may determine that changes are needed.
- For fields that are not populated, you can enter new information or copy information from the old plan and paste it to the new plan.

TIMEFRAME GUIDELINES

Executive progress report

Products and services

Human resource summary (timeframe guidelines and other updates)

For sections of the plan that ask you to describe the current or future state, we've added timeframe guidelines.

- Current state is the status as of the close of the most recent biennium or as of the date you are writing the plan.
- Future state should focus, at a minimum, on the next biennium, i.e., the one that is covered in the new plan you are developing. You can project further into the future. If you do so, make sure you provide the timeframe that is being discussed (e.g., over the next five years).

COMMONWEALTH PREPAREDNESS GOAL

What stayed the same?

- Wording of the goal: *Strengthen the culture of preparedness across state agencies, their employees and customers.*
- Wording of the 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.*
- Goal summary and alignment paragraph
- Measure type – Outcome
- Measure class – Agency Other
- Measure frequency – Annual

Changes for 2010 – 2012 Biennium

- Measure
 - Old: Agency COOP Assessment Score
 - New: Agency Preparedness Assessment Score
- Target:
 - Old: Minimum of 75%, or if at 75%, increase the average by 5% each year
 - New: Minimum of 75%
- Data source and calculation
 - Old: The COOP Assessment Review is a 24-component assessment tool that helps measure the viability of a COOP plan.
 - New: The Agency Preparedness Assessment is an all-hazards assessment tool that measures agencies' compliance with requirements and best practices. The assessment has components including Physical Security, Continuity of Operations, Information Security, Vital Records, Fire Safety, Human Resources, Risk Management and Internal Controls, and the National Incident Management System (for Virginia Emergency Response Team – VERT - agencies only).
- Strategy: The agency Emergency Coordination Officer will stay in **regular** communication with the Office of Commonwealth Preparedness, the VA Department of Emergency Management, and other Commonwealth Preparedness Work Group agencies.

INFORMATION TECHNOLOGY (IT) SUMMARY SECTION & APPENDIX A: IT INVESTMENTS

Information technology summary section

Appendix A: Information technology investments

The IT Summary Section of the Agency Strategic Plan together with the *Appendix A: Information Technology Investments* comprise the agency's IT Strategic Plan (ITSP). The ITSP is the primary tool for communicating how agency business needs drive IT investment decisions, and how the agency's IT investments support the business goals and objectives of the agency and the Commonwealth.

Key points to address for this planning cycle include the following:

- The agency head, or the agency head's designee, must certify that the IT Summary section, the Appendix A: Information Technology Investments section, and the agency's Application Portfolio contained within the Commonwealth Enterprise Technical Repository (CETR) are all accurate and up-to-date prior to the CIO reviewing and approving the agency's ITSP.
- Agencies will not receive planning approval for IT projects or procurements without a CIO-approved ITSP.

- The IT Summary section must explain how the IT investments recorded in Appendix A produce business value for the agency using the approach documented in the ITIM Standard for identifying the business value of IT investments. The business value of IT is measured in three categories:
 1. Constituent Service
 2. Operational Efficiency
 3. Strategic Alignment
- The agency must relate IT investments to the customers, partners, products and services, or resources described in either the Background section of the Agency Strategic Plan or within a Service Area Plan.
- To plan the transition from its current state to its future state, agencies should group agency lines of business into one of four high-level categories.
 1. the purpose of the agency (Services for Citizens);
 2. the mechanisms the agency uses to achieve its purpose (Mode of Delivery);
 3. the support functions necessary to conduct agency operations (Support Delivery of Services); and,
 4. the resource management functions that support all areas of the agency's business (Management of Agency Resources).
- The CAO must review and approve all agency IT budgets.
- The rows in the agency Budget Estimation tables have been revised.
- A table is included which standardizes the process for estimating the Agency IT Staff cost for the previous year. The previous year estimate is used as a basis for estimating Agency IT Staff costs for the new biennium.
- Proposed investments that are associated with a grant must be entered into ProSight (the Commonwealth's Technology Portfolio) prior to, or at the time of, submitting the grant application.
- Agencies must include Non-major IT Projects below \$100,000 in their estimated budget, though not in their Appendix A.

Workshop Recap

- Evolution of measures
- The new management scorecard
- Administrative measures
- Using measures as management tools
- APA audit findings
- Components of a measure; practice drills
- Evaluation and enhancement of agency measures
- 2010-2012 biennium – planning and budgeting cycle and changes
- Your questions

Did we meet our objectives?

- 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.

How did we do?

- Please give us your feedback so that we can improve.

Where to go for Help

- Call your DPB analyst.
- Refer to the “helpful resources” information table for administrative measures.
- Find an agency that has real good measures and ask for help!

Next Steps

- Work on your plans for the next biennium.
- Review ALL MEASURES and make improvements or refinements where appropriate.
- Get ALL key measures in the correct format.
- Look for answers to open issues that will be posted on the DPB website.

Thanks!

Checklist and Game Plan for Improving Measures

CHECKLIST	✓	NOTES /IMPROVEMENTS NEEDED
1. Check key measures.		
a. Key measures are outcome measures.		
b. Key measures are formatted correctly.		
c. Measure information is clear and understandable.		
2. Check the format of all measures.		
a. No verb phrases in the measure.		
b. No targets in the measure.		
c. Data form is included.		
d. Object and criterion are included.		
3. Fix formatting issues.		
4. Check the content of all measures.		
a. We control it.		
b. It is measuring something important.		
c. It aligns with the objective and goal.		
d. It is understandable.		
e. It is an outcome.		
f. It helps us make decisions.		
5. Fix content issues.		
6. Check the measure components.		
a. Class		
b. Type		
c. Baseline		
d. Biennial Target		
e. Annual or Long-range Targets, as needed		
f. Frequency		
g. Preferred Trend		
h. Data Source & Calculation (Methodology)		
7. Fix component issues.		

Game Plan

Actions Needed to Evaluate and Improve Measures	Actions Needed to Ensure the Measures Are Used as Management Tools

WORKSHOP EXERCISES: PARTICIPANT RESPONSES

The following pages provide a summary of participant responses to the various exercises in the workbook for the three classes that were held in July and August, 2009.

Page #	Exercise	Answer and/or Ideas from Class Participants
1	What is Virginia's vision or your vision for measures?	<ul style="list-style-type: none"> • We use the measures to see if we are effective. • We have realistic targets and use the measures to make course corrections when impacted by things outside of our control. • We use the measures to examine programs and find creative solutions. • We have measures that make sense to the public/stakeholders. They are relevant, understandable and clear. • Measures that are compatible with federal measures • Measures are meaningful; they make a difference. • Measures are valid and quantifiable. • There is consistency in the measurement process. • Measures are important. • Measures are adapted to change.
6	What is the class of each measure?	<ul style="list-style-type: none"> • A-key, B-productivity, C-productivity, D-other, E-key, F-other
7	Good reasons for changing a measure	<ul style="list-style-type: none"> • The needs of Virginians changed. • The objective changed. • The current measure isn't providing insight. • New or better data are now available. • The program that was being measured is no longer in existence. • There is a new mandate or a new measurement requirement or changes resulting from the change in administrations • The measure is not really a measure. • Budget cuts or reductions • The business environment or core responsibilities have changed, making the measure no longer relevant. • Agency maturity in defining what's important. • Data collection is too costly. • We were measuring the wrong thing or focusing on a low-priority item. • It was wrong to start with. • Old measure reflected something out of our control. • Measures conflict. • A review showed that it was time to clear out old measures. • Modified data collection method. • Change in agency leadership.
	Bad reasons for changing a measure	<ul style="list-style-type: none"> • Poor performance you prefer not to publish • Not meeting a target; can't meet a target
8	Who uses the measure?	<ul style="list-style-type: none"> • Agency heads, managers, unit-level directors, Chief of Staff, Secretary, executive staff
	How frequently do you review them?	<ul style="list-style-type: none"> • Quarterly, annually, monthly, as necessary, depends on the measure
	How do you use the measures?	<ul style="list-style-type: none"> • To manage staff performance; performance evaluations (top to bottom) • To measure agency performance • To manage processes • To track costs

Page #	Exercise	Answer and/or Ideas from Class Participants
		<ul style="list-style-type: none"> • To promote the agency's mission to receive needed funding • To report to Virginia state government, the federal government and funding sources • For media updates • For public updates • To share information with stakeholders and advisory groups • To pay attention to, design and implement programs to meet targets • For planning • To establish internal and external accountability • To set standards • For resource allocation • To get signals to redirect management attention • To get benchmarks (baselines) to target better performance • For communication that leads to corrective action • For delegation (management → individual reports) • For outreach to outside audiences
	What benefits have you derived?	<ul style="list-style-type: none"> • Supported alignment with policy and regulatory boards. • Productivity measures used to identify a large difference between the cost of issuing a license and the actual fee that was being charged for the license. Currently in the process of requesting a license fee increase. • Data from a customer satisfaction measure resulted in a change in policy. • Data from a productivity measure was used for resource allocation. • Used to improve quality and process. • Made changes in how accidents were reported. • Provided information on reports of negative incidents. • Identified shortfalls sooner. • Helps us keep central agencies happy. • Modified contractor performance. • Justified a new telephone system. • Data collection determined effectiveness. • Sends a message on goals to the public and employees. • Enhancement/refinement of operations: more training, management involvement • Improved consistency of service delivered. • Improved sense of accomplishment among employees. • Used to focus resources. • Used to identify things that have gone wrong.
	Challenges. Why aren't measures being used?	<ul style="list-style-type: none"> • Dependent on management buy-in • People probably don't use the measures to the extent that it's required. Most employees probably don't know what the measures are. • Systems are outdated and not linked; affects availability of data • Difficult to quantify • Not meaningful • Due to budget cuts, there is no funding to collect the data • Competing measures in large agencies • Functions do not match with the program/service area structure making measurement difficult in some instances
	What needs to change in order for the measures to be used?	<ul style="list-style-type: none"> • Communicating information about the strategic plan and its measures to all employees.

Page #	Exercise	Answer and/or Ideas from Class Participants
		<ul style="list-style-type: none"> • Including related measures and targets in EWPs. • Measures need to be tied to functions. • Measures need to be relevant, flexible and meaningful. • During the transition to the new administration, look for agency heads who are committed to strategic planning and performance management.
10	What makes a measure clear and descriptive?	<ul style="list-style-type: none"> • No acronyms (or they are spelled out) • Plain language; no jargon • Specific focus; narrow focus; focus on one thought • Aligns well with the objective • Helps to identify the process from which the measure has been developed • Well defined • Not subjective; quantitative • Not open to various interpretations • Can't be arbitrary • Auditable
11	Item 1	<ul style="list-style-type: none"> • Data form = number; object = days to process; modifier = new retail licensee application
	Item 2	<ul style="list-style-type: none"> • Data form = percentage; object = eligible FAA-registered aircraft; modifier = licensed per Code of VA requirements
	Item 3	<ul style="list-style-type: none"> • Data form = rate/100 employees; object = workplace injuries; modifier = in high-hazard construction
12	Ideas about what makes a measure "high-value and effective"	<ul style="list-style-type: none"> • Tells you something you need to know • Helps you monitor performance • Indicator of progress • You have control over it
13	Objective A	<ul style="list-style-type: none"> • Sample rewrite: Protect children from abuse and neglect.
	Measure A1	<ul style="list-style-type: none"> • Sample rewrite: % of children that experience repeat maltreatment (Note: need to define maltreatment)
	Measure A2	<ul style="list-style-type: none"> • Sample rewrite: # of children in foster care experiencing abuse and/or neglect • There are too many factors in the measure.
	Objective B	<ul style="list-style-type: none"> • Are permanency and stability the same?
	Measure B1	<ul style="list-style-type: none"> • As worded, the measure sounds like a statement of fact. • Sample rewrite: % of children formerly in foster care who re-enter foster care <i>within X time period</i>
	Measure B2	<ul style="list-style-type: none"> • As worded, the measure sounds like an objective. • The audience needs to understand something about the allowable and appropriate timeframes for adoptions as context for interpreting results. • Sample rewrite: % of adoptions occurring within <i>X months</i> of the end of the mandated waiting period
	Objective C	<ul style="list-style-type: none"> • Use of the word "promote" makes it sound a bit like marketing.
	Measure C1	<ul style="list-style-type: none"> • The measure includes a target. • The measure is difficult to understand due, in part, to the use of the negative in the statement. • Sample rewrite: % of unoccupied units in public housing that are HUD-approved vacancies. • Alternative: Placement rate in HUD-approved housing. This alternative focuses on people instead of on housing.

Page #	Exercise	Answer and/or Ideas from Class Participants
	Measure C2	<ul style="list-style-type: none"> The format is acceptable. To be counted, does an individual have to achieve all three things (i.e., maintain housing stability, avoid homelessness, access care)? There is too much going on in one measure. How does accessing care (what kind of care) affect the promotion of decent, affordable housing?
	Measure C3	<ul style="list-style-type: none"> The measure includes a target or is written as a projection. Sample rewrite: \$ amount of private financing for public housing projects available via the TCFE program
14	Measures for objective 1	<ul style="list-style-type: none"> First measure: % of inspections completed does not ensure safety. Alternative: % of food establishments achieving an "A" rating for food safety. The term "food establishments" will have to be defined as it could include restaurants, dairies, grocery stores and others. Percentage is better than a number because you have a sense of the potential number of inspections that may be needed. Second measure: What is voluntary compliance? Can the results of this be trusted? This measure seems too wordy and unclear.
	Measures for objective 2	<ul style="list-style-type: none"> Both measures seem pretty good, however it may be helpful to use a return on investment measure (i.e., taxes collected from businesses assisted by the VA Jobs Investment Program versus dollars used). Perhaps the term "assist" could be defined in the objective. Is the second measure really two measures: one covering job retention and one covering job creation?
	Measure for objective 3	<ul style="list-style-type: none"> The measure should specifically address "at-risk" children to align with the objective.
	Measure for objective 4	<ul style="list-style-type: none"> The measure should specifically address adults 65 or older and should be broken into two measures, one for each immunization (unless the agency is interested in tracking adults in this age group who get both immunizations).
	Measure for objective 5	<ul style="list-style-type: none"> The measure does not address quality, which is an important part of project management. The data form (e.g., percentage) is missing from the measure. Perhaps separate measures should be established for construction and renovation.
	Measure for objective 6	<ul style="list-style-type: none"> What is a defensible permit? The measure doesn't appear to clearly align with the objective. The objective leads with "timely" which is an indication that timeliness is very important. However, the measure does not address timeliness. Based on the wording of the objective, we expect to see a measure that focused more clearly on worker safety. It may be wise to switch the objective and the measure and make necessary wording changes. The use of the word "determined" is awkward.
15	What is it (type of measure)?	<p>1=outcome; 2=outcome; 3=output; 4=output; 5=outcome; 6=input; 7=outcome; 8=input; 9=output; 10=outcome</p> <p>There was debate about measure #10. Some people viewed it as an intermediate outcome because of the "quality" qualifier in the measure. Some saw it as an output measure because output measures can have qualifiers (e.g., quality) in them. A quick search of measurement literature did</p>

Page #	Exercise	Answer and/or Ideas from Class Participants
		not result in a crystal clear decision. Advice is to consider the measure in light of the objective to determine whether to classify it as output or outcome.
16	What would prevent you from establishing a challenging target?	<ul style="list-style-type: none"> • Budget constraints • The priority of the objective that the target supports relative to the priority of other objectives • The cost of a performance improvement might be prohibitive, given the expected performance gain. • Risk/fear of budget cuts if targets are missed. • Lack of control due to outsourced functions.
17	Objective A – Target	<ul style="list-style-type: none"> • Measure has “number” as the data form, but target has %. • TANF should be spelled out.
	Objective B – Target	<ul style="list-style-type: none"> • Objective says to “maintain” which seems to indicate that the target should be the same as the baseline (98%). • Is the goal to maintain or improve performance? • Target date is outside of the biennium. • Measure does not include a data form (e.g., percentage). • Objective addresses state level, but measure addresses local level. • Possible rewrite: Percentage of locally operated Court Service Units with Board of Juvenile Justice Standards.
	Objective C - Target	<ul style="list-style-type: none"> • Data form of the measure is probably an average because it would be difficult to report actual vehicle costs for each vehicle. • Target shows an increase in vehicle maintenance costs while the objective stresses cost efficiency. • If the cost increase is due to inflation or some other factor, explanatory notes should be included.
	Objective D - Target	<ul style="list-style-type: none"> • Measure should specify GEDs earned at Community Correction sites. • Measure is a number, but a percentage might be more meaningful because we would get a better sense of the population. • Target is not incorrect, but should be stated in the same form as the baseline and measure (i.e., don’t make citizens do the math). • Is it 5% from the baseline or 5% per year? • Define students. • Is an increase of seven students obtaining GEDs appropriate?
18	Tips for ensuring the measure methodology is well written	<ul style="list-style-type: none"> • Ensure you have good data. • Maintain the data. • Be very clear about the methodology description. • Provide information about data availability (e.g., data are available at the end of the Federal fiscal year). • Define terms used in the measure. • Document sources of data and methodology. • Include a range of error (as appropriate). • Include the formula used to calculate results. • Ensure you understand third party data. • Do you have the tools and systems already in place to collect the data?
18	Key measure summary A	<ul style="list-style-type: none"> • We will increase the dollar amount of IALR research expenditures to \$8.5 million by 6/30/2010.
	Key measure summary B	<ul style="list-style-type: none"> • Note: The measure should not start with the verb “reduce.” • We will reduce the length of time it takes to complete complaint investigations to 2 months by 6/30/2010.
	Key measure summary	<ul style="list-style-type: none"> • We will achieve a good or better customer service rating from a minimum

Page #	Exercise	Answer and/or Ideas from Class Participants
	C	of 90% of our customers by 6/30/2010.
19-20	Objective	<ul style="list-style-type: none"> The objective (operational standards) is not worded as an objective.
	Measure 1	<ul style="list-style-type: none"> Remove the 90% target from the measure. The methodology does not provide information on how the data are calculated. The baseline description is not clear. Baseline value and date are not included. The target value should be 90% to match the target description and measure.
	Measure 2	<ul style="list-style-type: none"> The measure sounds like a function, not a measure. The baseline description is not clear. Baseline value and date are not included. The target description and other phrases are written in very technical language, not easily understood by the public.
	Measure 3	<ul style="list-style-type: none"> The measure sounds like a rule or procedure. Monitor and maintain are two separate things that may need to be written as two separate measures. The measure addresses the need for 100% verification. The target addresses the need for 100% accuracy. They are not the same thing. The baseline description is not clear. Baseline value and date are not included.
	Measure 4	<ul style="list-style-type: none"> The measure sounds like a target. The measure seems weak when compared to the importance of the role of the agency (managing investments). The measure is very process oriented. The baseline description is not clear. Baseline value and date are not included.