Over the course of the last year the Department of Planning and Budget (DPB) has made a number of changes to the process for agency strategic planning and performance measurement. Through discussions with agency planners, budget analysts, the Council on Virginia's Future, and the Auditor of Public Accounts a large number of recommendations for improvement were developed and implemented. These changes will both streamline the process for the agency users and provide a better quality product for end users. DPB is pleased to announce that the strategic planning module in the Performance Budgeting System is now live and ready for use!

Agencies have three major tasks to accomplish. Agencies need to:

- Review all agency performance measures and eliminate measures that are not adding value. These include duplicate measures, older measures that do not reflect how the program currently operates, or measures that do not help the public, the General Assembly, or the administration understand how the program is performing. Agencies may also create new measures that reflect the mission of the agency.
- Develop the 2014-2016 Strategic Plan and Service Area Plans. The new strategic planning application has imported most of the data from the 2012-2014 plans so that agencies do not have to recreate the entire plans. But key tasks must be completed in this process (see below for reminders). The plans should be updated to include the impact of the 2014 General Assembly session and the input of new agency leadership.
- Update the Executive Progress Report (EPR). Since the EPR imports performance measures and sections of the strategic plan those tasks should be completed first.

All of these tasks should be completed between now and **Friday, July 25**. This time period should include any necessary communication with your Secretary and your budget analyst.

The Department of Planning and Budget has updated its website to include links and helpful information for agencies in this process. This includes a new Agency Planning Handbook that has step-by-step instructions for using the new strategic planning application to accomplish these tasks. DPB will also conduct a series of webinars to address any policy or technical issues. The first of these will take place on **Wednesday, May 21st at 2:00pm.** Webinar dial-in information will be sent out via separate message closer to the actual webinar.

Strategic Plans and Program\Service Area Plans
Information Technology: The Information Technology (IT) narrative fields have been moved from the Performance Budgeting System Strategic Planning module to the Commonwealth Technology Portfolio (CTP) system maintained by VITA. VITA will provide agencies with separate instructions and training on these requirements.
Financials: Agencies are required to either import financials from the PB System or manually key financial information in the agency strategic plan, program/service area plan, and Executive Progress Report. The system also requires you to save your import or keyed in financial data. Please see the Agency Planning Handbook for additional information.
Customers: Customers have been moved from the program/service area level to the agency level and therefore the fields "Number Served Annually" and "Potential Number of Annual Customers" were not

converted. Agencies should review their customers and remove any duplicates, update the before mentioned numeric fields, and reprioritize their customer listing.
Linkages to Goals, Objectives, and Measures: Linkages between goals, objectives, and measures were converted only where there was a clearly established linkage. Agencies must ensure that these linkages are correct and/or make new linkages.
Linkages to Statewide Goals, Societal Indicators, and Enterprise Priorities: Linkages to statewide goals, societal indicators, and enterprise priorities are now only at one level. Agencies must ensure that these linkages are correct and/or make new linkages.
Targets: Required targets are as follows: • **Short Target: June 30, 2016** • **Long Target: June 30, 2018** Agencies do have the ability to add a user defined target. Please refer to the Agency Planning Handbook for further detail.

Executive Progress Reports (EPR)
Fund Sources: The financial information in your EPR is based on your current operating plan. Agencies are required to either import financials from the PB System or manually key financial information in the EPR. The system also requires you to save your imported or keyed-in financial data. Please see the Agency Planning Handbook for additional information.
Performance Highlights: Should be based off key performance measures from your agency strategic plan.
Customers: Agencies are able to import customers from their strategic plan to populate customers in the EPR. Customers in the EPR should reflect the agency's primary customer base.
At-a-Glance: Agencies should highlight three key measures to be included in the EPR At-a-Glance. Agency's productivity measure(s) should also be highlighted in the EPR.

Measures
Measure Results: Agencies are now responsible for publishing their own measure results. This is a change. Please refer to the publishing and measure results reporting sections of the Agency Planning Handbook for detailed instructions on how to publish.
Measure Changes: Agencies must review all agency performance measures and eliminate measures that are not adding value. These include duplicate measures, older measures that do not reflect how the program currently operates, or measures that do not help the public, the General Assembly, or the administration understand how the program is performing. Agencies may also create new measures that reflect the mission of the agency. Agencies must work with their DPB budget analyst on measure addition/deletion/modification. DPB remains responsible for publishing changes/additions/deletions to all measures. Please refer to the measures and measure attributes section of the Agency Planning Handbook for detailed instruction.

Publishing
Agencies are responsible for publishing the following: strategic plans, program/service area plans, and measure results.
DPB is responsible for publishing the following: changes to measures and measure attributes and Executive Progress Reports.

Agency and Service Area Plan Exemptions
DPB is not requiring every agency or service area have a plan. The intent of this change is to not have agencies spend time developing plans for agencies or service areas that serve as formula-driven pass-through mechanisms for budgeting and accounting purposes, especially for services that are constitutionally required to be delivered by local government. This is specifically NOT intended to exempt agencies or service areas for which the central agency administration contracts, or reimburses for services at a local or regional level, without which the agency itself would have to create a mechanism to deliver local services.
Agencies are allowed to request an exemption from DPB for agency and service area plans that meet one or more the following specific criteria: - Are funding formula-driven pass-through organizations - Debt service only - Do not contain state employee staffing or perform state-responsible duties - No policy is generated by or for the organization - The state is NOT primarily responsible for outputs or outcomes in program delivery - The service area is the administrative function of the agency and the program delivery will be described in the other agency service area plans. If the service area is anything other than 499 and contains decision making or policy responsibility for other agencies or addresses key aspects of the agency's mission, this justification may not apply
Public institutions of higher education that are required to submit a six-year plan through §23-38.87:17, Code of Virginia are not required to participate in this process.
Please contact your DPB budget analyst if you think your agency or service areas qualifies for an exemption.