

Department of Planning and Budget (122)

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Biennium: 2010-12 ▼

Mission and Vision

Mission Statement

The Department of Planning and Budget advises the Governor on how to wisely use public resources for the benefit of all Virginians by analyzing, developing, and carrying out various fiscal, programmatic, and regulatory policies.

Vision Statement

We advise the Governor in the prudent allocation of public resources and promote the development and implementation of fiscal, legislative, and regulatory policies that maximize empowerment of Virginia's citizens and minimize their dependence on government.

We serve our customers through creative, proactive, objective, accurate, and timely planning, analysis, and evaluation.

Agency Values

- Professionalism
Conducting ourselves in a professional manner and applying our knowledge, skills, and abilities to produce work of the highest quality.
- Responsiveness
Responding to customer needs quickly, thoroughly, and courteously while always seeking to improve service.
- Performance
Striving to improve performance in achieving our mission.

Executive Progress Report

Service Performance and Productivity

- *Summary of current service performance*

DPB had 63 filled positions in September 2000 to carryout its statutory responsibilities. Nine years later, the number has alarmingly dropped to 53, while statutory responsibilities have increased. Even with significantly fewer staff, DPB has been able to address the demands, but doing so in the future would be difficult, if not impossible, should the two trends continue. The follow list shows new responsibilities since 2000.

2000

§ 2.2-1501, Chapter 424: Requires the Department to develop of performance management system involving strategic planning, performance measurement and performance budgeting.

2001

§ 2.2-1501, Chapter 43: Requires the Department to submit annually before the second Tuesday in January to the money committee chairmen a report on agency strategic planning information and performance measurement results.

§ 2.2-2625, Chapter 844: Requires the Department to adjust an agency's appropriation when all/a portion of their functions are privatized according to the recommendations of the Competition Council. The Department must also staff the Competition Council and ensure that all reporting requirements are met.

2002

§ 2.2-1503.1, Chapters 480 and 486: Requires that the Governor submit to the General Assembly in each even-numbered year a six-year financial plan.

§ 2.2-1503.2, Chapters 839 and 888: Requires that the Governor submit to the General Assembly in each even-numbered year a six-year capital improvement plan.

2003

§ 2.2-2686, Chapter 900: Requires the Department to staff the Council on Virginia's Future, to establish long- term statewide objectives, and a scorecard to measure progress against those objectives.

§ 2.2-1501, Chapter 900: Requires the Department to establish a performance management system which includes a revised (three-year) strategic planning process for state agencies to articulate goals and objectives, identify program

outputs and determine performance measures.

§ 2.2-1503, Chapter 612: Requires the Governor to include anticipated transportation fund revenues in the six-year nongeneral fund revenue projection.

§ 2.2-1503.3, Chapter 14: Requires the Governor to re-estimate general fund revenue based on Comptroller's preliminary close if the close shows that actual general fund revenue is 1% or more below the original estimate.

§ 2.2-1508, Chapter 190: Requires the Department to cross-reference between budget items in the Budget Document and the Budget Bill and list performance standards and evaluations.

§ 2.2-1508, Chapter 888: Requires a listing in the Budget Document of schedules and descriptions of certain data processing projects and other projects with certain payment requirements.

§ 2.2-1509.2, Chapter 970: Requires the Governor to submit a plan for repayment within three years of money diverted from the Highway Maintenance and Operation Fund or the Transportation Trust Fund.

2005

§ 23-9.2:3.03, Chapters 933 and 945: Requires the Department, in consultation with the Secretary of Finance, to prescribe a form and manner for the six-year plan for all public institutions of higher education.

2006

§ 2.2-1502.1, Chapter 596: Requires the Department to initiate reviews of school divisions' central operations (upon written request by a local school board or division superintendent).

2007

§ 2.2-2530, Chapter 849: Requires the Department to provide technical assistance to the Virginia Commission on Immigration.

§§ 2.2-4006 through 2.2-4015, Chapters 316,561,873, and 916: Requires the Department to managed the Virginia Regulatory Town Hall website, to publish, as well as provide online public comment forums for all (non-exempt) regulatory stages. Requires the Department to complete its economic impact analysis (EIA) of a fast-track regulation within 30 days (reduced from 45 days). Requires the Department to include costs of developing real estate for commercial or residential purposes in its EIAs of proposed regulations. Requires the Department to provide a copy of an EIA to the Joint Commission on Administrative Rules (JCAR), as well as to each member of the General Assembly.

§ 30-58.4, Chapter 803: Requires the Department to provide technical assistance to Joint Legislative Audit and Review Commission in their development of a pilot program to analyze and evaluate the accuracy of estimates submitted by state agencies.

2008

Chapters 321 and 575: Requires DPB, in consultation with the Office of the Attorney General, to develop model public participation guidelines and provide these guidelines to each agency that has the authority to promulgate regulations.

§ 2.2-1515 through 2.2-1520, Chapter 1 (Special Session I): Establishes the Six-Year Capital Outlay Plan Advisory Committee, stipulates DPB's role in the new capital outlay process (serve on the Committee, transfer appropriations, approve contracts, approve supplemental cost allocations, approve construction contracts, transfer funds). Also establishes the Central Capital Planning Fund, the State Agency Capital Account, and the Public Educational Institution Capital Account; all to be administered by DPB. Included in Chapter 1 are emergency clauses that: require DPB to (1) transfer funds relating to a DCR park construction project, (2) fund acquisition projects approved by the GA money committees, (3) distribute funding to the Eastern Virginia Medical School for project planning, (4) supplement funding for any project listed in the act from NGF sources, (5) determine the amount of VCBA bonds to be issued, if any, to meet these projects needs', and to report to the GA money committees any time bonds are issued, (6) allocate the \$100 million in bonded authority to the capital projects listed in the act, and (7) fund the plans accepted by the SFC and HAC.

2009

Chapters 228 and 303: Requires DPB to work with DMAS to incorporate into the estimate of Medicaid expenditures any additional costs related to this act's extension of Mental Retardation Medicaid Waiver (MR Waiver) and Individual and Family Developmental Disabilities and Support Medicaid Waiver (DD Waiver) slots.

§ 2.2-1156, Chapter 612: Amends the guidelines that DPB is required to develop regarding the deposit of proceeds from the sale or lease of state property.

§ 2.2-1508, Chapter 536: Requires DPB to include in the Executive Budget the total estimated amount appropriated for personnel costs for each agency.

- *Summary of current productivity*

Even with a 16 percent reduction in filled positions since FY 2000, DPB employees have risen to the challenges of an ever-growing workload brought about by a significant number of new statutory responsibilities over the past decade. Through creative-thinking, development and use of efficient and effective technology, and sound in-house training, employees have worked diligently to deliver quality services and products, in spite of a most demanding workload.

It is important to note that staff are extremely prideful of the work they do, most appreciative of the opportunity to play a role in Virginia's ranking as the "Best Managed State," and value the close interaction they have with Virginia's decision-makers. However, recent budget cuts have indeed damped the spirit of this workforce. With millions of dollars slashed from the Department's budget, opportunities for making noticeable contributions to enhance the Commonwealth have diminished.

Initiatives, Rankings and Customer Trends

- *Summary of Major Initiatives and Related Progress*

DPB's accomplishments:

Developed a Bonds and Economic Stimulus Package. The package authorized \$1.5 billion for 108 capital projects financed through the Virginia Public Building Authority and the Virginia College Building Authority.

Developed a New Capital Outlay Planning Process. Bond package legislation also included significant improvements in the state's capital outlay process including establishment of a renewable planning fund, a revamped planning process, and capital outlay review committee comprised of staff from the legislative and executive branches to make recommendations to legislative and executive branch leaders on which projects should be funded.

Developed Productivity Measures. Productivity measures were developed for each agency representing the third component - along with agency key measures and administrative measures - of Virginia's outcome-driven performance management system. Productivity measures strengthen the relationship between internal improvement investments and desired outcome and performance targets.

Maintained the State's AAA Bond Rating. Despite the most serious fiscal downturn since the Great Depression, and a biennial budget shortfall of more than \$6 billion, Virginia has maintained its AAA bond rating.

Participated in the Development of a Request for Proposal (RFP) and Evaluation of RFP Responses. Agency staff, along with subject matter experts from other state agencies, participated in the development of an RFP and the evaluation of responses to implement a new integrated performance budgeting system. Furthermore, DPB employees and staff from other state agencies are also participating in the project implementation, which will replace the variety of systems, databases, spreadsheets, and documents that currently support strategic planning and budgeting in the Commonwealth. The new performance budgeting system will be a web-based, integrated, and user-friendly system that supports existing strategic planning and budgeting functionality. It will also move the Commonwealth forward by providing additional integrated performance budgeting functionality. The project, which began in August 2009, will be completed in two phases. Phase 1, which includes budget development and budget execution, is scheduled to be completed by August 15, 2010. Phase 2, which includes strategic planning and agency spending plans, is scheduled to be completed by March 15, 2011.

Implemented Plans to Address Revenue Shortfalls. Implemented plans to address each round of revenue reductions announced by the Governor over the last two biennium. Each round of revenue reductions required a variety of strategies to reduce spending and redirect resources to address the loss of revenue, while protecting core services as much as possible.

Developed Two New Statewide Web Applications – CapSix and BETS. The CapSix application automated the Commonwealth's capital budget development process. It is the tool by which state agencies request funding for capital projects, such as new construction and equipment maintenance. It also shows the status of statewide capital projects over a six-year period. The Budget Execution Transaction System (BETS) application, which was intended to replace the Commonwealth's antiquated mainframe Form 27 Automated Transaction System (FATS), will become an intricate part of the new integrated performance budgeting system that presently is under development.

Passed ARMICS Audit: DPB passed an independent firm's audit related to Agency Risk Management and Internal Control Standards (ARMICS) compliance matters. The ARMICS audit revealed no material weaknesses.

Implemented School Efficiency Reviews. In FY 2008 and FY 2009, private consulting firms conducted reviews of six school divisions - Franklin County, Loudoun County, Norfolk City, Rappahannock County, Charlottesville City, and Hampton City. The total annual recommended savings for these six reviews was \$14.8 million, bringing the total recommended savings for all conducted reviews to \$34.2 million.

Savings on Proposed Regulation to Upgrade Commonwealth Dams. DPB's recommendations on compliance costs for local governments and private property owners produced savings of \$142 million, while still significantly reducing the likelihood of dam failures.

Produced Several Public Safety Population and Admissions Forecasts. These forecasts aided public safety and DPB staffs with projecting accurate budgets for future capacity and public safety staffing needs. One of these forecasts, the State Responsible Inmate Population, serves as a performance measure for DPB. The measure strives to produce State Responsible Inmate Population forecasts within a plus or minus three-percent (monthly average) of the actual population over the first year of the forecast. The average monthly accuracy for FY 2008 and FY 2009 was 0.15 percent and 1.32 percent respectively, both well within the performance target.

- *Summary of Virginia's Ranking*

Virginia has been named one of the best managed states in the nation by the Government Performance Project, sponsored by Governing magazine. Virginia's financial strength is also indicated by its AAA bond rating. Virginia is one of only seven states to have been given this highest rating by all three national rating agencies. In addition, Virginia consistently ranks tops in the United States in categories that impact successful economic development. One award includes Forbes.com "Best State for Business" designation for four years in a row, 2006 through 2009. This award reviewed business cost, regulatory climate, quality of the workforce, and economic growth. Pollina Real Estate, Inc, a top U.S. corporate site relocation expert, ranked Virginia in 2009 as the top-rated business-friendly state in the nation. CNBC in 2009 designated Virginia as its "Top State for Business" based on factors that include cost of living, business friendliness, and access to capital.

- *Summary of Customer Trends and Coverage*

Requirement: Section 2.2-5510.A.4 of the Code of Virginia requires each agency to develop and maintain a strategic plan that includes an analysis of how the aging population will impact its ability to deliver services.

DPB's programs and services do not directly impact Virginia's aging population, and it does not provide services to senior citizens age 65 and older. The agency's Web sites are "senior-friendly" and follow accessibility standards.

During the next two years, five employees will be eligible for retirement. To address these possible retirements, DPB will analyze its organizational structure to determine where existing resources can best fill the potential departures. Once this step is complete, DPB will determine if additional training is needed to help staff placed in new roles. This training could be provided externally through outside vendors, or it could be offered internally through a mentorship arrangement.

Future Direction, Expectations, and Priorities

- *Summary of Future Direction and Expectations*

DPB will continue to lead in the development and rollout of the Commonwealth's enhanced integrated strategic planning and budget process. In terms of the overall financial health of the Commonwealth, DPB's six-year financial plan indicates that maintaining necessary funding for the core service of state government will be increasingly challenging in the years ahead. DPB will experience increased pressure to remain vigilant in maintaining financial responsibility and a structural balance in the state's budget.

- *Summary of Potential Impediments to Achievement*

The fallout from the global recession continues to place unprecedented stress on staff and management as they strive to efficiently and effectively meet demands. Current staff levels simply cannot absorb additional responsibilities and still be expected to perform at elevated levels for extended periods. The daily work they perform is extremely complex and often has far-reaching, long-term consequences on many Virginians. Time and deep-thought are required to produce expected results, but these two fundamental needs are under siege by unrelenting recession pressures. It would appear that DPB is at the point where it can no longer do "more with less."

To further complicate matters, additional general fund reductions appear eminent over the next few years. When combining present cuts with possible future cuts, hiring restrictions, and no funding for training, it will be difficult for DPB to attract new talent or retain creative staff when Virginia's economy turns for the better.

Service Area List

Service Number	Title
122 715 02	Budget Development and Budget Execution Services

122 715 04	Legislation and Executive Order Review Service
122 715 05	Forecasting and Regulatory Review Service
122 715 06	Program Evaluation Service
122 715 98	Administrative Services

Agency Background Information

Statutory Authority

Title 2.2, Chapter 15; Title 2.2, Chapter 26, Articles 8 and 29; Chapter 40, Article 2, and Executive Order 36 (2002)

DPB was created by statute in 1976, merging previously existing budget and planning agencies. Sections 2.2-1500 through 2.2-1514 of the Code of Virginia established the agency and set forth the powers and duties of DPB and the Director, the requirements for submitting the executive budget to the General Assembly, and the requirements for submitting the Budget Bill. Section 2.2-1501 of the Code specifically assigns the following responsibilities to DPB:

Development and direction of an integrated policy analysis, planning, and budgeting process within state government.

Review and approval of all sub-state district systems boundaries established or proposed for establishment by state agencies.

Formulation of an executive budget as required in this chapter.

Conduct policy analysis and program evaluation for the Governor.

Continuous review of the activities of state government focusing on budget requirements in the context of the goals and objectives determined by the Governor and the General Assembly and monitoring the progress of agencies in achieving these goals and objectives.

Operation of a system of budgetary execution to ensure that agency activities are conducted within funding limitations provided in the Appropriation Act and in accordance with gubernatorial and legislative intent.

Development and operation of a system of standardized reports of program and financial performance for management.

Coordination of statistical data by reviewing, analyzing, monitoring, and evaluating statistical data developed and used by state agencies and by collecting statistical data from outside sources, such as research institutes and the federal government.

Assessment of the impact of federal funds on state government by reviewing, analyzing, monitoring, and evaluating the federal budget, as well as solicitations, applications, and awards for federal financial aid programs on behalf of state agencies.

Review and verify the accuracy of agency estimates of receipts from donations, gifts or other nongeneral fund revenue.

Development, coordination, and implementation of a performance management system involving strategic planning, performance measurement, evaluation, and performance budgeting within state government. The Department ensures that information generated from these processes is useful for managing and improving the efficiency and effectiveness of state government operations, and is available to citizens and public officials. (Effective until July 1, 2013)

Development and management of an Internet-based information technology system to ensure that citizens have access to performance information.

Development and management of an Internet-based information technology system to ensure that citizens have access to meeting minutes and information pertaining to the development of regulatory policies.

Development, coordination, and management of a school efficiency review program.

Section 2.2-2625, Article 8, Code of Virginia: Requires the Department to determine the amount of the existing appropriation no longer needed by a state agency or institution where all or a portion of such agency's function has been privatized in accordance with the recommendations of the Commonwealth Competition Council, and shall unallot such funding. The Department shall also ensure that all appropriate reporting requirements to the Governor and the General Assembly are met. Nothing in this section shall preclude the Governor from recommending in future budget submissions the restoration of a portion of the original appropriation to the state agency or institution.

Section 2.2-2688, Article 29, Code of Virginia: (Effective until July 1, 2013) requires the Department to provide staff assistance to the Council on Virginia's Future.

Section 2.2-4007.04, Article 2, Code of the Code: Requires the Department to manage the Virginia Regulatory Town Hall website (www.townhall.virginia.gov) to publish, as well as provide online public comment forums for, all (non-exempt) regulatory stages. In addition, Article 2 requires DPB to prepare an economic impact analysis (EIA) for a proposed regulation within 45 days of its receipt by DPB, and an EIA for a fast-track regulation within 30 days. Further, DPB is required to provide a copy of an EIA to the Joint Commission on Administrative Rules (JCAR), as well as to each member of the General Assembly.

Executive Order (EO) 36 (2006), Development and Review of Regulations Proposed by State Agencies, was signed by Governor Kaine in 2006. This EO assigns to DPB the general role of managing the statewide rulemaking process via the Regulatory Town Hall website and other means with an eye toward promulgating rules in a timely fashion with adequate notice and opportunities for the public to participate in the development of rules. Further, EO 36 establishes a specific role for DPB to play in reviewing assorted regulatory submissions, including Notices of Intended Regulatory Action, proposed, fast-track and emergency regulation packages, and final regulation packages to determine if they comply with the requirements of the Executive Order and applicable statutes. The review also determines if proposed regulatory actions comport with "good government" objectives such as being clearly written and easily understandable, as well as being designed to achieve their intended objective in the most efficient, cost-effective manner.

Customers

Customer Group	Customers served annually	Potential customers annually
Commonwealth Competition Council (members)	14	15
Council on Virginia's Future (members)	18	18
DPB staff	61	69
General Assembly (money committee) staff	16	16
General Assembly members	140	140
General Public (The number of Virginian's served is unknown and unlimited. Since the system does not allow for text, zero was entered into the customer fields.)	0	0
Governor	1	1
Governor's Policy staff	5	5
Governor's Secretaries and Deputy Secretaries	26	26
Local government (cities and counties)	134	134
State agencies	190	190

Anticipated Changes To Agency Customer Base

The Department's customer base is not expected to change during the 2010-2012 biennium.

Partners

Partner	Description
[None entered]	

Products and Services

- *Description of the Agency's Products and/or Services:*
 - § Budget bill
 - § Budget document
 - § Governor's budget press package
 - § Budget development and execution instructions for state agencies
 - § Analysis of budget proposals and development of recommendations for the Governor
 - § Year-end close and new-year start-up instructions for state agencies
 - § Procedures for monitoring agency expenditures
 - § Decision briefs for budget execution decisions
 - § Instructions for agencies regarding development of legislative proposals
 - § Recommendations to the Governor on agency legislative proposals
 - § Fiscal impact statements on bills introduced in the General Assembly

- § Planning and performance measure instructions, handbook and training for state agencies
- § Tracking of agency performance measures
- § Economic impact statements and policy analyses on proposed regulations
- § Maintenance of the Virginia Regulatory Town Hall website
- § Coordination of the rulemaking process across state agencies
- § Training on the Virginia Regulatory Town Hall website and state rulemaking process
- § Forecasts of major budget items such as Medicaid expenditures; prison, jail, and juvenile correctional center populations; TANF caseloads; FAMIS expenditures; and Supreme Court trial expenditures.
- § Analyses of federal budget proposals and actions that may affect Virginia
- § Executive Order assistance
- § Detailed assessments of programs and services to achieve a more efficient and cost-effective state government
- § School efficiency reports
- § Best management practices reports
- § Staff assistance to the Council on Virginia's Future
- § Staff assistance to the Commonwealth Competition Council
- § Serve on legislative and executive task forces
- § Advisory assistance to various panels, committees and commissions
- § Presentations on fiscal and budgetary policy
- § Respond to Constituent Requests

- *Factors Impacting Agency Products and/or Services:*

Three factors that could adversely impact the delivery of DPB products and services are: (1) the continuation of budget reductions, (2) declining staff numbers, and (3) unanticipated service cost increases levied by VITA/NG.

- *Anticipated Changes in Products or Services:*

No changes are anticipated unless the above three factors come to fruition.

Finance

- *Financial Overview:*

Over 78 percent of DPB's general fund budget supports personnel costs - salaries, wages, and fringe benefits. The remaining budget supports day-to-day operations. Included in this percentage is funding for rent, information technology needs, the School Efficiency Reviews Program, the Council on Virginia's Future, insurances, training, office supplies, and other miscellaneous costs.

DPB also has an additional \$250,000 of nongeneral fund appropriation dedicated to the Commonwealth Competition Council in each year of the biennium. This appropriation, when backed by savings generated through the Council, would support both personal and nonpersonal service costs.

- *Financial Breakdown:*

	FY 2011		FY 2012	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$8,330,623	\$250,000	\$8,330,623	\$250,000
Change To Base	-\$1,030,774	\$0	-\$1,030,774	\$0
Agency Total	\$7,299,849	\$250,000	\$7,299,849	\$250,000

This financial summary is computed from information entered in the service area plans.

Human Resources

- *Overview*

DPB relies mostly on salaried, classified state employees for the delivery of services to its customers. The agency also employs wage employees to supplement classified staff during peak work periods and unexpected staff turnover. Generally, wage employees make up about 10 percent of DPB's staff.

- *Human Resource Levels*

Effective Date	9/1/2009
Total Authorized Position level	69
Vacant Positions	-16
Current Employment Level	53.0
Non-Classified (Filled)	1

Full-Time Classified (Filled)	52	<i>breakout of Current Employment Level</i>
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	8	
Contract Employees	0	
Total Human Resource Level	61.0	= <i>Current Employment Level + Wage and Contract Employees</i>

- *Factors Impacting HR*

There are two pressing human resource matters that DPB must address over the next biennium - the loss of funding for positions, and an aging workforce in key positions that either is, or soon will be, eligible for retirement.

- *Anticipated HR Changes*

During the early part of the biennium, or prior to, DPB should develop a succession plan that will allow for a logical and systematic transfer of institutional knowledge to a new generation of associate directors. One potential approach for achieving this end would be the establishment of an internal career progression path in which mid-manager positions are created.

Information Technology

- *Current Operational IT Investments:*

DPB is preparing for the release of the Enterprise Applications Division's new integrated performance budgeting system. It is anticipated that certain components of the new system will be available as early as August 2010. These components will replace both Web-based and Legacy systems in DPB. Once fully implemented, the new system will enhance operational efficiency by: (1) increasing productivity, (2) consolidating numerous fragmented systems (e.g., WebBears, FATS, CapSix, Virginia Performs, etc.), and (3) reducing error rates.

DPB's Web-based Electronic Fiscal Impact Statement System was designed to simplify the tracking and development of Fiscal Impact Statements. These statements are issued on bills introduced during the General Assembly sessions. They describe the fiscal impact of proposed legislation and are intended to aid legislators and the Governor's Office in the decision-making process.

The Town Hall Web application was the first of its kind in the nation. It provides Virginians the opportunity to participate in the regulatory rulemaking process. Regulations affect many aspects of our life, including speed limits, physician qualifications, pollution control requirements, and testing standards in our public schools. At the Town Hall Web site, Virginians can learn about regulations, submit online comments, and sign up to receive customized email notifications at no cost.

- *Factors Impacting the Current IT:*

There are two key factors that could impact DPB's business environment in the 2010-2012 biennium. Both factors, VITA\NG transformation and implementation of the VITA Enterprise Applications Division's integrated performance budgeting system, carry significant unknowns into the new biennium.

The VITA\NG transformation has not moved forward as scheduled, nor has the transformation progressed as smoothly as expected. Additionally, transformation changes proposed by VITA\NG would financially threaten DPB if fully implemented. For example, DPB's current Virtual Private Network solution that allows staff to conveniently telework after normal business hours would cost significantly more, the VITA\NG back-up system (EBARS) would be a new cost, and 500MB mailboxes for staff would be an added expense. These are just a few examples of unbudgeted expenses that the agency would have to absorb at a time when funding for such costs is not available.

Although still in the development stage, the integrated performance budgeting system appears promising as a "cutting edge" system for the replacement of current Web and Legacy systems. However, it is unknown if this system would save money, be cost neutral, or be an added operational expense for DPB.

- *Proposed IT Solutions:*

As mentioned under "Factors Impacting IT," the outcome from the Enterprise Applications Division's integrated performance budgeting system initiative and the VITA\NG information technology transformation effort would likely change the manner in which services are delivered and measured.

The successful completion of the performance budgeting project would be the first systematic and consolidated overhaul of the budget process in Virginia since the early 1980s. It would combine under one system budget development, budget execution, capital, and performance measurement (Virginia Performs). The budget development

and budget execution components should be activated in August 2010, while completion of other components, such as performance measurement, would likely carry deeper into the 2010-2012 biennium. If implemented as planned, the integrated performance budgeting initiative should increase efficiency across the state.

The VITA\NG transformation of information technology is the single largest IT initiative in the Commonwealth. The outcome of this monumental effort will shape IT thinking for state government well beyond the 2010-2012 biennium. However, this technology "reshaping" could adversely impact DPB's business practices and processes due to a lack of funding to support the technology changes.

- *Current IT Services:*

Estimated Ongoing Operations and Maintenance Costs for Existing IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Projected Service Fees	\$295,117	\$0	\$299,544	\$0
Changes (+/-) to VITA Infrastructure	\$15,500	\$0	\$15,500	\$0
Estimated VITA Infrastructure	\$310,617	\$0	\$315,044	\$0
Specialized Infrastructure	\$0	\$0	\$0	\$0
Agency IT Staff	\$276,732	\$0	\$276,732	\$0
Non-agency IT Staff	\$0	\$0	\$0	\$0
Other Application Costs	\$0	\$0	\$0	\$0
Agency IT Current Services	\$587,349	\$0	\$591,776	\$0

Comments:

Not included in the "Estimated VITA Infrastructure" are costs related to VPN access for teleworking purposes. The cost range for VPN access could vary significantly depending upon the solution required by VITA\NG. If forced to abandon teleworking because of the lack of funding, productivity would decline and staff morale would sharply drop as well.

- *Proposed IT Investments*

Estimated Costs for Projects and New IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Major IT Projects	\$0	\$0	\$0	\$0
Non-major IT Projects	\$0	\$0	\$0	\$0
Agency-level IT Projects	\$0	\$0	\$0	\$0
Major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Non-major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Total Proposed IT Investments	\$0	\$0	\$0	\$0

- *Projected Total IT Budget*

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Current IT Services	\$587,349	\$0	\$591,776	\$0

Proposed IT Investments	\$0	\$0	\$0	\$0
Total	\$587,349	\$0	\$591,776	\$0

[Appendix A](#) - Agency's information technology investment detail maintained in VITA's ProSight system.

Capital

- *Current State of Capital Investments:*
Not applicable.
- *Factors Impacting Capital Investments:*
Not applicable.
- *Capital Investments Alignment:*
Not applicable.

Agency Goals

Goal 1

Provide the highest quality financial management for the Commonwealth to protect its fiscal integrity.

Goal Summary and Alignment

Accomplishment of this goal will protect the state’s fiscal reputation and its AAA bond rating as well as maintain the Commonwealth’s standing as the best-managed state in the nation.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal 2

Provide objective, accurate, and timely information with respect to planning and evaluation of fiscal, legislative and regulatory activities, in order to enhance the efficiency and effectiveness of state government.

Goal Summary and Alignment

Accomplishment of this goal will protect the state’s fiscal reputation and its AAA bond rating as well as maintain the Commonwealth’s standing as the best-managed state in the nation.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal Objectives

- We will maintain a high level of satisfaction from the Governor’s Policy Office and the Cabinet regarding information and analysis provided to them by DPB.

Objective Strategies

- Keep Cabinet officials informed on upcoming changes and issues.
- Facilitate the development and improvement of agency performance measures reported in Virginia Performs, ensuring appropriate linkage to the budget.
- Conduct a survey of the Governor’s Office and Cabinet to assess their rating of the timeliness and quality of DPB’s analysis with respect to budget issues, proposed legislation, economic forecasting, regulatory review and evaluation.
- Analyze survey feedback and communicate results to DPB staff. Develop and implement improvements to address less-than-satisfactory ratings.

Link to State Strategy

- nothing linked

Objective Measures

- Average rating of survey respondents’ satisfaction with the timeliness and quality of DPB’s analyses.

□ □ □ □
□ □

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date: Measure Target Description: Average rating of 4.5 or more (Good to excellent on a scale of 1 to 5) by June 30, 2010

Data Source and Calculation: Annual survey of the Governor, Governor's policy staff, and the Governor's Cabinet. Calculation: Sum of ratings divided by the number of ratings.

Goal 3

Continue to strengthen communication and relationships with customers.

Goal Summary and Alignment

Accomplishment of this goal will protect the state's fiscal reputation and its AAA bond rating as well as maintain the Commonwealth's standing as the best-managed state in the nation.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal 4

Attract and retain highly qualified and energetic individuals to carry out the mission of the agency.

Goal Summary and Alignment

Accomplishment of this goal will protect the state's fiscal reputation and its AAA bond rating as well as maintain the Commonwealth's standing as the best-managed state in the nation.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal 5

Strengthen the culture of preparedness across state agencies, their employees and customers.

Goal Summary and Alignment

This goal ensures compliance with federal and state regulations, policies and procedures for Commonwealth preparedness, as well as guidelines promulgated by the Assistant to the Governor for Commonwealth Preparedness, in collaboration with the Governor's Cabinet, the Commonwealth Preparedness Working Group, the Department of Planning and Budget and the Council on Virginia's Future. This goal supports achievement of the Commonwealth's statewide goal of protecting the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Goal Alignment to Statewide Goals

- Protect the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Goal Objectives

- 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.

Objective Strategies

- The agency Emergency Coordination Officer will stay in continuous communication with the Office of Commonwealth Preparedness and the Virginia Department of Emergency Management.

Link to State Strategy

- nothing linked

Objective Measures

- Agency Preparedness Assessment Score

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date: Measure Baseline Description: 2008 Agency Preparedness Assessment Results (% out of 100)

Measure Target Value: .75 Date: 8/1/2010

Measure Target Description: The Department's assessment results for FY 2009.

Data Source and Calculation: 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).

Service Area Strategic Plan

Department of Planning and Budget (122)

3/13/2014 9:16 am

Biennium: 2010-12 ▼

Service Area 1 of 5

Budget Development and Budget Execution Services (122 715 02)**Description**

This service area consists of two components – budget development and budget execution. The two work in tandem to produce Virginia's biennial budget and subsequent amended budgets. Each one is described below and is mandated by Section 2.2-1501 of the Code of Virginia. Both components include operating and capital budgets.

Budget development is a methodical process used to create the Governor's executive budget. In general, it begins in the spring with the preparation of budget instructions for state agencies. This initial phase is followed by a second in September or October whereby funding requests for new initiatives are submitted by state agencies to the Department of Planning and Budget (DPB) for analysis and evaluation. This phase also requires DPB staff to make forecasts of major budget drivers. Both phases are essential for making recommendations to the Governor on funding issues and levels. They lead to the production of the budget document, budget bill, budget press package, and any subsequent executive amendments, if necessary. Thereafter, budget development is directed toward analyzing the General Assembly's committee and conference amendments. This effort assists the Governor in taking actions for the reconvened General Assembly session (amendments and item vetoes) and actions on the re-enrolled budget bill. Budget development concludes in late April or early May upon signing of the budget by the Governor.

Budget execution is the implementation component of Virginia's budget process that allows state agencies to spend appropriations. Within this component, appropriations and allotments are reviewed and approved, expenditures are monitored, and instructional guidance is issued to state agencies on matters such as year-end close and new-year start-up. Budget execution also includes the preparation of decision briefs that are used in making certain budgetary decisions. Although much of budget execution follows budget development, it is a year-round activity.

For the 2010-12 biennium, 38.35 positions would support this service area.

Background Information**Mission Alignment and Authority**

- *Describe how this service supports the agency mission*

The two phases of budget development are essential for making recommendations to the Governor on funding issues and levels, which supports DPB's mission of advising the Governor on how to wisely use public resources for the benefit of all Virginians.

Budget execution includes the preparation of decision briefs that are used in making certain budgetary decisions, which also supports DPB's mission of advising the Governor on how to wisely use public resources for the benefit of all Virginians.

- *Describe the Statutory Authority of this Service*

Title 2.2, Chapter 15 and Chapter 26. Article 8, Code of Virginia

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
General Assembly members	General Assembly members	140	140
General Public (The number of Virginian's served is unknown and unlimited. Since the system does not allow for text, zero was entered into the customer fields.)	General public	0	0
Governor	Governor	1	1
Governor's Policy staff	Governor's Policy staff	5	5
Governor's Secretaries and Deputy Secretaries	Governor's Secretaries and Deputy Secretaries	26	26
State agencies	State agencies	190	190

Anticipated Changes To Agency Customer Base

The budget development and budget execution service area anticipates no significant changes to its customer base.

Partners

Partner	Description
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[None entered]

Products and Services

- *Factors Impacting the Products and/or Services:*
Decreasing General Fund appropriation could adversely impact DPB's ability to deliver products and/or services.
- *Anticipated Changes to the Products and/or Services*
Assuming no further reductions in General Fund appropriation, there are no anticipated changes at this time.
- *Listing of Products and/or Services*
 - Budget bill
 - Budget document
 - Governor's budget press package
 - Budget development and execution instructions for state agencies
 - Analysis of budget proposals and development of recommendations for the Governor
 - Year-end close & new-year start-up instructions for state agencies
 - Analyses of budget to expenditures
 - Decision briefs for budget execution decisions
 - Planning and performance measure instructions, handbook and training for state agencies
 - Tracking of agency performance measures
 - Analyses of federal budget proposals and actions that may affect Virginia
 - Serve on legislative and executive task forces
 - Advisory assistance to various panels, committees, and commissions
 - Presentations on fiscal and budgetary policy

Finance

- *Financial Overview*
General Fund appropriation supports personal and nonpersonal service costs for this service area.
- *Financial Breakdown*

	FY 2011		FY 2012		FY	FY	FY	FY	FY	FY	FY
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund	2011	2012	2011	2012	2011	2012	2011
Base Budget	\$4,921,588	\$0	\$4,921,588	\$0							
Change To Base	-\$409,536	\$0	-\$409,536	\$0							
Service Area Total	\$4,512,052	\$0	\$4,512,052	\$0							
Base Budget	\$4,921,588	\$0	\$4,921,588	\$0							
Change To Base	-\$409,536	\$0	-\$409,536	\$0							

Service Area Total	\$4,512,052	\$0	\$4,512,052	\$0
Base Budget	\$4,921,588	\$0	\$4,921,588	\$0
Change To Base	-\$409,536	\$0	-\$409,536	\$0

Service Area Total	\$4,512,052	\$0	\$4,512,052	\$0
Base Budget	\$4,921,588	\$0	\$4,921,588	\$0
Change To Base	-\$409,536	\$0	-\$409,536	\$0

Service Area Total	\$4,512,052	\$0	\$4,512,052	\$0
Base Budget	\$4,921,588	\$0	\$4,921,588	\$0
Change To Base	-\$409,536	\$0	-\$409,536	\$0

Service Area Total	\$4,512,052	\$0	\$4,512,052	\$0
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Human Resources

- *Human Resources Overview*
Completion of this section is not required.
- *Human Resource Levels*

Effective Date	7/1/2007
Total Authorized Position level	0
Vacant Positions	0
Current Employment Level	0.0
Non-Classified (Filled)	0
Full-Time Classified (Filled)	0
Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	0.0

breakout of Current Employment Level

= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*
Completion of this section is not required.
- *Anticipated HR Changes*

Completion of this section is not required.

Service Area Objectives

- We will develop a financially sound budget in which proposed recurring spending can be maintained by recurring revenue over time.

Objective Description

Achievement of this objective assures fiscal integrity in the Commonwealth's budget by avoiding the use of short-term or "one-time" monies for ongoing or long-term commitments.

Alignment to Agency Goals

- Agency Goal: Provide the highest quality financial management for the Commonwealth to protect its fiscal integrity.

Objective Strategies

- Submit a budget to the General Assembly that manages the available general fund resources resulting from one-time revenues and savings actions.
- Submit a budget to the General Assembly that has clear performance measures for budget actions involving new initiatives.
- Continue development of a new performance budgeting system for the Commonwealth.

Link to State Strategy

- nothing linked

Objective Measures

- Ratio of recurring general fund revenue to recurring general fund spending

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: Data are from the introduced budget bill

Measure Target Value: Date:

Measure Target Description: Equal to or greater than one through June 30, 2010

Data Source and Calculation: The introduced budget bill is the analysis source for calculating this measure. Calculation: Recurring general fund revenue divided by recurring general fund spending. A result of greater than 1.00 is preferable.

- Percent of new budget initiatives in the introduced budget bill with specified performance measures or outcomes.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: Data are from the introduced budget bill

Measure Target Value: Date:

Measure Target Description: 100 percent as of June 30, 2010

Data Source and Calculation: The introduced budget bill is the analysis source for calculating this measure.

- Ensure accurate actions in executing the state budget.

Objective Description

A focus on accuracy ensures that DPB's work is reliable and efficient. In addition, accuracy ensures that monies allocated to agencies are available when needed to service their customers.

Alignment to Agency Goals

- Agency Goal: Provide the highest quality financial management for the Commonwealth to protect its fiscal integrity.
- Agency Goal: Continue to strengthen communication and relationships with customers.

Objective Strategies

- Educate DPB analysts on appropriateness of changes to special fund operating appropriations.
- Supplement the DPB operations manual with additional explanatory information on how to address special fund operating appropriations.
- Provide additional training to DPB analysts on budget execution and on the FATS manual and guidelines for processing FATS transactions.

Link to State Strategy

- nothing linked

Objective Measures

- Administratively approved special fund and dedicated special fund operating appropriations as a percentage of the total special fund and dedicated special fund operating appropriations in the Appropriation Act each year

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: Percentage figure is for each fiscal year.

Measure Target Value: Date:

Measure Target Description: 5 percent or less as of June 30, 2010

Data Source and Calculation: Source: Probud; Calculation: Amounts appropriated by FATS transactions for special funds and dedicated special funds during a fiscal year divided by special fund/dedicated special fund appropriations in the Appropriation Act for that year. A lower percentage figure is preferable.

- Conduct timely and comprehensive analyses of the federal budget.

Objective Description

Changes in the federal budget can have direct impacts on the Commonwealth's budget. Thus, timely and comprehensive analyses of federal budget changes helps to ensure that agencies are aware of both positive and negative changes in the availability of federal funds (e.g., availability of grant monies for current or proposed agency programs; reduction in funding for specified programs).

Alignment to Agency Goals

- Agency Goal: Continue to strengthen communication and relationships with customers.

Objective Strategies

- Maintain ongoing communications with the Liaison Office.
- Review NASBO information on federal funds.
- Conduct a survey of the Governor's Office, Cabinet and Liaison Office to assess their rating of the timeliness and comprehensiveness of DPB's analyses of the federal budget.
- Assign resources for analyses.
- Monitor the federal budget.

Link to State Strategy

- nothing linked

Objective Measures

- Average rating of survey respondents' satisfaction with respect to timeliness and comprehensiveness of DPB's federal budget analyses.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: 4.5 (Good to excellent on a scale of 1 to 5) as of June 30, 2010

Data Source and Calculation: Annual survey of the Governor, Liaison Office and Cabinet. Calculation: Sum of ratings divided by the number of ratings.

Service Area Strategic Plan

Department of Planning and Budget (122)

3/13/2014 9:16 am

Biennium: 2010-12 ▼

Service Area 2 of 5

Legislation and Executive Order Review Service (122 715 04)

Description

Legislative review process provides information to enable the Governor and General Assembly members to assess proposed legislation in order to make informed decisions regarding budget, regulatory, and policy issues. It also helps the Governor and General Assembly provide adequate resources to implement statutory changes that have a fiscal impact. The process uses an electronic fiscal impact statement system (EFIS) that makes fiscal impact statements more readily available to the public during the legislative session.

The legislative review process begins in July and runs through April, with most work occurring in the January-April time frame.

For the 2010-12 biennium, slightly less than one-third of a position would support this service area.

Background Information

Mission Alignment and Authority

- *Describe how this service supports the agency mission*

The legislative review process support the agency's mission of advising the Governor on how to wisely use public resources for the benefit of all Virginians.

- *Describe the Statutory Authority of this Service*

Legislative review is not mandated within DPB's codified responsibilities. However, it was originally assigned to the agency in an executive order in 1975.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
General Assembly members	General Assembly members	140	140
General Public (The number of Virginian's served is unknown and unlimited. Since the system does not allow for text, zero was entered into the customer fields.)	General public	0	0
Governor	Governor	1	1
Governor's Policy staff	Governor's Policy staff	5	5
Governor's Secretaries and Deputy Secretaries	Governor's Secretaries and Deputy Secretaries	26	26
State agencies	State agencies	190	190

Anticipated Changes To Agency Customer Base

The are no changes anticipated to the customer base for this service area.

Partners

Partner	Description
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[None entered]

Products and Services

- *Factors Impacting the Products and/or Services:*

Decreasing General Fund appropriation could adversely impact DPB's ability to deliver products and/or services.

- *Anticipated Changes to the Products and/or Services*

Assuming no further reductions in General Fund appropriation, there are no anticipated changes at this time.

- *Listing of Products and/or Services*
 - Instructions for agencies regarding development of legislative proposals
 - Recommendations to the Governor on agency legislative proposals
 - Fiscal impact statements on bills introduced in the General Assembly

Finance

- *Financial Overview*
General fund appropriation supports personal and nonpersonal service costs for this service area.
- *Financial Breakdown*

	FY 2011		FY 2012		FY 2011	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund						
Base Budget	\$65,363	\$0	\$65,363	\$0						
Change To Base	-\$24,723	\$0	-\$24,723	\$0						
Service Area Total	\$40,640	\$0	\$40,640	\$0						
Base Budget	\$65,363	\$0	\$65,363	\$0						
Change To Base	-\$24,723	\$0	-\$24,723	\$0						
Service Area Total	\$40,640	\$0	\$40,640	\$0						
Base Budget	\$65,363	\$0	\$65,363	\$0						
Change To Base	-\$24,723	\$0	-\$24,723	\$0						
Service Area Total	\$40,640	\$0	\$40,640	\$0						
Base Budget	\$65,363	\$0	\$65,363	\$0						
Change To Base	-\$24,723	\$0	-\$24,723	\$0						
Service Area Total	\$40,640	\$0	\$40,640	\$0						

Human Resources

- *Human Resources Overview*
Completion of this section is not required.
- *Human Resource Levels*

Effective Date	7/1/2007
Total Authorized Position level	0

Vacant Positions	0	
Current Employment Level	0.0	
Non-Classified (Filled)	0	breakout of Current Employment Level
Full-Time Classified (Filled)	0	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
Total Human Resource Level	0.0	= Current Employment Level + Wage and Contract Employees

- **Factors Impacting HR**
Completion of this section is not required.
- **Anticipated HR Changes**
Completion of this section is not required.

Service Area Objectives

- Provide accurate, timely analysis of the fiscal and related impacts of legislation.

Objective Description

DPB provides the General Assembly and Governor with analyses of how constituents and the Commonwealth's budget, policies and service levels may be impacted by legislation.

Alignment to Agency Goals

- Agency Goal: Provide the highest quality financial management for the Commonwealth to protect its fiscal integrity.
- Agency Goal: Continue to strengthen communication and relationships with customers.

Objective Strategies

- Triage bills as they are introduced to determine which have fiscal impacts and need fiscal analysis, giving high priority to bills that go to money committees.
- Do formal, fiscal impact analyses on all enrolled bills.
- Review all legislation being submitted at the request of the Governor for fiscal, policy and regulatory impacts.

Link to State Strategy

- nothing linked

Objective Measures

- Average satisfaction rating of the Governor's policy staff with the quality and timeliness of the impact analyses

Measure Class: Other Measure Type: Outcome Measure Frequency: Annual Preferred Trend: Up

Measure Target Value: 4.5 Date: 6/30/2010

Measure Target Description: 4.5 (Good to excellent on a scale of 1 to 5) as of June 30, 2010

Data Source and Calculation: Annual survey of the Governor's policy staff; Calculation: Sum of ratings divided by the number of ratings.

- Percentage of all versions of bills assigned to DPB (excluding those marked "no review") for which fiscal impact statements were issued

Measure Class: Other Measure Type: Output Measure Frequency: Annual Preferred Trend: Up

Measure Baseline Value: .685 Date:

Measure Baseline Description: .685 (Results from the 2007 General Assembly Session)

Measure Target Value: Date:

Measure Target Description:

Data Source and Calculation: 1. Copy the "Main.mdb" Access table from EFIS into Excel. Sort on only the bills assigned to DPB. 2. Sort the DPB bills into four categories: No Review, Superseded, Dead, and Completed. 3. Divide the number of bills with fiscal impact statements issued by the number of bills (minus No Reviews) assigned to DPB.

Service Area Strategic Plan

Department of Planning and Budget (122)

3/13/2014 9:16 am

Biennium: 2010-12 ▼

Service Area 3 of 5

Forecasting and Regulatory Review Service (122 715 05)

Description

The service area of forecasting and regulatory review services is responsible for four primary functions: (1) assessing the policy implications and estimating the economic impact on Virginia of all proposed regulations, with the objective of designing regulations in the most efficient, effective, and least intrusive manner, (2) coordinating and educating Virginians about Virginia's rulemaking process, (3) advising the Governor's Secretaries and Policy Office concerning regulatory matters, and (4) forecasting major budget items such as Medicaid expenditures; prison, jail, and juvenile correctional center populations; TANF caseloads; FAMIS expenditures; and Supreme Court trial expenditures.

For the 2010-12 biennium, 6.10 positions would support this service area.

Background Information

Mission Alignment and Authority

- *Describe how this service supports the agency mission*
This service area supports DPB's mission of analyzing various fiscal, programmatic, and regulatory policies.
- *Describe the Statutory Authority of this Service*
Section 2.2-4007.04 of the Code of Virginia

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
DPB staff	DPB staff	61	69
General Assembly members	General Assembly members	140	140
General Public (The number of Virginian's served is unknown and unlimited. Since the system does not allow for text, zero was entered into the customer fields.)	General Public	0	0
Governor	Governor	1	1
Governor's Policy staff	Governor's Policy staff	5	5
Governor's Secretaries and Deputy Secretaries	Governor's Secretaries and Deputy Secretaries	26	26
State agencies	State agencies	190	190

Anticipated Changes To Agency Customer Base

Forecasting and regulatory review services anticipates no significant changes to its customer base.

Partners

Partner	Description
[None entered]	

Products and Services

- *Factors Impacting the Products and/or Services:*
Decreasing General Fund appropriation could adversely impact DPB's ability to deliver products and/or services.
- *Anticipated Changes to the Products and/or Services*
Assuming no further reductions in General Fund appropriation, there are no anticipated changes at this time.
- *Listing of Products and/or Services*
 - Economic impact statements and policy analyses on proposed regulations

- Maintenance of the Virginia Regulatory Town Hall website
- Coordination of the rulemaking process across state agencies
- Training on the Virginia Regulatory Town Hall website and state rulemaking process
- Forecasts of major budget items such as Medicaid expenditures; prison, jail, and juvenile correctional center populations; TANF caseloads; FAMIS expenditures; and Supreme Court trial expenditures.

Finance

- *Financial Overview*
General fund appropriation supports personal and nonpersonal service costs for this service area.
- *Financial Breakdown*

	FY 2011		FY 2012		FY 2011	FY 2012	FY 2011	FY 2012
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund				
Base Budget	\$700,249	\$0	\$700,249	\$0				
Change To Base	-\$99,693	\$0	-\$99,693	\$0				
Service Area Total	\$600,556	\$0	\$600,556	\$0				
Base Budget	\$700,249	\$0	\$700,249	\$0				
Change To Base	-\$99,693	\$0	-\$99,693	\$0				
Service Area Total	\$600,556	\$0	\$600,556	\$0				
Base Budget	\$700,249	\$0	\$700,249	\$0				
Change To Base	-\$99,693	\$0	-\$99,693	\$0				
Service Area Total	\$600,556	\$0	\$600,556	\$0				

Human Resources

- *Human Resources Overview*
Completion of this section is not required.
- *Human Resource Levels*

Effective Date	7/1/2007	
Total Authorized Position level	0	
Vacant Positions	0	
Current Employment Level	0.0	
Non-Classified (Filled)	0	breakout of Current Employment Level
Full-Time Classified (Filled)	0	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
Total Human Resource Level	0.0	= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*
Completion of this section is not required.
- *Anticipated HR Changes*
Completion of this section is not required.

Service Area Objectives

- Provide timely analysis of the economic impact of proposed regulations, with the objective of designing regulations in the most efficient, effective, and least intrusive manner.

Objective Description

Section 2.2-4007.04 of the Code requires that DPB prepare an economic impact analysis (EIA) for all non-exempt proposed regulations within 45 days of receipt. An EIA typically clearly and concisely describes the expected economic impact of a regulatory proposal on Virginians. An EIA may produce significant value added for (1) the Governor when deciding whether or not to approve proposed regulations, (2) legislators in learning about the benefits and costs of regulations, and (3) the regulated community and other members of the public who may be directly or indirectly affected by the proposed regulations. An EIA is a public document and may be viewed on the Virginia Regulatory Town Hall website.

Alignment to Agency Goals

- Agency Goal: Provide the highest quality financial management for the Commonwealth to protect its fiscal integrity.

Objective Strategies

- Provide economic impact analysis reports that correctly indicate economic costs and benefits of proposed regulatory change, using, where feasible, existing reference and high-quality research.
- Provide review within the statutory deadlines that adds positively to public discourse.
- Verify and improve the design of proposed (stage) regulations to maximize economic benefits and minimize economic costs.
- Make implementable recommendations that result in design improvements and that advance the Governor's public policy goals.

Link to State Strategy

- nothing linked

Objective Measures

- The percentage of economic impact analyses that are completed within 45 calendar days from receipt of proposed (stage) regulation.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: 90 percent or more completed within the 45 calendar day standard as of June 30, 2010

Data Source and Calculation: Deadlines for the completion of economic impact analyses are statutory and are explicitly stated on the Virginia Regulatory Town Hall website. Also explicitly stated is the date that any given regulatory action is completed and uploaded onto the website. A comparison of these two dates will indicate whether the regulatory review was completed on or before the stated deadline.

- Develop timely and accurate forecasts for major state programs for planning and budgeting purposes.

Objective Description

The Department produces annual forecasts for the following significant state programs, which are provided to decision makers as key input for each year's budget decisions as well as for longer range policy and planning for key budget drivers: Medicaid Expenditures (DPB has statutory authority for this forecast.); Public Safety Admissions and Inmate Population forecasts for state prisons, local jails, state juvenile correctional facilities, and detention homes; Criminal Fund forecast.

Alignment to Agency Goals

- Agency Goal: Provide the highest quality financial management for the Commonwealth to protect its fiscal integrity.

Objective Strategies

- Maintain expertise on relevant forecasting techniques and models to maintain quality.
- Manage forecast production to optimize usefulness to decision makers.
- Assure forecast results are communicated effectively.
- Perform other economic analyses and projections, upon request.

Link to State Strategy

- nothing linked

Objective Measures

- Accuracy of the official forecast for total Medicaid expenditures.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: 3 percent (Actual Medicaid expenditures will fall within +/-3% of the prior fiscal year's official forecast of Medicaid expenditures.)

Data Source and Calculation: For this forecast, the division will calculate the percentage difference between the forecasted value and actual value.

- Accuracy of DPB's forecast for total state responsible inmate population.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: .0022 (FY 2007)

Measure Target Value: Date:

Measure Target Description: 3 percent (Actual state responsible inmate population will fall within +/-3% of the prior fiscal year's forecast of state responsible inmate population.)

Data Source and Calculation: For this forecast, the division will calculate the average monthly percentage difference between the forecasted value and actual value. Please see the below explanation note.

Service Area Strategic Plan

Department of Planning and Budget (122)

3/13/2014 9:16 am

Biennium: 2010-12 ▼

Service Area 4 of 5

Program Evaluation Service (122 715 06)

Description

The service area of Evaluation Services contains three primary functions:

School Efficiency Review Program: The purpose of the reviews is to identify savings that can be gained through best practices in organization, service delivery, human resources, facilities, finance, transportation, technology management and other non-instructional areas, thereby allowing local school divisions to redirect administrative savings back into the classroom for an even greater investment in the children of Virginia. Business practices that appear to be more efficient than those found elsewhere are also documented and shared with other school divisions across the Commonwealth.

Best Management Practices Studies: Studies are conducted to analyze managerial and programmatic issues and present recommendations to ensure effective and efficient outcomes for the citizens of Virginia. The staff serves as the primary program evaluation instrument for the executive branch.

Support for the Commonwealth Competition Council (CCC): This function provides staffing and operational support to the CCC. This includes documenting and validating savings recommendations, providing logistical support for all CCC activities, preparing required reports and presentations, maintaining the CCC website, and determining the amount of an appropriation no longer needed when privatization occurs and unalloting that funding.

For the 2010-12 biennium, 5.10 positions would support this service area.

Background Information

Mission Alignment and Authority

- *Describe how this service supports the agency mission*
This service area supports DPB's mission of analyzing and developing various fiscal, programmatic, and regulatory policies. In addition, it provides assessments to support the wise use of public resources for the benefit of all Virginians.
- *Describe the Statutory Authority of this Service*
Section 2.2-1501 of the Code of Virginia (Duties of Department - Conduct of policy analysis and program evaluation for the Governor)

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Commonwealth Competition Council (members)	Commonwealth Competition Council (members)	15	16
Council on Virginia's Future (members)	Council on Virginia's Future (members)	18	18
General Assembly members	General Assembly members	140	140
General Public (The number of Virginian's served is unknown and unlimited. Since the system does not allow for text, zero was entered into the customer fields.)	General Public	0	0
Governor	Governor	1	1
Governor's Policy staff	Governor's Policy staff	5	5
Governor's Secretaries and Deputy Secretaries	Governor's Secretaries and Deputy Secretaries	26	26
Local government (cities and counties)	Local government	134	134
State agencies	State agencies	190	190

Anticipated Changes To Agency Customer Base

Program evaluation services anticipates no significant changes to its customer base.

Partners

Partner	Description
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[None entered]

Products and Services

- *Factors Impacting the Products and/or Services:*
Decreasing General Fund appropriation could adversely impact DPB's ability to deliver products and/or services.
- *Anticipated Changes to the Products and/or Services*
Assuming no further reductions in General Fund appropriation, there are no anticipated changes at this time.
- *Listing of Products and/or Services*
 - Detailed assessments of programs and services to achieve a more efficient and cost-effective state government
 - School efficiency reports
 - Best management practices reports
 - Staff assistance to the Council on Virginia's Future
 - Staff assistance to the Commonwealth Competition Council

Finance

- *Financial Overview*
General fund appropriation supports personal service and nonpersonal service costs for this service area.
- *Financial Breakdown*

	FY 2011		FY 2012		FY 2011	FY 2012
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund		
Base Budget	\$2,149,974	\$250,000	\$2,149,974	\$250,000		
Change To Base	-\$549,501	\$0	-\$549,501	\$0		
Service Area Total	\$1,600,473	\$250,000	\$1,600,473	\$250,000		
Base Budget	\$2,149,974	\$250,000	\$2,149,974	\$250,000		
Change To Base	-\$549,501	\$0	-\$549,501	\$0		
Service Area Total	\$1,600,473	\$250,000	\$1,600,473	\$250,000		

Human Resources

- *Human Resources Overview*
Completion of this section is not required.
- *Human Resource Levels*

Effective Date	7/1/2007	
Total Authorized Position level	0	
Vacant Positions	0	
Current Employment Level	0.0	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	0	

Part-Time Classified (Filled)	0
Faculty (Filled)	0
Wage	0
Contract Employees	0
Total Human Resource Level	0.0

= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*
Completion of this section is not required.
- *Anticipated HR Changes*
Completion of this section is not required.

Service Area Objectives

- Facilitate improvement of the efficiency and effectiveness of executive branch agency operations.

Objective Description

Best management practices conducts studies to identify opportunities to increase the efficiency and effectiveness of programs under review.

Alignment to Agency Goals

- Agency Goal: Provide the highest quality financial management for the Commonwealth to protect its fiscal integrity.
- Agency Goal: Provide objective, accurate, and timely information with respect to planning and evaluation of fiscal, legislative and regulatory activities, in order to enhance the efficiency and effectiveness of state government.

Objective Strategies

- Set up a methodology to monitor project timeliness and acceptance of recommendations.
- Conduct objective evaluations of specified programs and processes.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of evaluation study recommendations accepted

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: Acceptance of 97 percent of recommendations by the end of the 12 month period following submission of the school review report.

Data Source and Calculation: A written inquiry of status will be used to calculate the data. The calculation will reflect a rolling average of the most recent three studies.

- Facilitate ways for local school divisions to save money in non-instructional areas.

Objective Description

Conduct studies to identify possible areas of savings in local school divisions using established school efficiency assessment protocols.

Alignment to Agency Goals

- Agency Goal: Provide the highest quality financial management for the Commonwealth to protect its fiscal integrity.
- Agency Goal: Continue to strengthen communication and relationships with customers.

Objective Strategies

- Solicit volunteer school divisions for upcoming fiscal years.
- Identify funds to be used to contract for studies.
- Conduct objective evaluations of non-instructional areas within specified schools.
- Manage contracting and performance of private firms.
- Capture and report savings.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of school efficiency recommendations implemented

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Target Value: Date:

Measure Target Description: 95 percent as of June 30, 2010

Data Source and Calculation: Supervisors are queried in follow-ups to studies to determine the extent of implementation. Recommendations that are fully implemented, partially implemented, implemented by substitute, or on track for implementation are included as positives in this calculation. Recommendations that are reported as “considered and rejected” are not.

Service Area Strategic Plan

Department of Planning and Budget (122)

3/13/2014 9:16 am

Biennium: 2010-12 ▼

Service Area 5 of 5

Administrative Services (122 715 98)

Description

This service area consists of four primary subunits: employee relations, fiscal services, systems development/administration, and facilities management. It also coordinates and implements actions (mandates, directives, changes, etc.) initiated by the Virginia Information Technologies Agency.

Employee Relations: Provides a wide range of personnel services to the Department. Because of a recent retirement, the Department's Employee Relations Unit partnered with the Department of Human Resource Management's Shared Services Center to ensure that staff continue to receive quality personnel-related services. The partnership blends the Department's unique internal knowledge and experiences with the Center's much deeper understanding of personnel issues. In essence, there is now an "untapped reservoir" of knowledge and experience that the Department can draw upon through this partnership. Examples of services covered by the partnership are: (1) Compensation, (2) Equal Employment Opportunity, (3) Recruitment, (4) Benefits Administration, (5) Performance Management, and (6) Policy Interpretation and Updates.

Systems Development/Administration: Develops, maintains, and administers inexpensive web-enabled systems to simplify and streamline the workflow in the Department and the state. Systems of prominence include: (1) The Virginia Regulatory Town Hall – a comprehensive rulemaking website, (2) Budget Entry and Reporting System (Web BEARS) – a numerical tool for developing the Commonwealth's biennial budget, (3) Electronic Fiscal Impact Statement System (EFIS) - a tool for the development and distribution of Fiscal Impact Statement documents, and (4) Capital Six-year Plan Database (CapSix) – a tool used by state agencies for entering six-year plans.

Fiscal Services: Provides accounting, budgeting, and procurement services to the Department. Invoices and purchase orders are processed and reconciled in a manner consistent with standards established by the Commonwealth Accounting and Reporting System, vendor Prompt Pay, eVA (electronic procurement), and the Agency Procurement and Surplus Property Manual. Budgeting/expenditure services are also provided to ensure that expenditures are always within allotted appropriation levels.

Facilities Management: Provides space allotments, renovations, and communication coordination to the Department. It is also responsible for problem resolution on matters that affect employees such as safety, security, and comfort in the work environment.

For the 2010-12 biennium, 3.15 positions would support this service area.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission

This service area ensures that sound management practices and qualified staff members are in place to carry out the mission of the agency.

- Describe the Statutory Authority of this Service

Not applicable.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
DPB staff	DPB staff	61	69
Governor's Secretaries and Deputy Secretaries	Governor's secretaries (upon request)	26	26
State agencies	State agencies	190	190

Anticipated Changes To Agency Customer Base

No significant changes to the customer base are anticipated.

Partners

Partner Description

[None entered]

Products and Services

- *Factors Impacting the Products and/or Services:*
Decreasing General Fund appropriation could adversely impact DPB's ability to deliver products and/or services.
- *Anticipated Changes to the Products and/or Services*
Assuming no further reductions in General Fund appropriation, there are no anticipated changes at this time.
- *Listing of Products and/or Services*
 - Employee relations services for agency staff members
 - Fiscal services for the agency
 - Facilities management services for the agency

Finance

- *Financial Overview*
General fund appropriation supports personal and nonpersonal service costs for this service area.
- *Financial Breakdown*

	FY 2011		FY 2012	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$493,449	\$0	\$493,449	\$0
Change To Base	\$52,679	\$0	\$52,679	\$0
Service Area Total	\$546,128	\$0	\$546,128	\$0

Human Resources

- *Human Resources Overview*
Completion of this section is not required.
- *Human Resource Levels*

Effective Date	7/1/2007	
Total Authorized Position level	0	
Vacant Positions	0	
Current Employment Level	0.0	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	0	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	0	
Contract Employees	0	
Total Human Resource Level	0.0	<i>= Current Employment Level + Wage and Contract Employees</i>

- *Factors Impacting HR*
Completion of this section is not required.
- *Anticipated HR Changes*
Completion of this section is not required.

Service Area Objectives

- Ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.

Objective Description

This objective, which is shared by all of Virginia's state agencies, ensures that sound management practices are exercised in the Commonwealth.

Alignment to Agency Goals

- Agency Goal: Attract and retain highly qualified and energetic individuals to carry out the mission of the agency.
- Agency Goal: Strengthen the culture of preparedness across state agencies, their employees and customers.

Objective Strategies

- On a quarterly basis, review, compile, and report data so that corrective action can be taken (if necessary) to ensure that the performance target is met or exceeded.

Link to State Strategy

- nothing linked

Objective Measures

- Compares actions and transactions handled by DPB divided by the agency budget.

Measure Class: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: To be determined.

Measure Target Value: Date:

Measure Target Description: Data are unavailable at this time.

Data Source and Calculation: Specific transactions to be measured: Fiscal Impact Statements (FIS); Form 27 Automated Transaction System (selected types); Budget Requests (No Base Adjustments); Code 3s and 5s; Economic Impact Statements (Regulations); Regulatory Actions Reviewed; Decision Briefs for the Governor; Forecast Revision Iterations; Number of School Review Studies; Number of Evaluation Studies; Capital form CO2s Processed

- Percent of administrative measures marked "meets expectations" (green indicator) for the agency

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: The FY 2009 score of the agency. Note: Data for this measure was not available at the time of submission.

Measure Target Value: Date:

Measure Target Description: The agency's target is to reach or exceed 90 percent eacy year.

Data Source and Calculation: 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 the Virginia Performs/Agency Planning and Performance/Administrative Measures. Calculations: Agencies select the appropriate colored indicator (green, yellow, red) indicator for each measure, depending on results. A gray indicator is used for measures where data is unavailable. The agency administration measure is the percent of administrative measure that have a green indicator (meets expectations). Exclude items with a gray indicator from the calculation.

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