

Strategic Plan
(2012-2014 Version 1)

Department of Planning and Budget (122)
Agency Plan

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.

Information Technology

Current Operational IT Investments

At this time, the Department of Planning and Budget (DPB) anticipates that all current operational information technology investments will continue to meet DPB's business needs in the foreseeable future.

Active design and development of the Commonwealth's Performance Budgeting System has come to a close and related activities have transitioned to the operation and maintenance phase. DPB is responsible for overseeing the operation and maintenance of the system; however, the ongoing cost of this effort will be paid for through rates charged to state agencies.

Factors Impacting the Current Agency IT

The Performance Budgeting System has moved into the operation and maintenance phase. As part of operating and maintaining this system, many changes will be made in the short term to DPB Web pages and applications to integrate data from the new system with existing information. Support of the Performance Budgeting System on an ongoing basis will require more effort on the part of DPB to maintain this link between the enterprise system and the public via Web applications and reporting.

Proposed IT Solutions

Changes evolving from the operation of the Performance Budgeting System and the enhancement of DPB's Web site functions may result in small IT changes.

Financial Overview

Seventy-eight percent of DPB's general fund budget supports personnel costs: salaries, wages, and fringe benefits. The remaining budget supports day-to-day operations: funding for rent, information technology needs, the School Efficiency Review Program, the Council on Virginia's Future, insurances, training, office supplies, and other miscellaneous costs.

In accordance with Chapter 835, 2012 Virginia Acts of Assembly, the Commonwealth Competition Council was eliminated. The 2013 General Assembly removed the \$250,000 Non-General Fund (NGF) designated for the Commonwealth Competition Council FY 2014.

The 2013 General Assembly designated \$300,000 NGF FY 2014 to support the school efficiency reviews program coordinated by the Department of Planning and Budget.

Funding for ongoing maintenance of the Commonwealth's Performance Budgeting System is appropriated in the Department of Accounts.

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	6,619,909	250,000	6,619,909	250,000
Changes to Base	229,989	0	394,155	50,000
Total	6,849,898	250,000	7,014,064	300,000

Agency Goals

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

Goal Summary and Alignment

Accomplishment of this goal helps protect the state's fiscal reputation, its AAA bond rating, and its status as a best-managed state.

Long Term Goal

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

Societal Indicator: Government Operations

- 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 helps protect the state's fiscal reputation, its AAA bond rating, and its status as a best-managed state.

Long Term Goal

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

Societal Indicator: Government Operations

Objectives for this Agency Goal

Objective

Strive to maintain a high level of satisfaction from the Governor's Policy Office and the Cabinet regarding information and analysis provided to them by the Department of Planning and Budget (DPB).

Description

Objective Strategies

- Analyze survey feedback and communicate results to DPB staff. Develop and implement improvements to address less-than-satisfactory ratings.
- 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.
- Facilitate the development and improvement of agency performance measures reported in the Performance Budgeting System, ensuring appropriate linkage to the budget.
- Keep Cabinet officials informed on upcoming changes and issues.

Measures

- Average rate of survey respondents' satisfaction with the timeliness and quality of the agency's analyses.

Measure Class **Agency Key** Measure Type **Outcome** Preferred Trend **Stable** Frequency **Annually**

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.

- Continue to strengthen communication and relationships with customers.

Goal Summary and Alignment

Accomplishment of this goal would help protect the state's fiscal reputation, its AAA bond rating, and its longstanding status as a best-managed state.

Long Term Goal

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

Societal Indicator: Government Operations

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

Goal Summary and Alignment

Accomplishment of this goal helps protect the state's fiscal reputation, its AAA bond rating, and its status as a best-managed state.

Long Term Goal

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

Societal Indicator: Government Operations

Programs and Service Areas for Agency

- 71502: Budget Development and Budget Execution Services
- 71504: Legislation and Executive Order Review Service
- 71505: Forecasting and Regulatory Review Services
- 71506: Program Evaluation Services

Customers

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Governor	Council on Virginia's Future (members)	19	19	Stable
General Assembly	General Assembly members	140	140	Stable
Governor	Governor's Secretaries and Deputy Secretaries	27	27	Stable
Governor	Governor	1	1	Stable
Governor	Governor's Policy staff	7	7	Stable
State Agency(s),	State agencies	193	193	Stable
Local or Regional Government Authorities	Local school divisions	132	132	Stable

Key Risk Factors

Maintaining funding for core services: The Department of Planning and Budget (DPB) leads in the state's integrated strategic planning and budget process. As part of its statutory responsibility, DPB advises the Governor on the allocation of scarce resources. DPB will remain challenged in the years ahead to maintain necessary funding for the core services of state government and to maintain structural balance as the state is likely to continue to experience modest revenue growth while large entitlement programs such as Medicaid will continue to see significant growth. Structural balance is maintained by the utilization of recurring revenue to support ongoing operations. The use of one-time or non-recurring revenue for ongoing operations and potential federal reductions puts the state's bond rating at risk. DPB will experience increased pressure to remain vigilant in maintaining financial responsibility and a structural balance in the state's budget.

Loss of experienced finance workforce: DPB depends upon obtaining quality information and data from state agencies. As the workforce ages and has been downsized, many agencies are not able to develop replacement staff. Lack of good succession planning in key finance positions could lead to difficulties in managing financial crisis in the future. Central agencies like DPB may be called upon more often to help agencies resolve issues that once were managed by agency-based staff.

Products and Services

The Commonwealth's new Performance Budgeting System is fully implemented and combines under one system budget development, budget execution, capital, strategic planning, and performance measurement. As required by Section 2.2-1501 in the Code of Virginia, DPB ensures information generated in the Performance Budgeting System is useful for managing and improving the efficiency and effectiveness of state government operations and is available to the Commonwealth's citizens and public officials. DPB's mission-critical products and services are, as follows:

- Budget bill
- Budget document
- Budget development
- Budget execution
- Analysis of budget proposals and development of recommendations for the Governor
- Year-end close and new-year start-up execution actions
- Procedures for monitoring agency expenditures
- Decision briefs for budget execution decisions
- Coordination of the executive legislative review process
- Fiscal impact statements for legislation 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
- Development, maintenance and oversight of the Regulatory Town Hall Web site
- Coordination and management of the rulemaking process across state agencies
- Training on the Regulatory Town Hall Web site and state rulemaking process
- Forecasts of major budget items including 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
- Coordination of school efficiency reviews
- Performance of best management practices reviews
- Staff assistance to the Council on Virginia's Future
- Staff support for legislative and executive task forces
- Advisory assistance to various panels, committees, and commissions
- Presentations on fiscal and budgetary policy
- Response to constituent requests

Trends

Rankings & Customer Trends

The Department of Planning and Budget (DPB) is a Virginia executive branch agency. DPB works with the Governor's Office, the General Assembly, and other state agencies to develop and execute the Commonwealth's budget and to conduct analysis and review of budgetary information, program and policy information, regulatory information, and various reviews of government functions including agency operations and public school division operations. DPB's customer base is not expected to change during the 2012-2014 biennium.

Trend Name	Trend Area
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Performance and Accountability	Steady
Virginia Maintains Bond Rating	Steady
Virginia a Best-Managed State	Steady

Performance Highlights: Service Performance & Productivity Initiatives

Performance measures or outcomes were developed by each agency as part of Virginia's outcome-driven performance management system. Agency and administrative measures indicate how well an agency is performing on its major or most important programs or activities that reflect its primary mission. Productivity measures strengthen the relationship between internal improvement investments and desired outcome and performance targets.

Virginia continues to lead as one of the best managed states in the nation. Virginia was named one of the best managed states in the nation by the *Government Performance Project* sponsored by *Governing* magazine. Virginia's financial strength is indicated by its AAA bond rating and being one of nine states given this highest rating by all three national rating agencies. Virginia consistently ranks top in the United States in categories that impact successful economic development. Virginia ranked No. 2 in the *Forbes Best States for Business* in 2010 and 2011. The *Forbes* ranking measured six vital categories for businesses: costs, labor supply, regulatory environment, current economic climate, growth prospects, and quality of life. In the *Pollina Corporate Top 10 Pro-Business States for 2012*, Virginia ranked No. 2 in the nation. CNBC, in its annual study, *America's Top States for Business*, designated Virginia as one of the top states for business at No. 3 in 2012.

The Department of Planning and Budget (DPB) is required by Section 2.2-4007.04, Article 2, of the Code of Virginia to manage the Virginia Regulatory Town Hall Web site; to publish, as well as provide online public comment forums for, all (non-exempt) regulatory stages; and, prepare an economic impact analysis (EIA) for a proposed regulation within 45 days of its receipt by DPB and within 30 days of receipt for a fast-track regulation. DPB is required to provide a copy of each EIA to the Joint Commission on Administrative Rules (JCAR) as well as to each member of the General Assembly.

Management Discussion & Analysis

Future Direction, Expectations, and Priorities

The Department of Planning and Budget (DPB) leads the Commonwealth's enhanced integrated strategic planning and budgeting process and advises the Governor on the allocation of scarce resources. In terms of the overall financial health of the Commonwealth, DPB will remain challenged in the years ahead to maintain necessary funding for the core services of state government. As part of its statutory responsibility, DPB advises the Governor on the allocation of resources to large entitlement programs that are mandated or required (such as Medicaid) down to support of small local sheriff offices that protect our smallest communities. Decisions about the proper funding levels for each of these requires a good deal of information and analysis. DPB also must be poised to react quickly in its advisory capacity to changes in revenue that affect financial responsibility and structural balance in the state's budget. In order to maximize its ability to successfully respond to economic changes, DPB must focus on transferring its institutional knowledge through the recruitment and development of a well trained staff.

DPB must address two pressing workforce issues over the next biennium: a highly competitive market of well-educated and skilled staff; and, an aging workforce in key positions that either are, or soon will be, eligible for retirement. During the next two years, DPB will attempt to increase its staffing levels and analyze its organizational structure to determine where existing resources can best be directed toward sound succession planning. DPB will determine what training is needed to support staff, especially those placed in new roles and for new employees. Training could be provided externally through outside vendors, or it could be developed internally.

71502: Budget Development and Budget Execution Services

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 2012-14 biennium, 36.35 positions would support this service area.

Mission Alignment and Authority

The two phases of budget development are essential for making recommendations to the Governor on funding issues and position levels that support 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.

Customers for this Service Area

Anticipated Changes to Customers Base

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

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
General Assembly	General Assembly members	140	140	Stable
Governor	Governor’s Secretaries and Deputy Secretaries	27	27	Stable
Governor	Governor	1	1	Stable
Governor	Governor’s Policy staff	7	7	Stable
State Agency(s),	State agencies	193	193	Stable

Partners for this Service Area

Partner	Description
<i>No partners currently entered in plan</i>	

Products and Services

Factors Impacting the Products and/or Services

Seventy-eight percent of the Department of Planning and Budget’s (DPB) general fund budget supports personnel costs. Decreasing general fund appropriation could adversely impact DPB’s ability to deliver products and/or services as it directly impacts staffing.

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 and 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

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	4,367,014	0	4,367,014	0
Changes to Base	204,474	0	246,493	0
Total	4,571,488	0	4,613,507	0

Objectives for this Service Area

Objectives for this Service Area

Objective

Develop a financially sound budget in which proposed recurring spending can be maintained by recurring revenue over time.

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.

Objective Strategies

- Continue to enhance/develop the Commonwealth's new Performance Budgeting System.
- Submit a budget to the General Assembly that has clear performance measures for budget actions involving new initiatives.
- Submit a budget to the General Assembly that manages the available general fund resources resulting from one-time revenues and savings actions.

Alignment to Agency Goals

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

Measures

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

Measure Class **Agency Key** Measure Type **Outcome** Preferred Trend **Stable** Frequency **Annually**

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.

Objective

Ensure accurate actions in executing the state budget.

Description

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

Objective Strategies

- Educate DPB's analysts on appropriateness of changes to special fund operating appropriations.
- Provide additional training to DPB's analysts on the Performance Budgeting System.
- Supplement DPB's operations manual with additional explanatory information on how to address special fund operating appropriations.

Alignment to Agency Goals

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

- Continue to strengthen communication and relationships with customers.

Measures

- Administratively approved appropriations as a percentage of legislative appropriations.

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Source: Performance Budgeting System. 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. Calculation: Amounts administratively appropriated for special funds and dedicated special funds (nongeneral fund transactions) during a fiscal year divided by special fund/dedicated special fund legislative appropriations in the Appropriation Act for that year. A lower percentage figure is preferable.

71504: Legislation and Executive Order Review Service

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 2012-14 biennium, slightly less than one-third of a position would support this service area.

Mission Alignment and Authority

The legislative review process supports the agency's mission of advising the Governor on how to wisely use public resources for the benefit of all Virginians. Important information is also provided to the General Assembly.

Customers for this Service Area

Anticipated Changes to Customers Base

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

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
General Assembly	General Assembly members	140	140	Stable
Governor	Governor's Secretaries and Deputy Secretaries	27	27	Stable
Governor	Governor	1	1	Stable
Governor	Governor's Policy staff	7	7	Stable
State Agency(s),	State agencies	193	193	Stable

Partners for this Service Area

Partner	Description
<i>No partners currently entered in plan</i>	

Products and Services

Factors Impacting the Products and/or Services

Seventy-eight percent of the Department of Planning and Budget's (DPB) general fund budget supports personnel costs. Decreasing general fund appropriation could adversely impact DPB's ability to deliver products and/or services as it directly impacts staffing.

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 that were assigned to the Department of Planning and Budget (DPB) Note: 2,302 bills were submitted to DPB in fiscal year 2012 that required review, resulting in 1,730 fiscal impact statements

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	40,048	0	40,048	0
Changes to Base	354	0	354	0
Total	40,402	0	40,402	0

Objectives for this Service Area

Objective

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

Description

The Department of Planning and Budget 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.

Objective Strategies

- Analyze the fiscal, policy, and regulatory impacts of all legislation being submitted to the Governor at the Governor's request.
- Process 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.

Alignment to Agency Goals

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

Measures

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

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Divide the number of bills with fiscal impact statements issued by the number of bills (minus no reviews) assigned to the agency. Note: The agency prepares fiscal impact statements based on the Code of Virginia references of the bill. Fiscal impact statements are prepared for bills impacting state government, but not for domestic relations or local government charter bills.

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

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

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

71505: Forecasting and Regulatory Review Services

Description

This service area provides forecasting and regulatory review services. The four primary functions within this service area are: (1) assessing the policy implications and estimating the economic impact of proposed regulations, with the objective of designing regulations that are efficient, effective and least intrusive; (2) coordinating and managing Virginia's rulemaking process; (3) advising the Governor's Secretaries and Policy Office on regulatory matters; and (4) forecasting major budget items such as Medicaid expenditures; prison, jail, and juvenile correctional center populations; Temporary Assistance for Needy Families caseloads; Family Access to Medical Insurance Security expenditures; and Supreme Court trial expenditures.

For the 2012-14 biennium, 6.10 positions would support this service area.

Mission Alignment and Authority

This service area supports the Department of Planning and Budget's mission of analyzing various fiscal, programmatic, and regulatory policies.

Customers for this Service Area

Anticipated Changes to Customers Base

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

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
General Assembly	General Assembly members	140	140	Stable
Governor	Governor's Secretaries and Deputy Secretaries	27	27	Stable
Governor	Governor	1	1	Stable
Governor	Governor's Policy staff	7	7	Stable
State Agency(s),	State agencies	193	193	Stable

Partners for this Service Area

Partner	Description
<i>No partners currently entered in plan</i>	

Products and Services

Factors Impacting the Products and/or Services

Seventy-eight percent of the Department of Planning and Budget's (DPB) general fund budget supports personnel costs. Decreasing general fund appropriation could adversely impact DPB's ability to deliver products and/or services as it directly impacts staffing.

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 of proposed regulations

Maintenance of the Virginia Regulatory Town Hall Web site

Coordination of the rulemaking process across state agencies

Training on the Virginia Regulatory Town Hall Web site and state rulemaking process

Forecasts of major budget items such as Medicaid expenditures; prison, jail, and juvenile correctional center populations; Temporary Assistance for Needy Families caseloads; Family Access to Medical Insurance Security expenditures; and Supreme Court trial expenditures.

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	591,689	0	591,689	0
Changes to Base	5,310	0	5,310	0

Total	596,999	0	596,999	0
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Objectives for this Service Area

Objectives for this Service Area

Objective

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.

Description

Section 2.2-4007.04 of the Code of Virginia requires that the Department of Planning and Budget 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 Web site.

Objective Strategies

- Make implementable recommendations that result in design improvements and that advance the Governor's public policy goals.
- 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.

Alignment to Agency Goals

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

Measures

- Percentage of economic impact analyses that are completed within 45 days from receipt of proposed and fast-track (stage) regulatory proposals.

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Deadlines for the completion of economic impact analyses are statutory and are explicitly stated on the Virginia Regulatory Town Hall Web site. Also explicitly stated is the date that any given regulatory action is completed and uploaded onto the Web site. A comparison of these two dates will indicate whether the regulatory review was completed on or before the stated deadline. Calculation: Number of economic impact analyses (EIA) completed within 45 days of receipt divided by total EIAs received.

Objective

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

Description

The Department of Planning and Budget 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; Public Safety Admissions and Inmate Population forecasts for state prisons, local jails, state juvenile correctional facilities, and detention homes; and Criminal Fund forecast.

Objective Strategies

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

Alignment to Agency Goals

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

Measures

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

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

For this forecast, the division will calculate the average monthly percentage difference between the forecasted value and actual value. The forecast uses arima modeling with transfer variables. This type of forecasting takes historical data and information on any significant policy shifts that may have occurred over the history of the dependent variable (State Responsible Inmate Populations) and forecasts a future path for the variable. This type of forecasting projects past variable behavior into the future and will only be accurate if the variable roughly follows the same behavior path.

71506: Program Evaluation Services

Description

The service area Program Evaluation Services contains two 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.

In accordance with Chapter 835, 2012 Virginia Acts of Assembly, the Commonwealth Competition Council was eliminated. The 2013 General Assembly removed the \$250,000 Non-General Fund (NGF) designated for the Commonwealth Competition Council FY 2014.

The 2013 General Assembly designated \$300,000 NGF FY 2014 to support the school efficiency reviews program coordinated by the Department of Planning and Budget.

For the 2012-14 biennium, 5.10 positions would support this service area.

Mission Alignment and Authority

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.

Customers for this Service Area

Anticipated Changes to Customers Base

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

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
Governor	Council on Virginia's Future (members)	19	19	Stable
General Assembly	General Assembly members	140	140	Stable
Governor	Governor's Secretaries and Deputy Secretaries	27	27	Stable
Governor	Governor	1	1	Stable
Governor	Governor's Policy staff	7	7	Stable
State Agency(s),	State agencies	193	193	Stable
Local or Regional Government Authorities	Local school divisions	132	132	Stable

Partners for this Service Area

Partner	Description
No partners currently entered in plan	

Products and Services

Factors Impacting the Products and/or Services

Seventy-eight percent of the Department of Planning and Budget's (DPB) general fund budget supports personnel costs. Decreasing general fund appropriation could adversely impact DPB's ability to deliver products and/or services as it directly impacts staffing.

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

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	1,271,965	250,000	1,271,965	250,000
Changes to Base	18,958	0	148,958	50,000
Total	1,290,923	250,000	1,420,923	300,000

Objectives for this Service Area

Objectives for this Service Area

Objective

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

Description

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

Objective Strategies

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

Alignment to Agency Goals

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

Measures

- Percent of evaluation study recommendations accepted.

Measure Class Measure Type Preferred Trend Frequency

Data Source and Calculation

Supervisors are queried in follow-ups to the most recent three studies to determine the extent of study recommendations accepted. Recommendations that are fully accepted, partially accepted, accepted by substitute, or on track for acceptance are included as positives in this calculation. Recommendations that are reported as "considered and rejected" are not.

Objective

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

Description

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

Objective Strategies

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

Alignment to Agency Goals

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

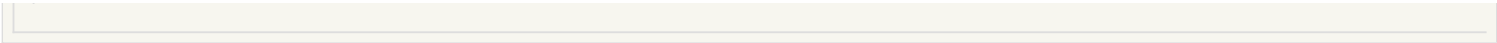
Measures

- Percent of school efficiency recommendations implemented.

Measure Class Measure Type Preferred Trend Frequency

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.



71598: Administrative Services

Description

This service area provides employee relations, fiscal, facilities management, clerical, and coordination services.

Through a partnership with the Department of Human Resource Management's Shared Services Center (Center), staff receive high quality and timely personnel-related services. This partnership blends the Department of Planning and Budget's (DPB) unique internal knowledge and experiences with the Center's much deeper understanding of personnel issues. 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.

In addition to employee relations services, this service area addresses accounting, budgeting, and procurement needs. For example, 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. Budget preparation and expenditure tracking services are also provided to ensure that DPB does not exceed allotted appropriation levels.

Finally, staff in this service area coordinate and implement actions (mandates, directives, and changes) initiated by the Virginia Information Technologies Agency, address sundry facility needs (e.g., space allotments, renovations, etc.), provide clerical services, and develop DPB's Continuity of Operations Plan.

For the 2012-14 biennium, 2.15 positions would support this service area.

Mission Alignment and Authority

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

Customers for this Service Area

Anticipated Changes to Customers Base

No significant changes to the customer base are anticipated.

Current Customer Base

Pre-Defined Customer Group	User Specified Customer Group	Customers Served Annually	Potential Annual Customers	Projected Trend in # of Customers
State Agency(s),	DPB staff	54	65	Stable

Partners for this Service Area

Partner	Description
<i>No partners currently entered in plan</i>	

Products and Services

Factors Impacting the Products and/or Services

Seventy-eight percent of the Department of Planning and Budget's (DPB) general fund budget supports personnel costs. Decreasing general fund appropriation could adversely impact DPB's ability to deliver products and/or services as it directly impacts staffing.

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, fiscal, and facility services

Financial Overview

Budget Component	2013 GF	2013 NGF	2014 GF	2014 NGF
Base	349,193	0	349,193	0
Changes to Base	893	0	-6,960	0
Total	350,086	0	342,233	0

Objectives for this Service Area

Objectives for this Service Area

Objective

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

Description

Achieve a high level of satisfaction from department staff regarding personnel, fiscal, clerical, and facilities management services.

Objective Strategies

- Address clerical needs as resources allow.
- Conduct an annual survey, analyze survey feedback, and report survey findings to staff.
- Coordinate or process personnel, fiscal (travel requests, state reimbursement vouchers), and facility matters.
- Keep staff informed of personnel and fiscal changes that have a direct impact.
- Research identified shortfalls and address where appropriate.

Alignment to Agency Goals

- Continue to strengthen communication and relationships with customers.

Measures

- Percent of accounts payable transactions that post correctly to the Commonwealth Accounting and Reporting System (CARS)

Measure Class Preferred Trend Frequency

Data Source and Calculation

The Department of Planning and Budget will calculate the measure percentage by dividing the number of correct transactions (total minus errors) reflected on the Commonwealth Accounting and Reporting System (CARS) WR0107 report, Weekly Reconciliation Report of Transactions Not Posted in CARS, by the total number of vendor and state Inter- and Intra-Agency Transactions (IATs) payment transactions executed during the fiscal year.