Strategic Planning and Performance Budgeting

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Agency Head Meeting
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Background

- State agency strategic plans, for budget purposes, have focused on critical issues rather than outputs or outcomes
- Dual budget submissions have been required in recent years (program/subprograms & activities)
- Dual performance measurement reporting is now required (Executive Agreements & agency measures)
- New planning and performance budgeting legislation was passed by 2003 General Assembly
  - HB 2097 (2003 session): Establishment of the Council on Virginia's Future & Government Performance and Results Act
  - HB 1838 (2003 session): Taxpayer's Budget Bill of Rights

Government Performance & Results Act

- Increases requirements regarding the structure and content of agency strategic plans and performance measures (focus is on output)
- Requires implementation plan to be developed for phasing in of new agency planning requirements for all agencies by December 1, 2006
- Thereafter, by December 1 in even-numbered years, requires agencies to submit plans and measures, consistent with biennial budget process
- Requires agencies to post strategic plans on the Internet

Taxpayer's Budget Bill of Rights

Requires the budget to address:

- Specific outcomes related to expenditures of programs
- Performance standards to be used in evaluating state services
- An evaluation cycle for state agencies and a listing of all evaluations performed in previous two years & how to access them
- Readable and understandable budget amendments that can be cross-referenced and are available on the Internet

Immediate Actions – Create New 'Service' Structure

- DPB will consolidate the current reporting structure (program/subprogram and activities) into a single structure that can be used for both planning and budgeting purposes
- New units are called "services"
- New structure will allow crosswalk between budget document and budget bill, and will make budget more transparent for public and members of the General Assembly

Immediate Actions – Eliminate Dual Performance Reporting

- DPB will combine performance measures for Executive Agreements with agency measures now reported on *Virginia Results* web site
- Reporting will be streamlined to an annual reporting at the end of each fiscal year
- Performance measures will be further refined through the strategic planning process
- Performance measures will eventually be linked to the new 'services'

Immediate Actions – Strategic Planning & Performance Measurement, Phase I

- Review of mission statement
- Review of customers/service populations and anticipated changes in service populations
- Articulation of quantifiable objectives for each agency with desired targets (no more than five per agency)
- Submission to be entered on the *Virginia Results* website

Result of Actions – Benefits to You and Your Agencies

- Use same unit ('services') for both budget and strategic planning submissions, thereby reducing the complexity of and the amount of data reporting
- Submit performance measure data on an annual basis in a single (one-stop) reporting mechanism which will save both time and effort in data reporting
- Implement new system by building upon the existing strategic planning and performance budgeting information on hand rather than requiring agencies to start over

Results of Actions – Framework for the Future

- These initial steps
  - creating the new ‘service’ structure,
  - consolidating the performance measures reporting, and
  - developing quantifiable objectives for each agency

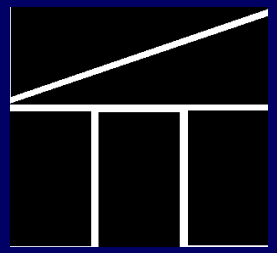
  will provide a common set of planning and performance budgeting information for agencies that will be the basis for implementing the new legislative requirements

Future Actions – Strategic Planning & Performance Measurement, Phase II

- Quantifiable objectives refined for each agency
- Customer/service population trends identified
- Strategies developed to operate agency services and to achieve the agency objectives
- Performance measures developed and refined to measure progress toward achieving the objectives and strategies
- Link to statewide visions (priorities) created by Council on Virginia's Future

Strategic Planning & Performance Measurement Phase II Calendar

May 2004	Phase I instructions provided to all agencies
August 2004	Phase II instructions provided to Group One agencies
January 2005	Group One agencies submit Phase II information
April 2005	Phase II instructions provided to Group Two agencies
October 2005	Group Two agencies submit Phase II information
Fall 2005	Budget submission for 2006-2008



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