Priorities and Performance Based Budgeting 2.0

Evolution

▸ 2011-2013 Biennial Budget was first step

Evolution

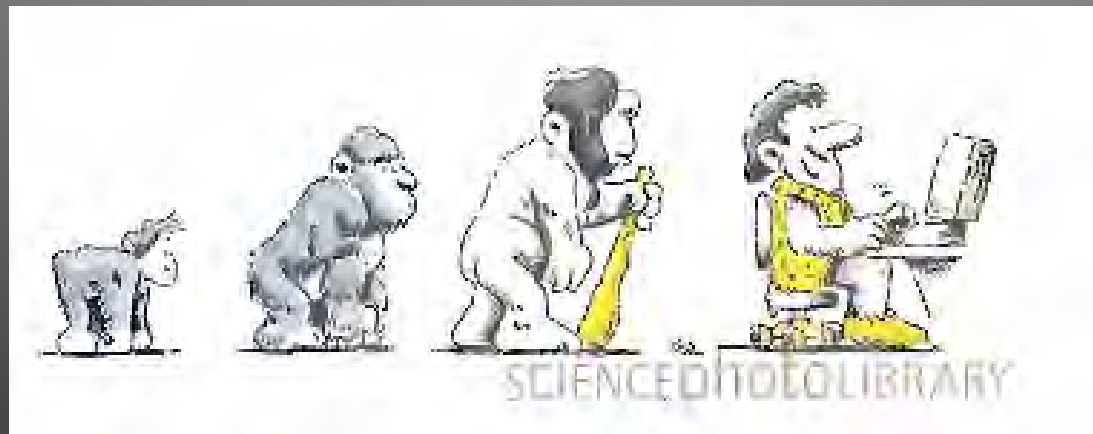- Lessons learned
  - Good start
  - Too detailed
  - Lacked overarching structure
  - Need to refine
- AB 248 – 2011 Session
  - Performance goals
  - "core governmental functions"

Evolution

Statewide Structure

- Strategic Priorities
- Core Functions
  - Objectives
    - Benchmarks
    - Activities

SCIENCE INTO LIBRARY

Strategic Priorities

- Sustainable & Growing Economy

- Educated & Healthy Citizenry

- Safe & Livable Communities

- Efficient & Responsive State Government

Core Functions

- Business Development & Services
- Education & Workforce Development
- Health Services

- Human Services
- Infrastructure & Communication
- Public Safety
- Resource Management
- State Support Services

Evolution

▸ Process will continue to evolve until…..
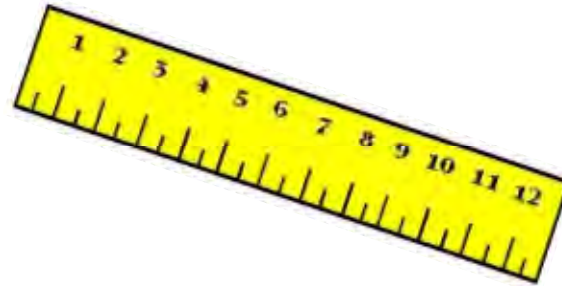
Refining the Definition of Activity

- Activity Defined
  - A program or service; or group of related programs or services performed for a specific purpose and/or population

  - Still at the Dept/Division level

    - No longer using authority as a breaking point (still need to provide info)

    - No longer using funding type as a breaking point (still need to provide info)

Defining Activities

Questions to ask:

- Is it measurable?

  ◦ Activity and resources

- Is there an identified program manager?

- Do changes in resources impact performance measures?

Refining Existing Activities

Questions for existing Activities:

▸ Was this an Activity only because it had separate authority?

▸ Was this an Activity only because it had separate funding type?

Defining and Refining Activities

The purpose of the _____

(activity)

is to provide/produce_____

(services/goods)

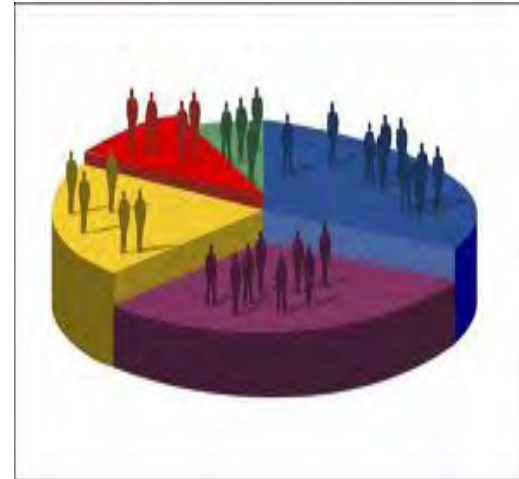to_____ so they can/in order to

(whom/population)

_____.

(planned benefit)

But First, a Word About Populations

Populations

- The group benefitting from or creating the need for the Activity
  - Not the entire state
  - Better defined by programs and services than geography
  - How to handle caseloads

Activity Examples

K-12 Education

▸ Early Childhood Education Programs?

▸ Education Technology?

▸ Native American Education?

▸ Programs for Parental Involvement?

▸ Student Health?

▸ Textbooks and Library Books?

▸ All but Early Childhood Education likely fall under K-12 Education Activity

Activity Examples
K-12 Licensing and Professional Development

- Teacher and Educational Licensure
- Teacher Education Program Approval
- Private Schools
- These are likely a single Activity

- Provide Oversight & Professional Development
- School Recognition & Promising Practices
- State Personnel Development Grant
- These are likely a single Activity

Activity Examples

Health Services

- Mental Health – Urban Residential Support
- Mental Health – Urban Housing and Urban Development
- Mental Health – Rural Housing and Urban Development
- These should be a single Activity with multiple populations

Activity Examples

Public Health and Clinical Services

➢ Licenses and inspects various facilities to protect public from health hazards

➢ Provide public health nursing in the 14 rural counties

➢ This Activity looks like two separate Activities

Activity Examples

- Mental Health – Urban Co-Occurring Disorder

- SAPTA Co-Occurring Disorders Treatment

These should be one Activity

This Activity will tie to multiple Core Functions (Health Services and Human Services) and multiple Objectives

Tying Activities to Objectives

- Review ALL the Objectives for ALL the Core Functions
- Look at the Benchmarks for the Objectives
- Keep an open mind
- Start with all Objectives that the Activity might tie to

Activities with Multiple Objectives

- Activities may tie to more than one Objective

- The Objectives may come from different Core Functions

- When evaluating the tie between an Activity and possible Objectives, use a 25% threshold

Tying Activities to Objectives

Sample Activity
- Student Nutrition

Possible Objectives
- K–12 Graduation
- K–12 Performance
- Math and Reading
- Hunger
- Child Well–Being
- Disease Prevention

Tying Activities to Objectives

Student Nutrition
- K–12 Graduation
- K–12 Performance
- Math and Reading
- Hunger
- Child Well–Being
- Disease Prevention

Apply 25% threshold

Student Nutrition
- K–12 Graduation
- K–12 Performance
- Hunger

Tying Activities to Objectives

Student Nutrition

- Hunger – 50%

- K-12 Graduation – 25%

- K-12 Performance – 25%

▸ Hunger

◦ Human Services

▸ K-12 Graduation

◦ Education and Workforce Development

▸ K-12 Performance

◦ Education and Workforce Development

Distribution By Objective

Objective and Core Function

Tying Activities to Objectives

Mental Health – Forensic Inpatient

- Mental Health (Health Services)

- Reduce Crime (Public Safety)

- Reduce Repeat Criminal Activity (Public Safety)

Tying Activities to Objectives

- Co-Occurring Disorders

  ◦ Mental Health (Health Services)

  ◦ Risky Behaviors (Human Services)

Pass Thru

- Funds passed from one <u>state Dept/Division</u> to another <u>state Dept/Division</u>

- To avoid duplicate accounting of funding to an Activity, use the Activity Pass Thru

- Do not include any personnel in the pass thru (for example grant admin personnel – they are part of the Admin & Support Activities)

Pass Thru

▸ Tie the Pass Thru Activity to the Pass Thru Objective in the appropriate Core Function

▸ Use the Core Function the Pass Thru funds support

Support Activities

- Trimmed Support Activities to Four

  ◦ Fiscal

    · Includes budget, accounting, accounts receivable, accounts payable, contracts, purchasing, etc

  ◦ Personnel and Payroll

  ◦ Information Technology

  ◦ General Administration

Support Activities

- Must have at least .25 FTE dedicated to performing the duties of the Support Activity
  - NOTE – smaller divisions may not have all four Support Activities

Support Activities

- Is it a Support Activity or part of a Primary Activity
  - Two criteria
    - Must be performing a support service
    - If supporting 1 or 2 Activities, then should be allocated directly to those Activities; if more than two Activities, should be Support Activity

Support Activities

- What Objective and Core Function ties to Support Activities?

  ○ Administration & Support Objective for each Core Function

  ○ Tie your Administration & Support Activities to the Administration & Support Objective in the Core Function that covers the majority of your Primary Activities

Support Activities

- Example
  - Division 123
  - Primary Activities tie to Objectives in the following Core Functions
    - Human Services 65%
    - Public Safety 35%

Support Activities

▸ Each Support Activity would be allocated to the Admin & Support Objective In the Human Services Core Function

Administration and Support Objective

▸ Human Services 65%

▸ Public Safety 35%

Mapping

- The Mapping Tab in NEBS is still under construction, but will be ready soon
- Map Line Item Budget to Activities
  - Includes Funding Type
    - General Fund
    - Highway Fund
    - Federal Funds
    - Transfers
    - Other

Mapping

- We will be mapping both line item dollars and FTEs
- For FTEs – use Position Groups
  - These do not have to be same positions groups as line item fund mapping
- More Options for levels of Mapping
  - Budget Account
  - Category
  - Dec Unit and Category

Mapping

- Mapping results must match line item budget for all funding types
  - Example
    - Line Item budget has $500,000 in General Fund – Mapping for that account must = $500,000 in General Fund
  - Work with your analyst to ensure funding types are correct
  - Federal funds received by one account and transferred to another become a transfer funding type in the receiving account

Performance Measures

- Critical to Success
- Need to focus on Outcome, Efficiency and Quality Measures
  - Each primary activity should have Outcome & Efficiency Measure
- Less about widget counting
- At Activity level
- Per AB 248
  - Still need to collect actual data for old approved performance measures at budget account level – FY 2012

Performance Measures

- New Activity level performance measures will be the measures going forward

  ◦ Need to provide historical if available and projections for coming biennium

- Where possible try to tie to one of the Benchmarks for one of the Objectives the Activity ties to

Performance Measures

- Risk Management
  - Safety Consultation & Training Activities
    - Worker's Compensation Claims per 100 Workers
      - Outcome Measure

- Education
  - Early Childhood Education
    - Percent of Early Childhood Students with Disabilities Functioning at Age Level
      - Outcome Measure

Performance Measures

Taxation

◦ Call Center
  - Average wait Time on Answered Calls

    - Efficiency Measure

Motor Pool

◦ Long Term Assigned Vehicle Management

  - Rental rate as Percent of Commercial Rate

    - Efficiency Measure

Performance Measures

- Taxation
  - Activity: Accounting and Processing
    - Percent of Staff Highly Accurate
      - Quality Measure

Now What?

▸ Additional training will be provided

▸ Work with your assigned Budget Analyst

▸ Research, Planning and Grants Management (help with Performance Measures)

Questions?