



# Governor's Strategic Priorities

Sustainable and Growing Economy	Educated and Healthy Citizenry
Safe and Livable Communities	Efficient and Responsive State Government

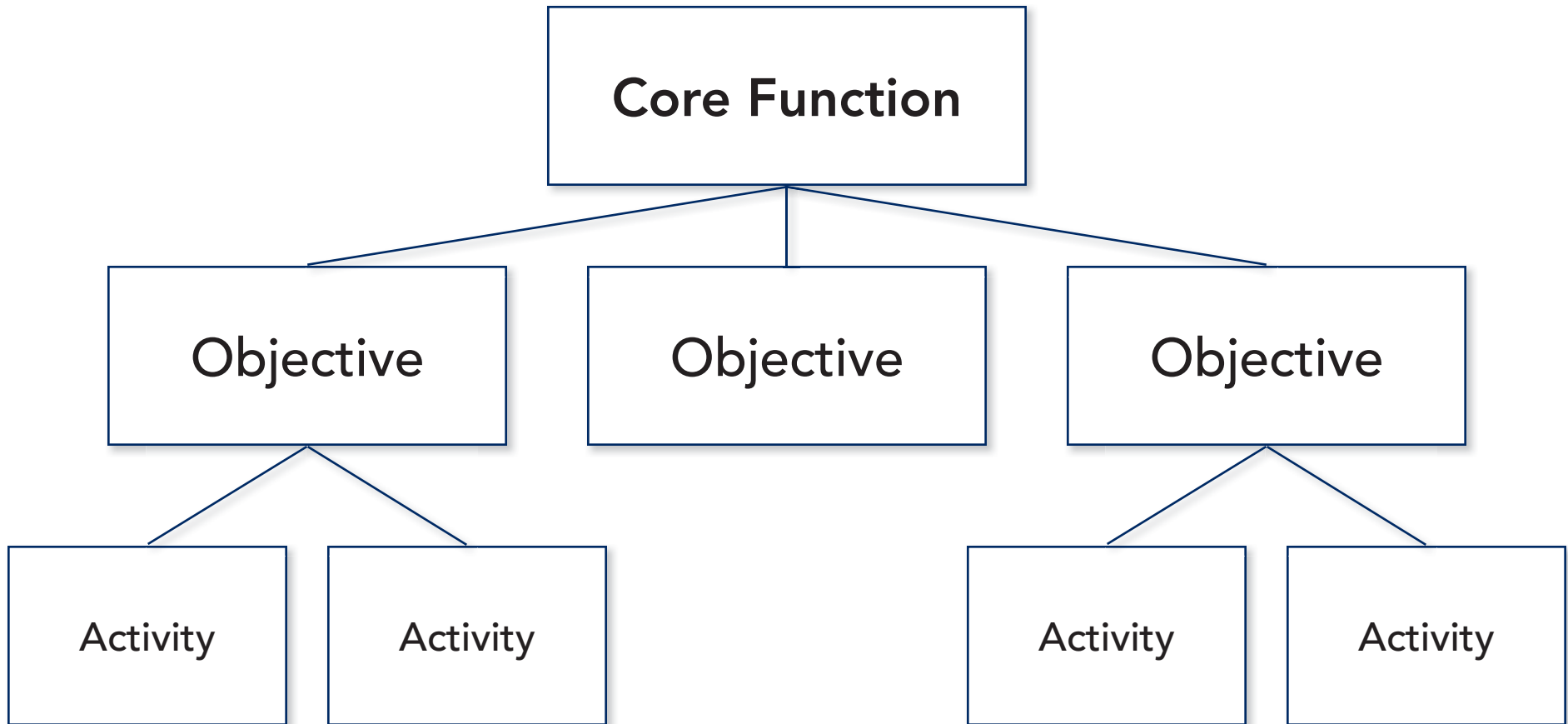


## Core Functions of Government

Business Development & Services	Infrastructure and Communications
Education and Workforce Development	Public Safety
Health Services	Resource Management
Human Services	State Support Services
Legislative Branch	Judicial Branch



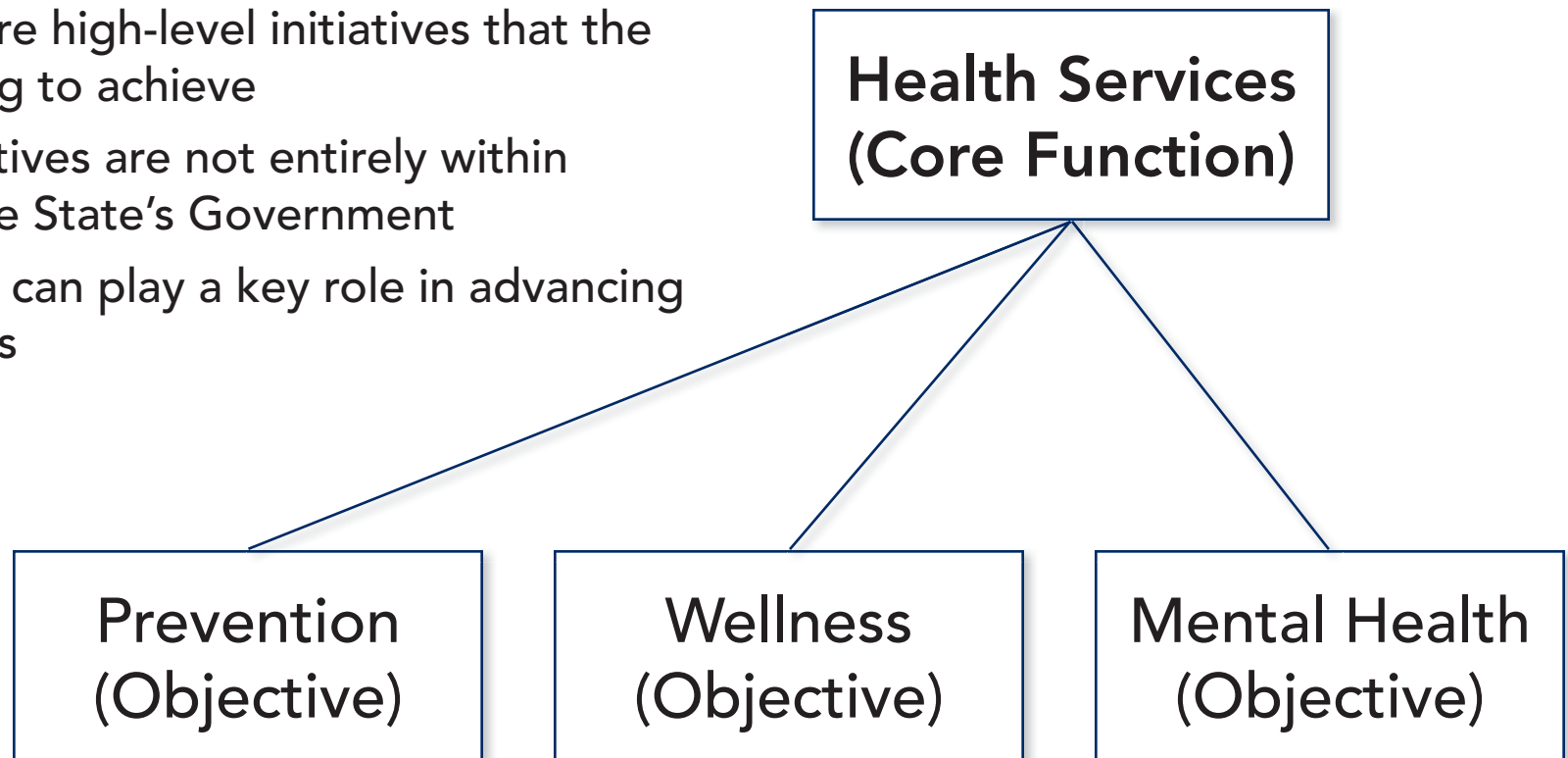
## PPBB Structural Overview





## PPBB Objectives link to Core Functions

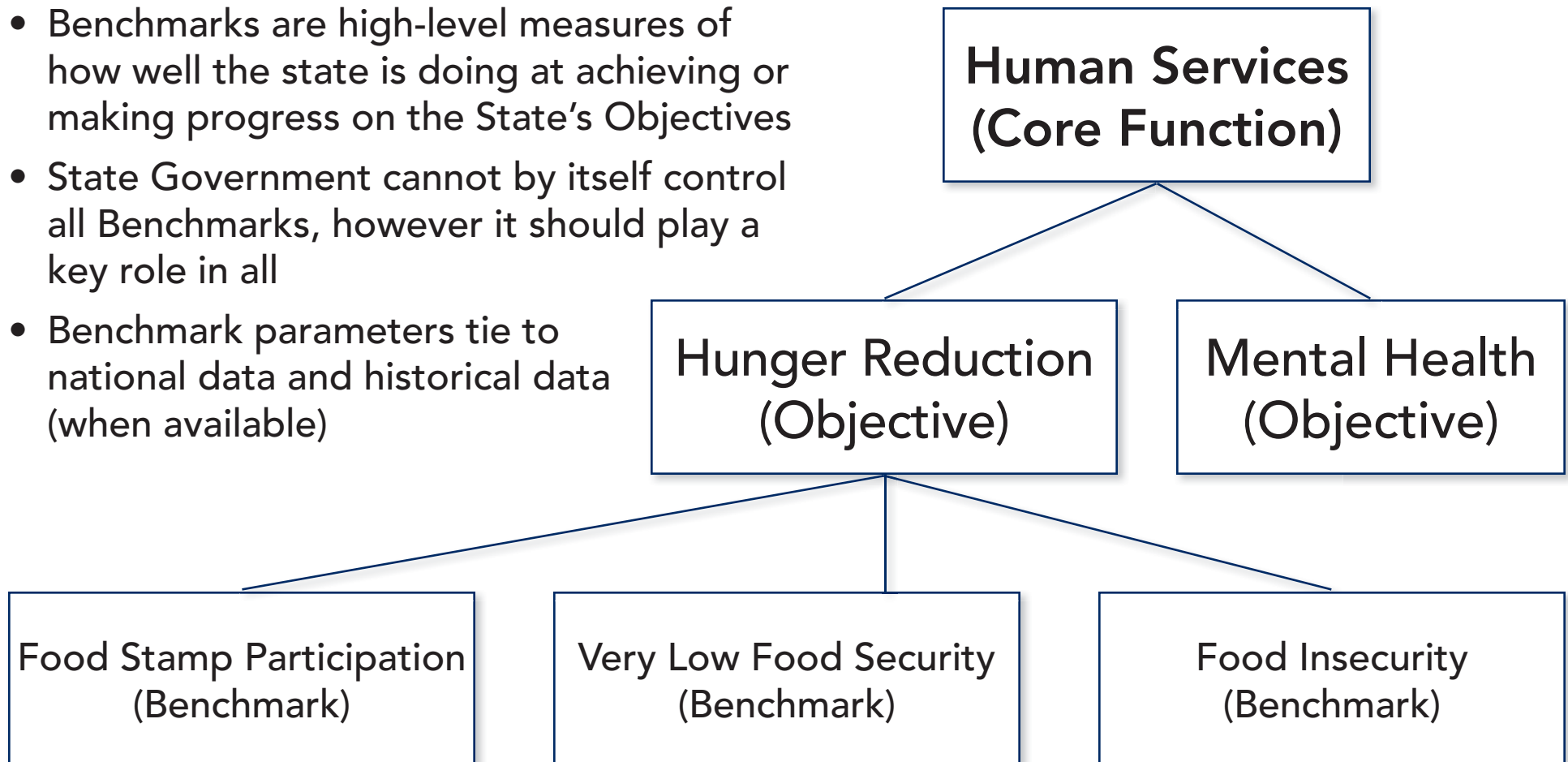
- Objectives are high-level initiatives that the State is trying to achieve
- Some Objectives are not entirely within control of the State's Government
- Government can play a key role in advancing all Objectives





## Objectives are measured by Benchmarks

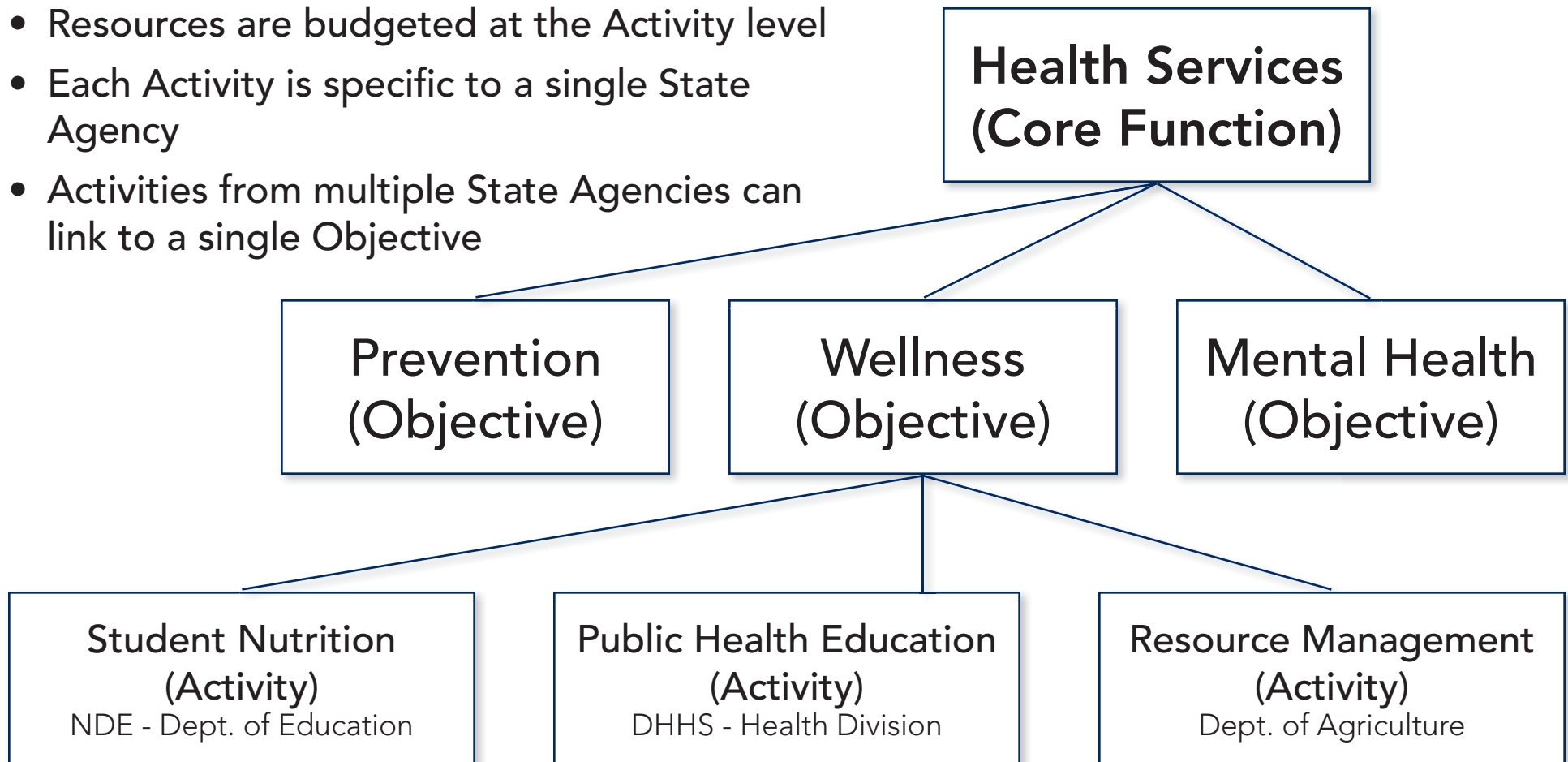
- Benchmarks are high-level measures of how well the state is doing at achieving or making progress on the State's Objectives
- State Government cannot by itself control all Benchmarks, however it should play a key role in all
- Benchmark parameters tie to national data and historical data (when available)





## PPBB Activities link to Objectives

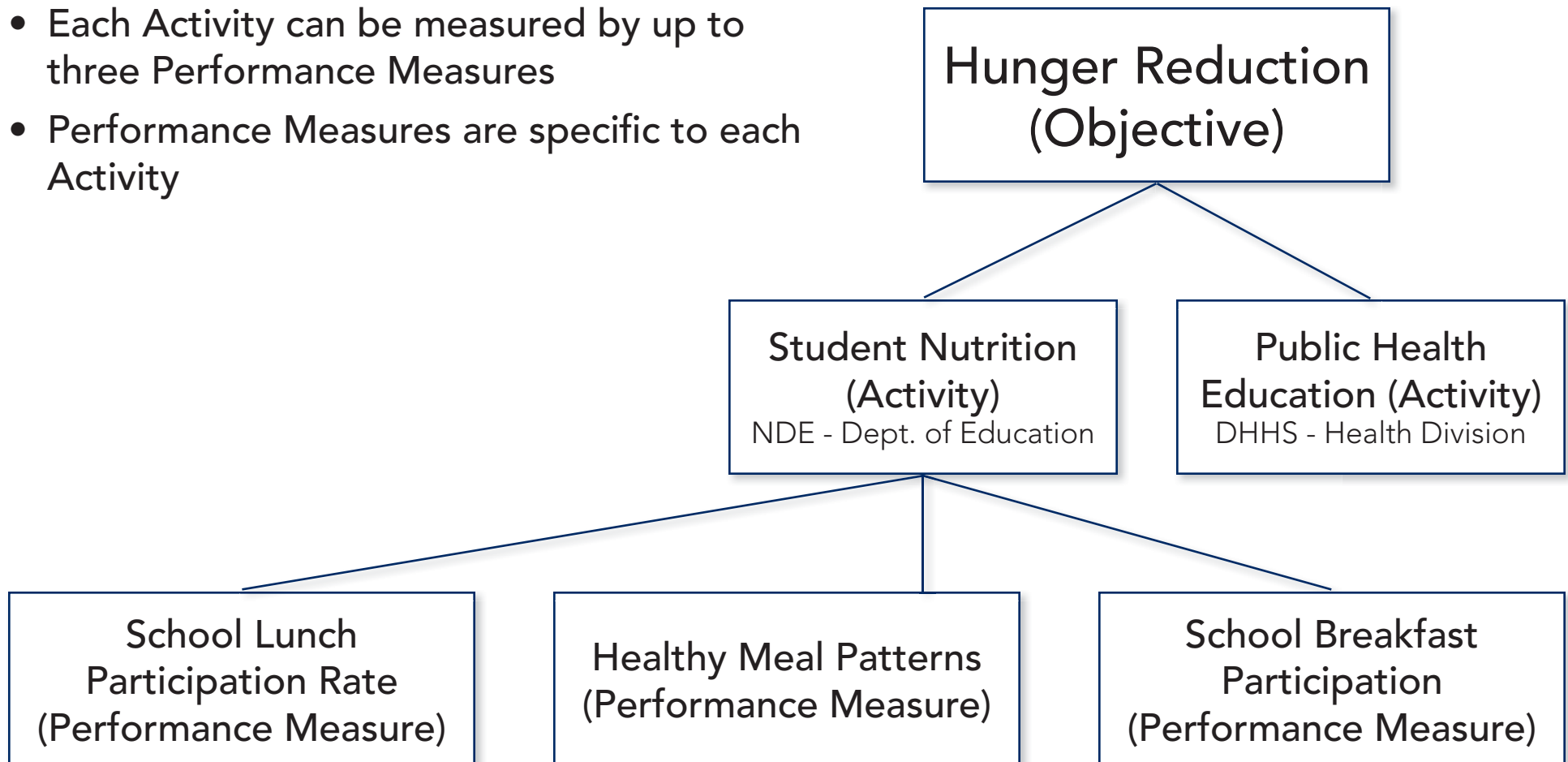
- Resources are budgeted at the Activity level
- Each Activity is specific to a single State Agency
- Activities from multiple State Agencies can link to a single Objective





# Activities are measured by Performance Measures

- Each Activity can be measured by up to three Performance Measures
- Performance Measures are specific to each Activity





## So Where Are We Now?

- POG was a first step at performance based budgeting and demonstrated that we could move in a different direction.
- PPBB has advanced the model in meaningful ways.
- We see the promise to have a more transparent system .
- The new budgeting framework will help us to better connect similar functions so we know what resources are being spent on objectives.
- Much work needs to be done on all aspects of PPBB. While it is a substantial improvement, there is much unfinished business.
- The promise that PPBB holds for us can only be realized through additional efforts that are sustained and well-coordinated.





# What is Needed to Complete the Conversion?

- While AB248 set in motion a movement to performance based budgeting, sustained efforts on the part of the Executive and Legislative branches are needed to complete the job.
- The Public needs to understand what we are trying to do and weigh in on what they want from their Government. The Legislative session is a great opportunity for this discussion.
- We need to invest time and money to finish the job. The budget division is asking for a dedicated staff member that will focus directly on advancing PPBB and some additional IT development funds. Longer term investments will be needed by LCB and possible changes to the state accounting system.



# What is the Plan to Move Forward?

During the 2014-2015 Biennium we will continue to refine PPBB:

- Revisit objectives to make sure they reflect what government should be trying to help the State accomplish
- Solidify Benchmarks and complete missing data
- Revisit activities to make sure they reflect what we do and are transparent to the public
- Update performance data and address missing performance measures.
- Improve the functionality of the budgeting system to make it easier for the state's accounting and budgeting staff to use this new system.
- Fully identify any Accounting and Budgeting system gaps that need to be addressed to complete the conversion.
- Pilot several Departments/ Divisions to have the next budget submission be entirely performance based for 2016-2017 (we are determining which Departments and Divisions are ready for this transition).



# When Will We be Fully Transitioned to Performance Based Budgeting?

- A complete transition to PPBB will take several more years.
- Many other states have been attempting this for decades with mixed results. As a result, it is important that we take the time to engage the public and make sure we move in the direction they want.
- IT system issues pose an obstacle that needs to be addressed. This will require some financial investment and may require a significant investment.



# We Want Your Input!

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