GOVERNOR'S FINANCE OFFICE

Priority and Performance Based Budgeting

General Housekeeping

- Introductions
- Breaks
- Cell phones/pagers – silent mode please
- Ask questions!
  - Budget@finance.nv.gov

Agenda

- Nevada's Strategic Planning Framework (http://1.usa.gov/1Suc8Rx)
- Changes from last Biennium
- Activities
- Performance Measures
- Adding, Updating or Eliminating an Activity
- Adding, Updating or Eliminating a Performance Measure
- Adding, Updating or Eliminating a Population
- Activity Mapping
- Questions

Nevada's Strategic Planning Framework

- **Vision:** Nevada's best days are yet to come.
- **Mission:** To create a new Nevada while honoring and enhancing 150 years of success.
- **Values:**
  - Action
  - Collaboration
  - Inclusiveness
  - Integrity
  - Leadership
  - Optimism
  - Service

Nevada's Strategic Planning Framework

How We Will Get There

- The Governor has established four over-arching Strategic Priorities as the foundation of his administration:
  - Vibrant and Sustainable Economy
  - Educated and Healthy Citizenry
  - Safe and Livable Communities
  - Efficient and Responsive State Government

Nevada's Strategic Planning Framework

- Essential Core Functions of Government:
  - Business Development and Services
  - Infrastructure and Communications
  - Education and Workforce Development
  - Health Services
  - Human Services
  - Public Safety
  - Resource Management
  - State Support Services

Nevada's Strategic Planning Framework

• How the Framework is Organized:

1.   Core Function of Government

1.1   Goal – broad results statement

1.1.1 Objective – measurable indicators

Changes from Last Biennium

Old	New
Core Function	Core Function
Objectives	Goals
Benchmarks	Objectives

- Core Functions have not changed
- Statewide Goals identified for each Core Function
- Each Goal will have Objectives

Changes from Last Biennium

• Statewide Activities
  • Predefined activities have been derived from existing activities (similar activities have been combined)
    • if an activity would be a better fit under a different activity/goal/core function you will need to do the following
      • Create a new activity
      • Transfer existing performance measures to the new activity
      • Delete old activity
  • Predetermined alignment of Activities to The Governor's Core Functions of Government and Mission-driven Goals
  • Activity mapping to Revenue GLs
  • Activities removed from Line Item Mapping
    • You must complete the Line item mapping prior to Activity Mapping
    • Activities will automatically map to a line item

Changes from Last Biennium

- Performance Measures
  - Transfer to another activity within the same Division or copy to another Division
  - Ability to print more than 3 performance measures for the budget book
    - If performance measures are eliminated or revised you will need to report on the previous measure along with the new measures

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FY18 and FY19 PPBB Structure

State of Nevada
Priorities and Performance Based Budgeting
Fiscal Years 2018 and 2019

Public Safety Core Function

Description & Purpose:

Programs and services to protect persons, property, and commerce by providing a safe and secure environment and by preparing for and responding to emergencies that threaten life, property, and community well-being

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FY18 and FY19 PPBB Structure

Agency	Agency Name	FY16/17 Activity	FY18/19 Activity
010	GOVERNOR'S OFFICE	Constituent Services	Constituent Services
010	GOVERNOR'S OFFICE	Mansion and Event Support	Mansion and Event Operations and Support
010	GOVERNOR'S OFFICE	Policy and Administration	Departmental Policy Development and Management
010	GOVERNOR'S OFFICE	Policy Support	Departmental Policy Development and Management

Activities

- Primary Activities
  - Work performed associated with an Agency's Mission
    - While activities have been aggregated a text box has been provided to differentiate the work each agency performs
- Secondary Activities
  - Any activity that is not directly related to an Agency's Mission
    - Typically Administration, Fiscal, Training and other similar activities
  - Secondary Activities should be allocated to Primary Activities
    - Allocate similar to an overhead allocation
    - Do not need performance measures
    - If a performance measure was printed in the current Biennium, you can set it as eliminated and leave under the current activity
    - If no performance measures were printed, you can delete the performance measures and the activity once it has been allocated to a primary activity

Performance Measures

- Performance Measures
  - Each primary activity must have at least one Performance Measure
  - Performance Measures need to provide the full story of the operation and value of the activity
  - If the Agency and the Budget Division agree that a quantitative measure is not possible, the agency must submit a narrative description of the intended outcome of the activity

Performance Measures

- Why Measure Performance?
  - Performance metrics should be constructed to encourage performance improvement, effectiveness, efficiency and appropriate levels of internal controls
    - Determine efficient use of state resources
    - Gauge success or identify shortcomings, monitor progress
    - Tool to help understand and improve what your agency does

Performance Measures

- Types of Performance Measures
  - Efficiency
    - How are we performing our core mission?
    - Are we over, under or on budget?
    - Are we ahead of, behind or on schedule?
    - Are we utilizing more, less or forecasted amount of resources?
  - Outcome
    - Did we achieve the expected results?
      - Identifies the actual impact or benefit of an agencies actions.
  - Effectiveness
    - Is anyone better off?
    - Are we doing the right things?

Developing Performance Measures

- Key Elements of a Performance Metric
  - Alignment with Organizational Mission
  - Cost Reduction and/or Avoidance
  - Meeting Federal Grant Requirements
  - Quality of Product
  - Cycle Time Reduction
  - Meeting Commitments
  - Timely Delivery
  - Customer Satisfaction
  - Measureable

Developing Performance Measures

- Defining Performance Measures
  - Involve people responsible for the work
  - Identify critical work processes and customer requirements
  - Identify critical results desired and align them to customer requirements
  - Develop measurements for the critical work processes or critical results
  - Establish performance goals, standards or benchmarks

Developing Performance Measures

- Are your Performance Measures SMART?
  - S = Specific: clear and focused to avoid misinterpretation. Should include measure assumptions and definitions and be easily interpreted
  - M = Measurable: can be quantified and compared to other data. It should allow for meaningful statistical analysis. Is the data available? Avoid "yes/no" measures except in limited cases, such as start-up or systems-in-place situations
  - A = Attainable: achievable, reasonable, and credible under conditions expected
  - R = Realistic: fits into the organization's constraints and is cost-effective
  - T = Timely: doable within the time frame given

Developing Performance Measures

Examples:
- NDOT is developing a new freeway interchange to reduce traffic congestion
- There should be 2 phases of performance measures for this example
  - Performance in the development and construction of the interchange
    - Are we on schedule? Tasks scheduled to be completed versus Tasks completed
    - Are we on budget? Budget scheduled to be spent versus Budget spent
  - Reduction in congestion after the completion of the interchange
    - Did we meet our target reduction in congestion? Drive time between points before and after construction.
- Customer Service
  - Wait times
  - Processing Times
  - First contact resolution

Excerpt from NRS 353.205, Section 1, Part B, Subsection 3

- If available, information regarding such measurement indicators **must be provided for each of the previous 4 fiscal years**
- If a new measurement indicator is being added, **a rationale for that addition must be provided**
- If a measurement indicator is being modified, **information must be provided regarding both the modified indicator and the indicator as it existed before modification**
- If a measurement indicator is being deleted, **a rationale for that deletion and information regarding the deleted indicator** must be provided

Adding and Updating an Activity

Adding and Updating an Activity

Adding and Updating an Activity

Adding and Updating an Activity

Add Activity

Core Function: State Support Services
Goal: Improve efficiency of operations &
Activity: General Administration

[Save] [Cancel] [Clear]

Adding and Updating an Activity

Adding and Updating an Activity

Adding and Updating Performance Measures

Adding and Updating Performance Measures

Adding and Updating Performance Measures

Adding and Updating Population

Adding and Updating Population

Activity Mapping

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Transferring and Copying a Performance Measure

- Transfers
  - Moves a Performance Measure between Activities within the same division.
  - Deletes the Performance Measure from the current activity and adds the Performance Measure to the new activity with the same status

Transferring and Copying a Performance Measure

- Copy
  - Creates a Copy of a Performance Measure under a different activity within the Department or in a different department
    - Fleet Services ➔ Administrative Services Division
      - Both are under the Department of Administration
    - NDOT ➔ Public Safety
  - The copied Performance Measure will show up under the new division and activity as a new performance measure
  - To remove the Performance Measure from the existing activity, set the status to eliminated and select the appropriate rationale
    - If the Performance measure was not printed last Biennium, you can delete by clicking the red X to the left of the title
  - If you do not have access to update both divisions, you will need to contact your Budget Analyst for assistance.

Transferring a Performance Measure

Copy/Transfer Performance Measure

Title	Fleet Utilization
Type	Transfer
Target Division:	084 ADMIN - FLEET SERVICES DIVISION
Target Version:	A00 AGENCY REQUEST AS SUBMITTED
Target Activity:	State Property, Equipment, and Supplies Procurement

Copy/Transfer   Cancel

- To transfer a performance measure from one Activity to another, click the copy icon to the left of the title
- From the pull down menu select transfer, Target Division and Target Version will self populate,
- Select Target Activity and select Copy/Transfer

Copying a Performance Measure

- To copy a performance measure from one Activity to another, click the copy icon to the left of the title
- From the pull down menu select copy, Target Division and Target Version will self populate.
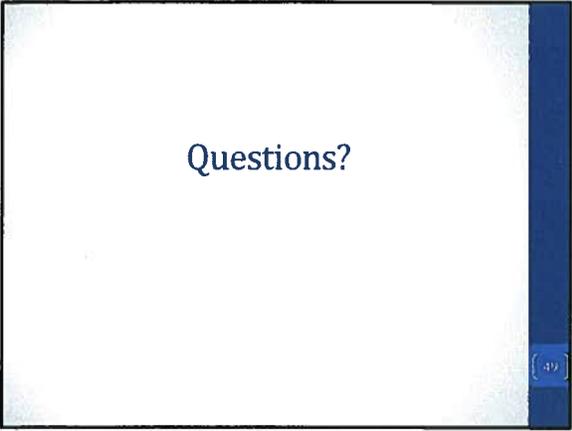- Select Target Activity and select Copy/Transfer.

Copying a Performance Measure

- The Performance Measure will be copied with a status of New into the new division
- Historical Performance Measure Results will be transferred with the metric.

Deleting a Performance Measure

- If a performance measure was not printed in a prior Biennium, you are able to delete it by using the red X to the left of the title.
- If the performance measure was printed you are unable to delete it. To remove the performance measure, you will have to select eliminated and select a Rationale from the drop down list. The performance measure will print to an appendix in the Budget book

Questions?