

# **Strategic Planning**

## **in Mississippi State Government**

Legislative Budget Office

Strategic Planning Training  
June 7<sup>th</sup> & 9<sup>th</sup> - 2016

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- Budget Analyst
- Legislative Budget Office
- 38 years of State Service
- My budgets: Medicaid, Human Services, Rehabilitation Services
- CPA

# Our Goals Today

1. Re-familiarize ourselves with the *5-Year Strategic Plan* and the instructions to produce it

# Our Goals Today

2. New approval procedure for additions, deletions or changes to existing Performance Measures

# Our Goals Today

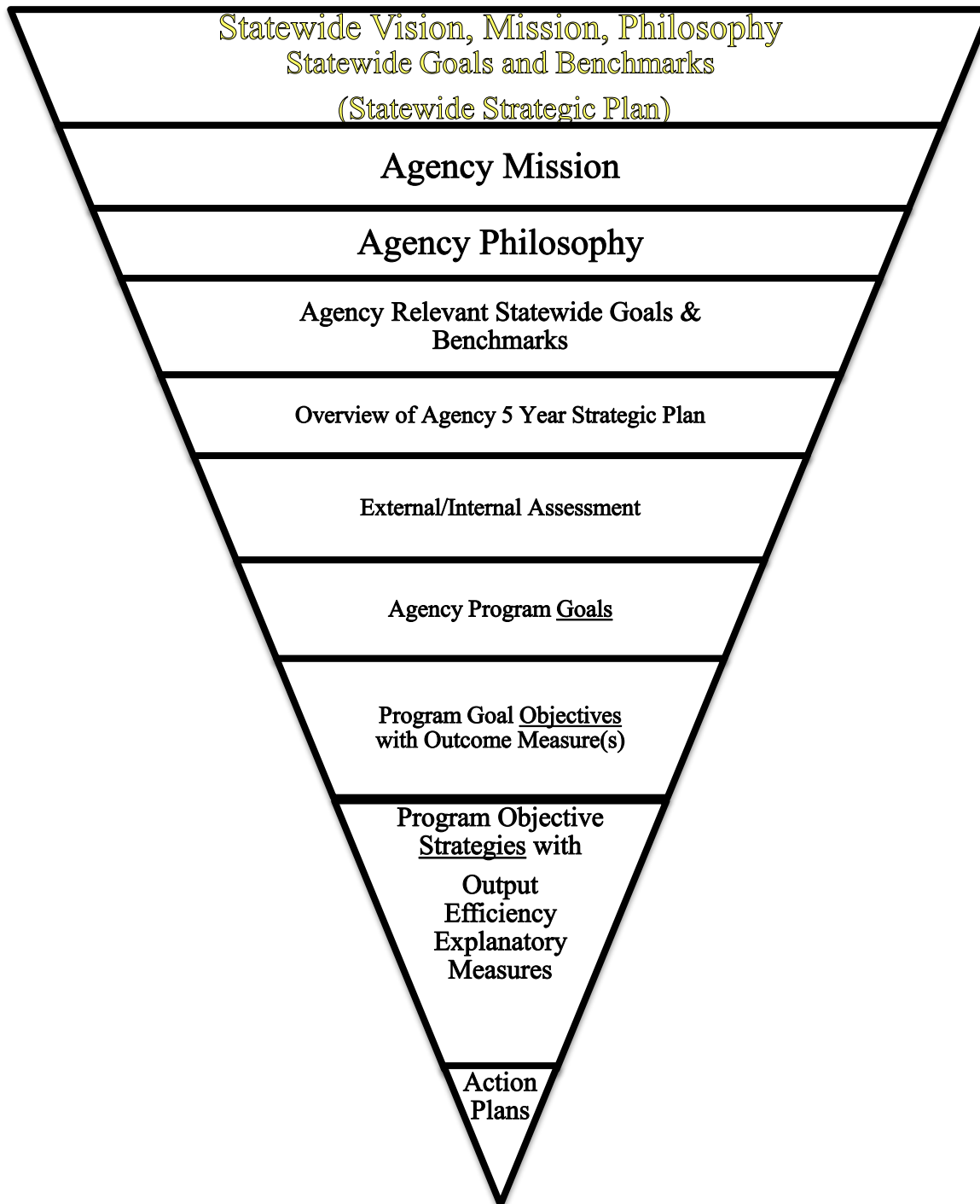
## 3. New Due Date!

- Strategic Plans are due

July 15th

# Identification of Terms

- **Benchmark** – Used to describe performance measures in the eight key policy areas in the Statewide Strategic Plan
- **Elements of the Plan** – A general term to describe all of the parts of a Strategic Plan, i.e.: Mission, Philosophy, Goals, Objectives, Strategies, Outputs, Outcomes, Efficiency and *Explanatory* measures
- **Targets** – Performance measures listed in an agency's appropriation bill
- **Performance Indicators = Performance Measures**



# SUMMARY OF STRUCTURE

PROGRAM 1.

GOAL A:

OBJECTIVE A.1.:

*Outcome:*

A.1.1. STRATEGY:

*Output:*

*Efficiency:*

*Explanatory:*

A.1.2. STRATEGY:

*Output:*

*Efficiency:*

*Explanatory:*

A.1.3. STRATEGY:

*Output:*

*Efficiency:*

*Explanatory:*



# SUMMARY OF STRUCTURE

OBJECTIVE A.2.:

*Outcome:*

A.2.1. STRATEGY:

*Output:*

*Efficiency:*

*Explanatory:*

A.2.2. STRATEGY:

*Output:*

*Efficiency:*

*Explanatory:*

A.2.3. STRATEGY:

*Output:*

*Efficiency:*

*Explanatory:*

**GOAL B:**

Repeat as above.

# Content of the Strategic Plan

At a minimum, a state agency's strategic plan should contain the following:

## **Agency Mission Statement**

Statement of Purpose

## **Statement of Agency Philosophy**

Values and Principles

## **Relevant Statewide Goals and Benchmarks**

The adoption of applicable *Statewide Strategic Plan* performance priorities

## **Overview of the Agency 5-Year Strategic Plan**

A narrative overview which sets out the planned direction of the agency for the next five years

# Content of the Strategic Plan

## External/Internal Assessment

Factors to be considered that have an impact on the accomplishment of agency goals

## Agency Program Goals

A statement of purpose or general ends toward which agencies direct their efforts for each budgetary program

## Program Goal Objectives

Activity proposed to accomplish program goal

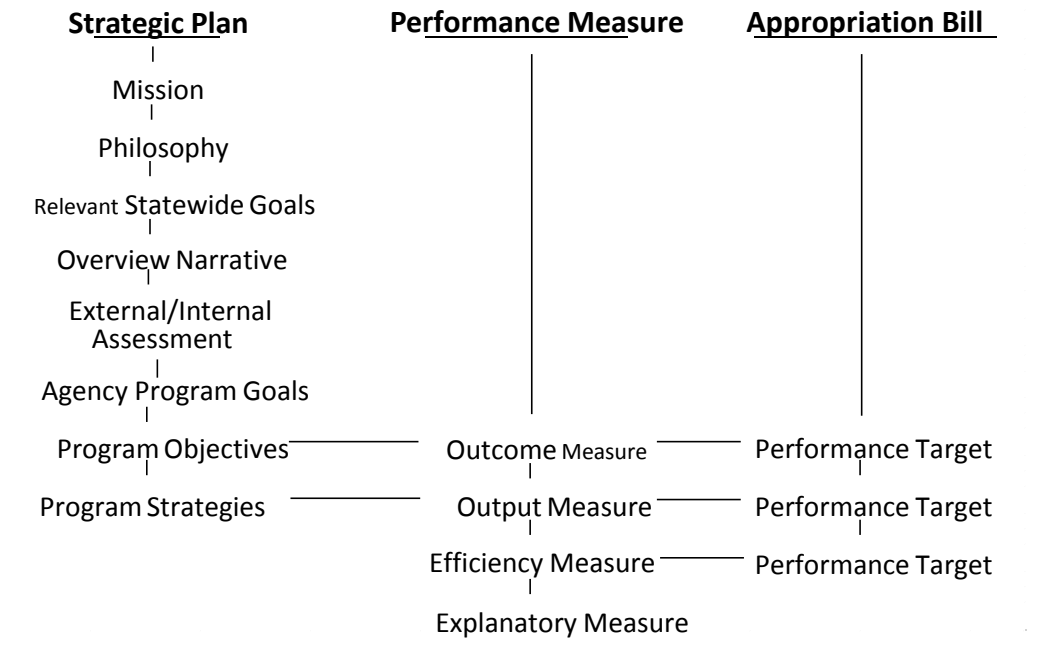
Outcome measure(s) should be listed for each objective

## Program Objective Strategies

A statement of strategy of how the agency will achieve program objective

Output, efficiency, and explanatory measures should be listed for each strategy

# Strategic Planning and Performance Budgeting System



# Relevant Statewide Goals and Benchmarks

- The statewide goals and benchmarks are the origin for developing all other performance activities proposed by a state agency
- They are a declaration of what Mississippi's leadership envisions to accomplish with the resources provided to Mississippi state government
- **Each agency is asked to reflect their agency goals and strategies in their own strategic plan to accomplish this vision**

# Relevant Statewide Goals and Benchmarks

- Two ways to do this:
  - 1. If applicable, use Performance Measures directly from the Statewide Strategic Plan that apply to your agency i.e. Dept. of Health
  - 2. Develop Performance Measures that “support” the vision and goals of the Mississippi’s Leadership as contained in the Statewide Strategic Plan i.e.: Economic Development

# Key Policy Areas

## Statewide Strategic Plan

- Economic Development
- Education
  - Public Schools
  - Higher Education
- Public Safety and Order
- Health

# Key Policy Areas

## Statewide Strategic Plan

- Human Services
- Natural Resources
- Infrastructure
- Government and Citizens



# Performance Measures

# Common Base of Performance Measures

- This Common Base should be used in both the Strategic Plan and in the Budget Submission.
- Legislators pick which Performance Measures will appear in the Appropriation Bills.

# Which Performance Measures?

1. Performance Measures from last year's Strategic Plan
2. Performance Measures from last year's Annual Budget Request
3. Any Performance Measures added to your Appropriation Bill or otherwise added by the Legislature
4. Additions, deletions, changes approved by LBO and DFA

EQUALS a “Common Base” of Performance Measures (See P.3 of Instructions)

# Performance Measures

Must be:

- Reliable
- Meaningful
- Trackable
- Cost Efficient (to gather)
- Reviewed and Updated
- Timely

# Program Output Measures

- Outputs are the goods and services provided by an agency in order to meet its goals and objectives
- Output measures are the means of quantifying or counting the amount of goods and services produced or provided by an agency
- Output measures track the agency's performance in implementing its strategies
- In other words, **“How much did you produce?”**

# Program Output Measures

Examples of Program Output Measures:

- Public water systems surveyed and inspected (number of)
- Hunting and fishing licenses sold (number of)
- Paternities established (number of)
- Abuse and neglect investigations conducted (number of)
- Solid waste permits processed (number of)
- Elderly and disabled persons served (number of)
- Recipients enrolled in program (number of)
- Amount of state matching funds awarded (dollars)
- Heroin seized by law enforcement (pounds)

# Program Outcome Measures

- Outcomes are assessments of the **result, effect or consequence** that will occur from carrying out a program or activity compared to its intended purpose
- They are tools to assess the effectiveness of an agency's performance and the public benefit derived from it
- **In other words, “What are the results of your outputs and activities?” or “What good did the money we gave you and your efforts do?”**
- **The “Gold Standard” of Perf. Measures**

# Program Outcome Measures

- Performance can be determined by comparing actual outcomes to targeted outcomes set forth in the Appropriation Bill



# Program Outcome Measures

Examples of Program Outcome Measures:

- Public water systems in compliance with EPA standards (percentage)
- Offender recidivism rate within 12 months (percentage)
- Released Offenders Finding Jobs in Vocation Studied (percentage)
- Reduction in deaths per mile of interstate highway from previous year (percentage)
- Mississippians living in areas where air meets federal air quality standards (percentage)
- Decrease in the rate of Tuberculosis in the population (percentage)
- Persons rehabilitated and holding a job for at least 6 months (percentage or number of)

# Outputs Verses Outcomes

- The differences between outcome measures and output measures are shown in the following examples:

The number of patients treated and discharged from a state mental hospital (output measure)

is not the same as

The percentage of patients treated and discharged who are capable of living independently (outcome measure)

The number of vaccinations given (output measure)

is not the same as

The incidence of the disease in the population (outcome measure)

# Program Efficiency Measures

- Efficiency measures are the ratios that identify the effectiveness or productivity of a program
- Program efficiency measures are expressed in a quantifiable form and indicate an agency's operational efficiency
- Program Efficiency measures are generally expressed in unit costs, units of time, or other ratio-based units associated with producing a desired outcome or output

# Program Efficiency Measures

Examples of Program Efficiency Measures:

- Average cost to inspect a public water system (Dollars)
- Average cost per hunting license to issue (Dollars)
- Time to issue hunting license by contracted vendor (Days)
- Frequency of each public water system inspection (Years Between Inspection)
- Average time to approve or deny air quality permits (Days)
- Average caseload per social worker in the foster care program (Cases per Worker)
- Cost to house inmate per day – maximum security (Dollars)

# Explanatory Measures

- Quantitative Measures that provide additional information in order to better understand an agency's operating environment. (See P.23 of instructions)
- They can “explain” other Performance Measures.
- Example: Services were cut by 50% due to federal funds being cut by 50%.

# New Policy on Approval of Performance Measures

- § 27-103-129 (1) of the Mississippi Code requires that both LBO and DFA jointly approve Performance Measures.
- Any additions, deletions or changes to an existing Performance Measure made by the Legislature do not have to be approved.
- (This requirement is nothing new)

# New Streamlined Procedure for Approval of Performance Measures

1. Send a joint e-mail to both your LBO and DFA budget analyst
2. List the Performance Measure you want added, deleted or changed
3. Provide a detailed justification on which your request can be evaluated
4. When (and if) both offices give their approvals via return e-mail

# New Streamlined Procedure for Approval of Performance Measures

5. You may then make the requested change
  - This should speed up the process greatly



# Submitting the Plan

- Use your Agency's Budget Name and Number in both the name of the PDF document and in the subject line of your e-mail i.e.:
  - “Division of Medicaid 328-00”
- If you are submitting a plan for multiple budget units, separate the numbers by spaces i.e.:
  - “Human Services 651-00 571-00 651-02 651-09 651-12 etc.”
- Send to: [strategic@lbo.ms.gov](mailto:strategic@lbo.ms.gov)

# Submitting the Plan

- The 5-year strategic plan will be due **July 15<sup>th</sup>** with the following distribution:
  - **16** copies to the Legislative Budget Office
  - **2** copies to the Department of Finance and Administration, Office of Budget and Fund Management

# Concluding Remarks

- This is an evolving process
- We anticipate that Strategic Plans will become better each year
- Remember, your Strategic Plans ARE being read by members of the Legislature

# LBO Website:

<http://www.lbo.ms.gov>

Instructions with example:

[http://www.lbo.ms.gov/pdfs/obrsforms/2018\\_statagic\\_plan\\_instructions.pdf](http://www.lbo.ms.gov/pdfs/obrsforms/2018_statagic_plan_instructions.pdf)

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