FY 2014-15 Biennial Budget: Narratives Training

Minnesota Management & Budget
July & August 2012
AGENDA

- Welcome
- Overview and Rationale
- View from the Legislature
- Template Overview
- How to Choose Performance Measures
- Agency Perspective
- Wrap-up and Q&A
MMB’s goals for the Biennial Budget Document

- Focus on statewide outcomes and performance measures
- Focus on answering the question, “what are we getting for our money?”
- Provide simple information in plain language
- Use minimal paper
Why Outcomes?

- Shifts the emphasis of our budget from what we are spending to what we are getting for our money
- Enables better examination of what activities and strategies are best contributing to statewide goals
- Makes the performance of individual state programs and activities more relevant
- Provides a strategic tool for budget setting, resource allocation and budget presentation
- Complements Better Government management strategies
Statewide outcomes will be finalized shortly
  - Used in budget narratives
  - Each appropriation will point towards a statewide outcome

Results Based Accountability Training may inform some narrative changes

Templates will be finalized when statewide outcomes are selected

Templates are due Friday, August 24 to MMB
## Definitions

<table>
<thead>
<tr>
<th>Important Terms to Know</th>
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<tbody>
<tr>
<td><strong>Statewide Outcomes</strong></td>
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<tr>
<td>= The desired condition for the state</td>
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<tr>
<td><strong>Strategies</strong></td>
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<tr>
<td>= What agencies do to improve the condition through program and/or budget activities</td>
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<td><strong>Goals</strong></td>
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<td>= Specific results your agency’s programs or activities strive to achieve through their strategies</td>
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<td><strong>Performance Measure</strong></td>
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<tr>
<td>= The measure of how agencies know if the strategies are working</td>
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Agency Profile

Statewide Outcome(s)

Agency Strategies that Support Statewide Outcome(s)

Program/Activity Summary

Budget Programs or Activities used to achieve statewide outcomes

Each budget program or activity has a description of goals, as well as strategies used to achieve those goals.

Each budget program or activity has performance measures measuring the extent to which the strategies are meeting the goals.
WHAT WE’VE HEARD FROM STAKEHOLDERS

- Budget book is a resource for legislative analysts and agencies
- Legislators are more interested in understanding program outcomes
- Agencies produce supplemental materials outside of the budget book
- Information resides online
MMB’S GOALS FOR THE BIENNIAL BUDGET NARRATIVES

1. Produce a concise, fact-based document that is relatable to the budget and useful in decision making.
2. Reduce duplication of materials
3. Explain what is being accomplished by focusing on performance measures/statistics and showing if things are improving, staying the same or worsening.
4. Demonstrate what citizens are getting for their money
5. Fulfill statutory requirements
16A.10, subd. 1a: Performance data shall be presented in the budget proposal to:

(1) Provide information so that the legislature can determine the extent to which state programs are successful;
(2) encourage agencies to develop clear goals and objectives for their programs; and
(3) strengthen accountability of MN by providing a record of state government’s performance in providing effective and efficient services.

16A.10, subd. 1b: Agencies shall present performance data that measures the performance of programs in meeting goals and objectives. Measures reported may include...outputs, efficiency, outcomes and other measures...Agencies shall present as much historical information as needed to understand major trends and shall set targets for future performance...

16A.10, subd. 1c: .....an agency must file ...

(3) a comprehensive and integrated statement of agency missions and outcome and performance measures; and
(4) a concise explanation of any planned changes in the level of services or new activities
OTHER STATES: WASHINGTON

Superintendent of Public Instruction

State Constitution, Article III, Sections 1 and 22, RCW 28A.300

Request: $16,125,654,000
Net change from current biennium: $316,300,316 Increase
Percent change from current biennium: 2.0% Increase

The Superintendent of Public Instruction is a constitutional officer elected by the state's voters for a four year term. The state constitution charges the Superintendent to supervise "all matters pertaining to the public schools, and perform such duties as may be prescribed by law."

Agency Mission

The Superintendent of Public Instruction works to ensure that Washington's public schools provide all students the high-quality education they need to lead successful and productive lives. To this end, the Office of Superintendent of Public Instruction provides technical assistance in finance and curriculum matters to educational service districts and school districts; monitors and consults in such areas as basic education, the student testing program, curriculum development, special needs programs for special student populations, and educational technology; issues certificates for all teaching and support personnel for the K-12 system; administers the child nutrition, student transportation and state school construction programs; gathers and reports school information to state and federal authorities; prepares specifically requested reports each year; disseminates and coordinates the state's education reform efforts; provides the Legislature, Governor's Office, and other entities of state government with information for policymaking and budget preparation; implements state and federal laws pertaining to education by adopting rules and monitoring programs as required; coordinates the audit resolution process for audits of federal programs; apportions and distributes monies to local school districts; approves and monitors the budgets for the nine educational service districts (ESDs) and the 295 school districts; and advises county treasurers of estimated maximum levy capacity for individual school districts. The Superintendent's responsibilities also include serving as a voting member of the State Board of Education; and representing the interests and needs of education by serving on various state boards including: Board of Natural Resources, Washington State Work Force Training and Education Coordination Board, Professional Educators Standards Board, and Northwest Regional Education Laboratory (Board of Directors).

http://www.ofm.wa.gov/budget11/detail/default.asp
OTHER STATES: VIRGINIA

Department of Education, Central Office Operations

The mission of the Department of Education is to lead and facilitate the development and implementation of a quality public education system that meets the needs of students and assists them in becoming educated, productive, and responsible citizens.

Previous Agency Profile

New Agency Profile

Mission:
Click here to enter text.

Statewide Outcome(s):
Select Agency supports the following statewide outcome(s).
A thriving economy that encourages business growth and employment opportunities.
Minnesotans are healthy.
Minnesotans have the education and skills needed to achieve their goals.
Strong and stable families and communities.
People in Minnesota are safe.
A clean, healthy environment with sustainable uses of natural resources.
Sustainable options to safely move people, goods, services and information.
Efficient and accountable government services.

Outcome 9

Context:
Answers the question: What context do you operate in?

• What key issues does your agency address?
• What are your agency priorities?
• Who are your primary customers or clientele?
• How has your agency changed over time (if this provides readers helpful context)?
• How is your agency funded?

Strategies:
Answers the question: What do you do?

• How does your agency address the key issues identified above?
• How does your agency contribute to the statewide outcomes?
• What do you do to advance your agency priorities?

Measuring Success:
Answers the question: How do you know if what you do is working?

• What key items of data do you use to determine progress or measure success?
Previous Activity Summary

New Activity Summary

Select Agency
Enter Program/Budget Activity Title
Enter Web Address

Statewide Outcome(s):
Program or activity name supports the following statewide outcome(s).

- A thriving economy that encourages business growth and employment opportunities.
- Minnesotans are healthy.
- Minnesotans have the education and skills needed to achieve their goals.
- Strong and stable families and communities.
- People in Minnesota are safe.
- A clean, healthy environment with sustainable uses of natural resources.
- Sustainable options to safely move people, goods, services and information.
- Efficient and accountable government services.

Outcome 1

Context:
Answers the question: What context do you operate in?

- What is the purpose of this program or activity?
- What key issues does this program/activity address?
- Who are the primary customers of this program or activity?
- What are the sources of funding for this program?

Strategies:
Answers the question: What do you do?

- How does this program or activity address the key issue(s) identified above?
- How does this program or activity contribute to the statewide outcomes?
- Who are the key partners you work with?

Results:
Answers the question: How do you know what you do is working?

- How do you know your strategies are working?
- Are your strategies working? What are the results of the program or budget activity?
- What factors are driving the performance trend?
- If the performance trend isn’t stable or improving, how do you plan to improve performance?

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<tr>
<th>Performance Measures</th>
<th>Previous</th>
<th>Current</th>
<th>Trend</th>
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AGENCY PROFILE TEMPLATE

- Website
- Mission
- Statewide Outcomes
- Context
- Strategies
- Measuring Success
AGENCY PROFILE: TEMPLATE COMPONENTS

- Enter agency website

  **Website:** Enter Web Address

- Enter agency mission

  **Mission:**

  Click here to enter text.
AGENCY PROFILE: TEMPLATE COMPONENTS

Statewide Outcome(s):
Select Agency supports the following statewide outcome(s).

- Outcome 1
- Outcome 2
- Outcome 3
- Outcome 4
- Outcome 5
- Outcome 6
- Outcome 7
- Outcome 8

- Choose the outcome(s) that are most relevant to your agency’s mission
- Delete the outcomes that don’t apply to you
AGENCY PROFILE: TEMPLATE COMPONENTS

Context:
Answers the question: What context do you operate in?

- What key issues does your agency address?
- What are your agency priorities?
- Who are your primary customers or clientele?
- How has what your agency does changed over time (if this provides readers helpful context)?
- How is your agency funded?

- What is the context in which your agency operates?
- What are the key issues your agency addresses and what are your priorities?
- Questions are for guidance, delete them when you enter your narrative information.
How does your agency address the key issues?
How do you contribute to statewide outcomes?
What do you do to advance agency priorities?
How do you know if what you do is working to address the key issues?

How do you measure success?
Program/Budget Activity Template

- Website
- Statewide outcome(s)
- Context
- Strategies
- Results
- Performance Measures Notes
**Program/Budget Activity: Template Components**

- Drop down to select agency
- Type in name of program or budget activity
- Enter web address for program or budget activity, if it exists
Select the statewide outcome(s) supported by the program/budget activity

Selected outcomes should be included on the agency profile

To select an outcome, consider the outcomes to which each appropriation within the program/budget activity will point

Administrative appropriations should point towards your agency’s core programmatic outcome
Set the context for the reader.

- Use “plain speak”
- Avoid Jargon
Briefly describe the strategies your agency has for the program

These strategies should align with the statewide outcome associated with the program/budget activity
## Program/Budget Activity: Template Components

### Results:
Answers the question: How do you know if what you do is working?
- How do you know your strategies are working?
- Are your strategies working? What are the results of your agency’s activities?
- What factors are driving the performance trend?
- If the performance trend isn’t stable or improving, how do you plan to improve performance?

- Discuss how you know whether your strategies are working
- What’s your plan for improvement if they’re not
**PROGRAM/BUDGET ACTIVITY: TEMPLATE COMPONENTS**

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- Provide 1-5 performance measures
- Provide information on performance from a previous point in time and the most recent point in time.
- Indicate performance trend: stable, improving, worsening
- Use “Notes” section:
  - To provide the source of the data
  - To indicate the timeframe for the data used
SMALL AGENCY TEMPLATE

- Website
- Statewide Outcomes
- Context
- Strategies
- Results, including performance measures
- Performance Measure Notes
Performance Measures: What to Use?

- Output measures – “How much did we do?”
  - Counts of customers served and activities performed.
  - Examples:
    - The number of clients completing chemical dependency treatment
    - The number of wells inspected in a year
PERFORMANCE MEASURES: WHAT TO USE?

- Efficiency Measures - “How well did we do it?”
  - Measures of how well the activities were performed, usually measures of efficiency, timeliness, accuracy, workload ratios, unit cost, staff turnover, etc.

Examples:
  - Percentage of invoices paid promptly.
  - The number of permits processed on time.
**Performance Measures: What to Use?**

- **Outcome Measures** – “Is anyone better off?”
  - Measures of the extent to which your customers are better off than if they had not received your service. This usually has to do with improved skills, knowledge, attitude, behavior, customer satisfaction, or life situation.

Examples:
- Infant Mortality Rate
- Traffic Fatality Rate
- The percent of people who do not get the flu
EXAMPLE

- Context
  - Being able to read proficiently at third grade is a predictor of future success

- Strategies
  - Provide Reading Corps tutors in all schools

- Results
  - Nearly all participants pass the third grade reading test

- Performance Measures
  - Number of students tutored each year
  - Student-Tutor Ratio
  - Percent of participating students passing the third grade reading test
<table>
<thead>
<tr>
<th><strong>How much did we do?</strong></th>
<th><strong>How well did we do it?</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td># Customers Served</td>
<td>% Common Measures</td>
</tr>
<tr>
<td># Activities</td>
<td>Workload ratio, staff turnover rate, staff morale, percent of staff appropriately trained, worker safety, unit cost, customer satisfaction</td>
</tr>
<tr>
<td></td>
<td>% Activity-specific Measures</td>
</tr>
<tr>
<td></td>
<td>Percent of actions timely and correct, percent customers completing activity, percent of actions meeting standards</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Is anyone better off?</strong></th>
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</thead>
<tbody>
<tr>
<td># Skills / Knowledge</td>
</tr>
<tr>
<td>(e.g. parenting skills)</td>
</tr>
<tr>
<td># Attitude / Opinion</td>
</tr>
<tr>
<td>Including customer satisfaction: Did we help you with your problem?</td>
</tr>
<tr>
<td># Behavior</td>
</tr>
<tr>
<td>(e.g. school attendance)</td>
</tr>
<tr>
<td># Circumstance</td>
</tr>
<tr>
<td>(e.g. working, people in stable housing)</td>
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**PERFORMANCE MEASURES: RESOURCES**

- Consult with your agency planning/management staff to identify which measures to include
- Use performance measures that your agency currently uses to manage programs and activities

- Minnesota Compass: [www.mncompass.org](http://www.mncompass.org)
Enterprise email users should upload documents to [SharePoint site](#).

- Questions regarding setting up a SharePoint group should be directed to Ping Li, ping.li@state.mn.us, 651-201-3781

Agencies not on enterprise email should submit documents to their EBO.

Please use the document naming convention below:

- Agency Profile: “2014 Agency Profile”
  - Example: 2014 Agency Profile

- Program/Activity Narrative: “SWIFT Program/Activity Nbr_Name of Program or Activity”
  - Example: E5001_ArtsBoard
  - Example: T791013_Freight
DISCUSSION AND Q&A