OSPB Perspectives on SMART Act Hearings

November-December 2013

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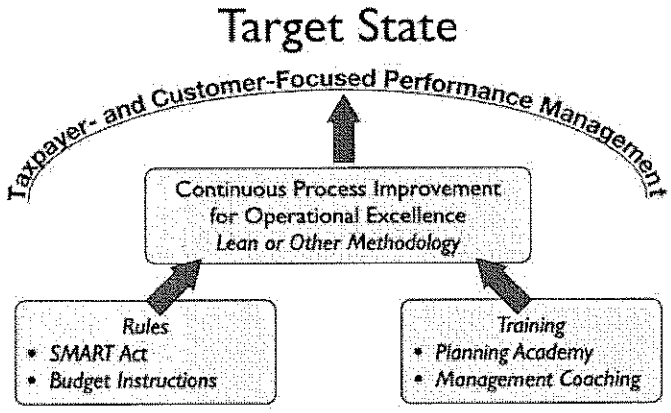
Attachment A

Why Performance Planning?



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What's New in SMART?

Simplicity
- Better deadlines, clearer requirements

Flexibility
- Less restrictive requirements, broader definitions of terms

Visibility
- Regular reporting to encourage concentration on the plan

Customer Focus
- A commitment to improving interactions with customers and constituents through continuous improvement

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What's New in SMART?

New Annual Deadlines

- Executive leaders must publish instructions for a Performance Management System by August 1 of each year, beginning in 2013
  - Governor, Chief Justice, Attorney General, Secretary of State, Treasurer, Public Defender, Alternate Defense Counsel, Office of the Child's Representative
- First "Performance Plans" must be published by July 1, 2014
- First "Annual Performance Report" must be published by November 1, 2014

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What's New in SMART?

Reports to Committees of Reference

- Now occur in November and December of each year, beginning in 2013.
- Joint Committee Chairs shall assign two members *per department* (one from each major political party) to serve as liaisons regarding departments' performance plans
- OSPB *has* required departments to prepare a high-level "Strategic" component of the Performance Plan by November 1, 2013.

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2013 SMART Act Hearings

Three elements required in the SMART Act:

- The Department Performance Plan – this year, Departments will focus on the following:
  - ✓ Major department objectives, as identified by executive leadership, along with high-level performance targets
  - ✓ Strategies for meeting those objectives
  - ✓ Intended to provide context for the upcoming session
- The Department Regulatory Agenda
- The Department Budget Request and Associated Legislative Agenda

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SMART Components

The Performance Management System

- Governor must issue annual instructions creating a system to manage the processes and operations of departments
- Must focus on enhancing productivity, improving efficiency, reducing costs, and eliminating waste in delivery of services to customers
- At a minimum, shall establish parameters for department performance plans
- *Should* incorporate a system of continuous process improvement (such as Lean)
- *Should* include elements to ensure appropriate training for State employees

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SMART Components

The Department Performance Plan

Requires the following minimum components

- A statement of the department's mission or vision;
- A description of the major functions of the department;
- Performance measures for the major functions of the department;
- Performance goals that correspond to the department's performance measures and that extend to at least three years into the future;
- A narrative description of the strategies necessary to meet the performance goals; and
- A summary of the department's most recent performance evaluation.

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Impact to Strategic Plans

Building on last year

- In part, the plans will continue focusing on operational outputs that are within the control of departments
- At the request of executive leaders, we will incorporate opportunities for broader strategic vision to shape operational goals
- We will allow ample flexibility for departments to craft plans that work with their unique cultures, as long as they meet minimum standards
- We will make use of new electronic systems (CORE) to ease publication and enhance cohesiveness
- We will do everything we can to make deadlines friendly to department and OSPB staff

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The Performance Management System

Published in July 2013

- Two distinct components, strategic and operational
  1. Strategic portion is a narrative document, much like we've done in the past, incorporating familiar elements
  2. Operational portion will be built in the new CORE system, and will build on the work we did with departments last year
- Links to a Continuous Process Improvement System
- References a Performance Management Planning Academy

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The Strategic Component

Strategic Plan Revisited

- Comprised of elements we've seen before
  - Mission and Vision statement
  - Department Description (removed from the budget book, and shorter)
    - Organizational Chart
    - Major Program Descriptions
  - *Strategic Policy Initiatives* – Akin to outcome measures, these form the overarching policy goals of each department
    - **Not outputs**, these should *not* be day-to-day measures
    - 1-Year and 3-Year goals are required for these initiatives
- Publication in November 2103
- In future years, drafts will be due on June 1 and published on July 1

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The Operational Component

CORE Performance Budgeting System

- The new system will contain a performance measurement module that will simplify reporting
- As in the past, all major programs must have at least one input measure and one output measure. More are allowable, as appropriate
- We expect this system will allow for descriptions, narrative, historical tracking, and future goals
- Goals are required for 1 year and 3 years in the future
- Departments may choose to track more than we publish for public consumption
- Entry of all measures will be due between now and June 2014
- Future entry of 1-Year and 3-Year goals will be by July 1

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Performance Reporting

Semi-Annual Public Reports

- OSPB will publish performance reports twice each year
- Performance reports will be based on *output measures* which departments control – we will not hold departments accountable to regular reporting on *outcome measures*
- Mid-year reports will be pulled from the CORE PB system for publication on March 1
- Year-end reports will be pulled and published on September 1
- Departments will have the opportunity to explain variations from their projected 1-Year goals
- We will publish only those measures which both OSPB and departments agree to publish, but more measures may be tracked to help department management

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