

The following document provides guidelines for strategic planning for the 2016-2018 biennium. The process is similar to that used in 2014-2016, including a continued emphasis on indicating the products and services your agency is currently providing. The primary difference from the previous biennium is a requirement to report the sources of authority for each service area (more information is provided below).

Your agency should now begin to develop their 2016-2018 Strategic Plan and Service Area Plans, Executive Progress Report (EPR), and any updates to performance measures. Agencies are asked to complete these updates this Spring, per the schedule below:

| | Date Due |
|---------------------------------|----------|
| Updates to performance measures | Apr 14 |
| FY 17-18 strategic plans | Apr 14 |
| Executive Progress Report | May 5 |

Agencies will continue to develop and publish plans using the Performance Budgeting System hosted by the Department of Planning and Budget (DPB). Due to the budget reduction process last fall, the development of Strategic and Service Area Plans for this biennium was delayed to permit agencies to incorporate any needed changes resulting from budget reductions. As a result, DPB is reviewing opportunities to streamline the planning process, and agencies will not be required to complete the financial tables at this time.

It is imperative that agencies complete this update because DPB will use strategic plans and performance measures as part of base budget development for the 2018-2020 biennium this summer.

A few items of note:

- Now is the time to update (create, delete, or modify) performance measures. If you are creating a new measure, please input data for FY 2017 where possible. If data are unavailable, please explain the circumstances in the measures' explanatory note field. Please note: agencies are responsible for reporting and publishing results for existing performance measures.
- Part 4 of the budget (§ 4-5.03(d)) requires DPB to submit a report to the General Assembly later this fall on the performance of each new initiative that received an appropriation in the first year of the biennium. The report requires DPB, working with agencies that have new initiatives, to "compare the actual results, including expenditures, of the initiative with the anticipated results and the appropriation for the initiative." In previous years, DPB addressed this report on a case-by-case basis, but a more systematic approach will be taken this year. Accordingly, every agency that received an appropriation in the 2016 Appropriation Act for a new initiative(s) will have to provide performance information on those initiatives to DPB. Later this spring, those agencies that have new initiatives will be contacted by their DPB budget analyst to verify the list of initiatives. Please keep this in mind when considering changes to existing performance measures, or the potential need for new measures. Your DPB analyst will work with you to make any such changes as they are needed.
- As noted above, agencies should not update financial tables at this time. Additional guidance will be provided after the Reconvened Session of the General Assembly.

Areas of focus:

- Agencies are required to add the relevant “authority” to each service area, under the Mission Alignment and Authority heading, similar to the information reported in the past. Detailed instructions on how to add the authority to each service area are found in the Strategic Planning Handbook on DPB’s Website, and additional guidance will be provided. Authority for these purposes is defined as “the primary legal or regulatory mandate(s) that create responsibilities, or impose requirements, to provide products and services and expend funds.” Agencies are encouraged to focus on reporting primary sources, not an exhaustive list of all *Code* sections. Agencies should report state and federal law and regulation, as well as other primary sources of authority.
- As with Strategic and Service Area plans for the previous biennium, plans for the 2016-2018 biennium should focus on the planned use of current resources, capabilities, and authority. Accordingly, service area descriptions should focus on how each service area will help your agency accomplish its mission in the 2016-2018 biennium: how your agency plans to use current products and services—that the agency is presently authorized and funded to provide—to address your mission.

Required targets for performance measures are as follows:

- Short Target: June 30, 2018
- Long Target: June 30, 2020

Agencies do have the ability to add a user-defined target. Please refer to the Agency Planning Handbook for further detail on targets.

Publishing reminders:

- Agencies are responsible for publishing the following: strategic plans, program/service area plans, and measure results.
- DPB is responsible for publishing the following: changes to measures and measure attributes, and Executive Progress Reports.

The Strategic Planning Handbook has been updated for the 2016-2018 biennium. It can be accessed from the DPB Web site www.dpb.virginia.gov. DPB will be hosting two webinars to discuss the before-mentioned changes and to answer any questions. The first webinar will take place on **Thursday, March 9, 2017** at 10:00 a.m. Webinar information will be sent out via separate message.