

MANAGEWARE



OPERATIONAL PLAN

Guidelines

An operational plan is an annual work plan. It tracks and projects progress toward achievement of a strategic mission, goals, and objectives. An operational plan is the basis for and justification of an annual operating budget request. Therefore, a strategic plan that has a five-year lifetime would drive five operational plans funded by five operating budgets.

HELP

HOW TO: Prepare an Operational Plan

As required by statute, an operational plan (OP) must be prepared and submitted by each agency (or budget unit) as part of its "total budget request document." An OP draws directly from strategic plans but provides data to document performance progress. Like a strategic plan, an operational plan addresses four questions:

- ⊆ Where are we now?
- ⊆ Where do we want to be?
- ⊆ How do we get there?
- ⊆ How do we measure our progress?

To answer those questions, the OP must include meaningful data for prior fiscal years, the current fiscal year, and the ensuing fiscal year (the fiscal year for which funding is requested). The OP is both the first step and the last step in preparing an operating budget request. As the first step, the OP provides a plan for resource allocation; as the last step, the OP may be modified to reflect policy decisions or financial changes made during the budget development process.

Although Louisiana appropriates funds to budget units by program, the operational plan (OP) is focused primarily on program activity level information. Still, that program activity information must be placed in the overall context of the budget unit within which each program operates. The OP must link department and/or agency goals, program goals and objectives, and program activity performance. To do this, the OP provides information about the department and/or agency (budget unit) submitting the budget request; the program or programs operated by the department and/or agency (budget unit); and activities included in each program.

The OP provides program activity performance information for the prior fiscal year, current fiscal year, and continuation budget level for the ensuing fiscal year (the fiscal year of the budget request). *Continuation budget is defined as "that funding level for each budget unit and program that reflects the financial resources necessary to carry on all existing programs and functions of the budget unit at their current level of service in the ensuing fiscal year, including any adjustments necessary to account for the increased cost of services or materials due to inflation and estimated increases in workload requirements resulting from demographic or other changes."*

The OP is not the only budget request component that must contain performance information. Full justification, citing performance data, for any workload adjustments included in an agency's continuation level calculation must be provided in the Continuation Budget (CB forms). To implement components of their strategic plans, many agencies seek program enhancements in their operating budget requests. Program activity enhancements must be justified (complete with new or modified objectives and performance indicators) in New or Expanded Service Forms (NEs). If program composition or performance is affected by adjustments proposed in a Technical/Other Adjustment Package (T/OAP), these changes should be described in the T/OAP.

The Office of Planning and Budget (OPB) uses information from the OP, CB, NEs, and T/OAPs to evaluate performance, support budget decision making, and prepare the program information portions of the executive budget and the executive budget supporting document. Operational plans that do not comply with the guidelines established by the Division of Administration (and provided in this document) may be returned to the submitting budget unit for modification.

Once OPB has reached a preliminary funding recommendation for each program, draft program narratives and performance documents are provided to each budget unit so that the budget unit can update indicator values reflecting service levels at the budget level recommended by OPB. At the same time, a budget unit may revise continuation level performance indicator values to reflect any changes to continuation level dollar amounts that may have been made by OPB after submission of continuation level calculations by that budget unit. Any appeal of OPB preliminary funding recommendation must be accompanied by a justification based on performance. (Guidelines for completion of recommended budget level performance indicator values and appeal of OPB preliminary budget recommendations are provided by OPB during the budget development process.)

Outline of Operational Plan Components

Department Description (if applicable)

Department Mission Statement
Department Goals

Agency Description:

Agency Mission Statement
Agency Goals
Agency strategies for development and implementation of human resource policies that benefit women and families

Program A Description:

Program A Authorization (Primary constitutional, statutory, and/or other citations)
Program Mission Statement
Program Goals
Program Activities

Program A Activity 1 Name

Program Activity 1 Objective
Children's Budget, and other links
Performance Indicators

Program A Activity 2 Name

Program Activity 1 Objective
Children's Budget, and other links
Performance Indicators

Program B Description:

Program B Authorization (Primary constitutional, statutory, and/or other citations)
Program Mission Statement
Program Goals
Program Activities

Program B Activity 1 Name

Program Activity 1 Objective
Children's Budget, and other links
Performance Indicators

Program B Activity 2 Name

Program Activity 1 Objective
Children's Budget, and other links
Performance Indicators

Charts:

Department and/or Agency Organization Chart
Department and/or Agency Program and Program Activities Structure Chart

Contact Person(s): Name, title, and contact numbers (telephone and e-mail)

Department and/or Agency Contact Person (for entire operational plan); and/or contact persons for each program

NOTE: This is a sample outline. Since the program structures of departments/agencies vary, some operational plans will include more programs and program information. In some cases, the department/agency may have only one program.

Operational Plan Forms and Components

Use the Operational Plan forms in the LaGov Portal (under SPB Forms tab) for submission of operational plans. The Operational Plan forms include form options for the various OP components referenced on the previous page. It includes an “Activities and Objectives Form” for objectives and performance measures.

The operational plan components and guidelines discussed in this document are basic, generic requirements. Please note that OPB may require the submission of additional information to augment an OP or to explain issues identified during the analysis of the OP and other budget request materials.

Department Goals Form

Complete this part of the OP Form if the budget schedule under which your agency falls is comparable to one of the officially designated departments of state government. (For example: Schedule 05 is the Louisiana of Economic Development; Schedule 06 is the Department of Culture, Recreation and Tourism. However, Schedule 01 is comprised of various entities in the Office of the Governor; Schedule 04 is made up of various state departments headed by statewide elected officials. Neither Schedule 01 nor Schedule 04 is itself a state department.) Budget schedules that should complete this form are: Schedules 05, 06, 07, 08A, 08B, 09, 10, 11, 13, 14, 16, and 19-Department of Education. If your schedule is not listed here and you believe you should complete a department description, contact OPB to resolve the issue.

Describe the department simply and succinctly. Include the strategic mission and goals of the department. The inclusion of department wide performance information may be requested by your OPB analyst.

Agency Goals Form

Identify the agency (or budget unit) submitting the budget request by name and agency number. Describe the agency (or budget unit) simply and succinctly. This description, which should include the strategic mission and goals of the agency, explains the context within which agency programs operate. The description identifies the common, organization wide goals that should be reflected in program goals and objectives. (In a one-program budget unit, missions and goals at the agency and program levels, as a general rule, should be identical.)

As required by Act 1078 of 2003, you must provide a statement of your agency's strategies for development and implementation of human resource policies that are helpful and beneficial to women and families. “Human resource policies beneficial to women and families” may include strategies, policies, or initiatives that affect internal human resource

management (such as flexible work schedules and places, day care, and diversity training) or external service delivery (programs or services, such as TANF initiatives and food stamps that are directed toward, benefit or serve women and families).

Program Goals Form

Identify each program by name. Follow the same steps to create a new form or find existing form in LaGov as described above in for the Department Goals Form (but use program number instead of Department number).

Examples include: Administration; Parks and Recreation; Licensing and Inspection; and Child Care Services. The primary constitutional, statutory, or other references (such as executive order or federal mandate) that pertain to the program and its activities should be cited. If these references include state law, use the statutory citation rather than the legislative citation (that is, give the Louisiana Revised Statutes reference rather than cite the legislative act and year). If these references include federal law, administrative procedure, program guidelines, or court order, cite the public law, code, rule, case, or consent decree.

Program names should be identical to the program citations in the current appropriation act and should be found as an option in the drop down list when entering in LaGov. If you do not see your program or there is a discrepancy in the Program name please submit a ticket to the [LaGov Budget team](#). Modifications in program names or structures must be approved by OPB. If you are contemplating such changes, discuss this with your OPB analyst prior to submission of your budget request. Do not use your operational plan and/or budget request as first notification to OPB that you would like to make program name or structure modifications.

Program Description: Mission, Goal(s), and Activities

Prepare a program description for each program in your agency. This description should identify the strategic mission and goals and major activities of the program.

- Mission is a broad, comprehensive statement of purpose; it describes what an organization does and whom it serves.
- Goals are the intended broad, long-term results. Goals are clear statements of the general end purposes toward which efforts are directed. Program goals must be consistent with department and/or agency goals but may also be a component of broader department and/or agency goals.

- An activity is a distinct subset of functions or services within a program. For example, the Civil Law Program (in the Department of Justice, Office of the Attorney General) has two activities: Civil Division and Public Protection Division.

Program descriptions should be simple and succinct but descriptive enough to provide a reader that has no knowledge of the program, information as to what the program does, why it is needed, or how it works. Avoid the use of technical terminology, abbreviations, and acronyms. If technical terms or jargon cannot be avoided, then define these terms clearly. The information needed to complete the program description should already have been developed in the strategic planning process; in fact, most of the program description—certainly mission and goals—may be lifted directly from the strategic plan.

To develop the program description, use the following steps:

1. Imagine giving a one-minute explanation of the program to the legislature, general public, or community groups. Assume the audience knows nothing about the program. Think about how to best describe the program in terms they can understand.
2. Use the mission and goal statements from the program's strategic plan.
3. Identify and describe major program activities. The activity structure must also be illustrated in a program activity chart. The program activity structure identified in the operational plan should parallel the activity structure delineated for that program elsewhere in the total budget request package, and LaGov ECC.

Some programs involve administration of funds that are "passed through" to other organizations or governmental units. With such a program, competent oversight and administration of these funds naturally are of concern, and performance objectives and indicators regarding such should be provided. However, of equal concern are the results generated by the organizations that receive the funds. Explanation of the purpose and results of the funds passed through—that is, what benefits are derived and by whom—must be included in the program description. Performance indicators, verifying the results achieved and services provided, must be included as well.

Under Louisiana's performance-based contracting provisions and procedures, contracts for professional, personal, consulting, or social services must include specific goals and objectives, measures of performance, and a plan for monitoring the services to be provided. "Pass through" funds distributed by contract often fall under these requirements. If so, information related to service provision and service beneficiaries should be available. Use this information to show the results generated by the administering program through contract service providers.

Program Activity Objectives

Objectives are intermediate outcomes--specific, measurable milestones along the road to accomplishing goals. They identify results or service levels to be achieved. Objectives should be SMART; that is, they should be: Specific; Measurable; Aggressive but Attainable; Results-oriented; and Time-bound.

Use the program's strategic objectives in the operational plan. Refer to the current strategic plan for the program, link each of these strategic objectives to specific program activities, and transfer the strategic objectives to your operational plan.

Some objectives may represent program wide efforts and accomplishments. Others will be directly related to a specific program activity. Determine the relationship between program activities and program objectives. Since activities represent distinct subsets of functions or services within a program, your plan must include an objective for each major activity in a program

Existing objectives can be found in the Activities and Objectives forms in the Operation Plan. **If modifications are needed to existing objectives or new objectives are needed, please notify your OPB analyst by October 11, 2024 and ensure justification for the changes or additions are provided.**

- Use strategic objectives from your strategic plan. Evaluate existing objectives under the "Activities and Objectives Form" in the Operational Plan section of LaGov (There should be a separate form for each objectives).
- Complete the links paragraphs in order to demonstrate the relationship of the objective to various statewide initiatives. Completion of these links—even if the appropriate response is "Not Applicable"—is required. Use the "Link Information" tab in the "Activities and Objectives Form" in LaGov to view or edit existing link information for an objective.
 - Children's Budget Link: Identify and explain the link or relationship between each objective and the Children's Budget which are required by L.R.S. 36:2604(C) to identify and assemble all state programs and expenditures for children into a single document, must be completed by those budget units that have programs and expenditures for children. Each such service must be described, including a description of how the service fulfills the program's mission and who the principal users and primary beneficiaries of the service are. In addition, all related objectives and performance indicators from the budget unit's operational plan and other budget request forms, such as the New or Expanded Services Forms, must be shown on the

appropriate Children’s Budget form. If an objective is not related, then put “Not Applicable” in this link row.

- **Human Resources Policies Beneficial to Women and Families Link:** Identify and explain the link or relationship between each objective and your strategies for development and implementation of human resource policies that are helpful and beneficial to women and children. Use the Human Resource Policies Beneficial to Women and Families Link to provide this information, which is required by Act 1078 of 2003. For purposes of this link, “human resource policies beneficial to women and families” may include policies that affect internal human resource management (such as flexible work schedules and places, day care, and diversity training) or external service delivery (programs or services, such as food stamps, that are directed toward, benefit or serve women and families). If an objective is not related, then put “Not Applicable” in this link row.
- **Other Link:** Identify and explain the link or relationship between each objective and any other statewide, multi-agency or agency wide master plan, comprehensive plan, or initiative. Examples include: Louisiana Workforce Commission, Homeland Security, Tobacco Settlement, or Temporary Assistance to Needy Families (TANF) initiatives. If there are no other links or relationships, then put “Not Applicable” in this link row.

It is possible that one objective may be related to several—or even all—of these links. For example, an objective related to or funded through a TANF initiative might be related to the Children’s Budget, Human Resource Policies, and Other (TANF) and Other (Workforce Commission) Links.

- Be sure that the time frame for the objective is clear. Cite the specific timeline/deadline for accomplishment of the strategic objective. If your strategic plan contains SMART objectives, then you already have a clear time frame for achievement of the objective.
- Make sure objectives are labeled correctly as key (“K”) or supporting (“S”) level. If an objective is labeled incorrectly or needs to be modified please contact your OPB analyst. Remember that key objectives are often those that:
 - Represent critical success factors for the program;
 - Are related to a “big ticket” item (a major or mandated activity that requires an extensive allocation of resources) or the annualization of a recent, significant budgetary enhancement;
 - Are related to a “hot button” item (a prominent or persistent issue or problem); and/or

- Have been identified as key in the past by legislative committees and staff, OPB, performance auditors, your program managers and staff, and/or other decision makers.

The executive budget supporting document has both key and supporting objectives. OPB has ultimate authority to determine which objectives will be included in executive budget documents and assign the level at which they will be included. However, OPB gives careful consideration to the key or supporting designations made by the agency.

Program Activity Performance Indicators

To justify the continuation or enhancement of funding for a program activity, the effectiveness, efficiency, and excellence of the program activity must be demonstrated and documented. Performance indicators are the tools used to measure performance, progress, and accomplishments. Balanced sets of performance indicators are developed during strategic planning and used in the OP and other budget forms to justify budget requests.

Performance indicators consist of two parts: indicator name and indicator value. The indicator name describes what you are measuring. The indicator value is the numeric amount or level actually achieved or to be achieved. Example:

EXAMPLE	PARTS OF A PERFORMANCE INDICATOR	
	<u>PERFORMANCE INDICATOR NAME</u>	<u>PERFORMANCE INDICATOR VALUE</u>
	Number of clients served	3,250

Types of Performance Indicators

Louisiana's management processes use five types of indicators to measure performance: **input, output, outcome, efficiency, and quality**. These indicators are based on systems or process logic (how a process works) and each type is designed to address different but complementary performance issues and perspectives. Together, these indicators provide a balanced view of performance.

Input indicators measure resource allocation and demand for services. These indicators identify the amount of resources needed to provide a particular service. Inputs include labor, materials, equipment, facilities, and supplies. They also can represent demand factors such as characteristics of target populations or the size of an issue or problem that must be addressed. Input indicators are useful in showing the demand for a service, total cost of providing a service or the investment necessary to generate the expected return, the mix of resources used to provide a service, and the amount of resources used for one service in relation to other services. Input indicators are often paired with output and outcome

indicators to develop an input/output comparison. Input indicators may be good candidates for reporting at general performance information (GPI) level.

Examples:

- Current illiteracy rate in Louisiana
- Current incarceration rate in Louisiana
- Number of clients eligible for program activity
- Number of customers requesting service
- Number of environmental permit applications received
- Number of miles of roads in the state system
- Current highway death rate
- Current state ranking as a national and international tourist destination

Output indicators measure quantity. These indicators measure the amount of products or services provided or number of customers served. Output indicators are volume-driven. They focus on the level of activity in providing a particular service. Transaction numbers and workload measures, which are designed to show how staff time is allocated to respond to service demand, are most commonly reported. Output indicators are useful for resource allocation decisions (particularly for calculation and justification of workload adjustments in operating budget requests). However, these indicators are limited because they do not indicate whether program activity results have been accomplished; nor do they reveal anything about the quality or efficiency of the service provided. Output indicators are sometimes good candidates for reporting at GPI level.

Examples:

- Number of students enrolled in an adult education course
- Number of pupils enrolled in state public schools
- Number of inmates housed in state correctional facilities
- Number of persons served by charity hospitals
- Number of vaccinations/inoculations given to children
- Number of environmental permit applications reviewed
- Number of miles of roads resurfaced by the state
- Number of miles patrolled by Louisiana State Police
- Number of in-state and out-of-state tourists per year

Outcome indicators measure success. These indicators measure results and assess program activity impact and effectiveness. Outcome indicators are the most important performance measures because they show whether or not expected results are being achieved. They represent the return on investment—what we are getting for our allocation of resources. Policy makers are generally most interested in outcome indicators. Outcome indicators generally are reported at key level.

Examples:

- Number of persons able to read and write after completing an adult education course
- High school graduation rate and ACT scores
- Corrections recidivism rate
- Mortality and recovery rates for index procedures at state charity hospitals
- Reduction in incidence of communicable disease
- Percentage change in toxic air and water emissions
- Percentage change in air and water quality
- Condition (safety and appearance) of highways maintained by state
- Percentage of highways providing satisfactory levels of peak hour service
- Percentage change in highway death rate
- Percentage change in state ranking as a national and international tourist destination

Efficiency indicators measure productivity and cost-effectiveness. These indicators reflect the cost of providing services or achieving results. Cost can be expressed in terms of dollars or time per unit of output (or outcome). Efficiency measures can also portray the relationship of inputs to outputs (or outcomes). Ratios are often used to express these relationships. Efficiency indicators can gauge the timeliness of services provided. Efficiency measures are important for management and evaluation. They help organizations improve service delivery. Often they are used to justify equipment acquisitions or changes to systems or processes.

Examples:

- Cost per student enrolled in an adult education course
- Average expenditure per pupil in state public schools
- Average cost per day per state inmate.
- Bed occupancy rates at charity hospitals
- Cost per vaccination/inoculation given
- Number of miles patrolled per state trooper assigned to traffic enforcement
- Average processing time for environmental permit applications
- Average cost per mile for construction or maintenance of state highways
- Revenue return on every advertising dollar spent on promoting tourism
- Number of clients receiving services compared to number of clients eligible for service

Quality indicators measure excellence. These indicators reflect effectiveness in meeting the expectations of customers, stakeholders, and expectation groups. Measures of quality include reliability, accuracy, courtesy, competence, responsiveness, and completeness associated with the product or service provided. Lack of quality costs money. For example, resources devoted to performing rework, correcting errors, or resolving customer complaints can also be important to track. Quality measures are sometimes considered to be outcomes. However, quality indicators have been separately defined to reflect the importance of quality improvement.

Examples:

- Number of defect-free reports as a percentage of total number of reports produced
- Percentage accuracy of information entered into a database
- Compliance with error tolerance levels established by administrative guidelines
- Accreditation of institutions or programs
- Number of corrections institutions under court supervision
- Costs associated with tort judgments against the state
- Awards or recognition for service excellence
- Number of customer/client complaints filed

Sometimes performance indicators fall into more than one category. For example:

- Some outcome indicators are also quality indicators. If your objective were to retain an initial accuracy rate for disability determination that is higher than the national average, then performance would be measured by comparing your rate with the national average. The result of this comparison would be an outcome indicator as well as a measure of quality.
- Some output indicators are also outcome indicators. If your objective were to increase the number of clients served by 1,000, then performance would be gauged by the change in number of clients served. "Number of clients served" would usually be considered an output indicator, but in this case, it could be considered an outcome indicator as well. (An even better solution to this particular situation would be to target a percentage change in the number of clients served and to use "number of clients served" as an output indicator and "percentage change in number of clients served" as an outcome indicator.)

In general, the focus of an objective (that is, whether the objective is output-oriented, outcome-oriented, efficiency-oriented, or quality-oriented) should be what determines the classification of the performance indicator.



It is vital to select a balanced set of meaningful indicators to measure program performance. No minimum or maximum number of indicators is required per objective. Rather, there should be at least one outcome indicator and as many of the other indicator types as are appropriate to provide a clear view of performance progress. Performance indicator types work together to tell a performance story. Use as many as needed to tell a clear performance story.

Explanatory notes should accompany performance indicators. These notes help provide a more complete understanding of performance indicators by establishing context and background, identifying input, program, and external variables and explaining how those variables affect performance. These notes provide a link among indicators that should be used in tandem. This information should be provided on the footnote tab for the objective. Please make sure each note references the Performance indicator (PI) code it is referencing.

If a footnote for a specific indicator is needed please include under the indicator footnotes tab under the 'OP Key and Supporting Indicators Form' section of the Operation Plan in LaGov. Be sure to specify in the footnote the PI code which the note is attributed to.

Performance Indicator Levels

Performance indicators may be key (K), supporting (S), or general performance information (GPI) level. Remember, proposed performance indicator levels are part of the documentation information submitted by agencies in their strategic plans.

- Key indicators are included in the executive budget supporting document. For key indicators, performance standards are established during the budget development process. Key indicators are tracked for accountability purposes. Interim targets and actual performance must be reported in each quarterly performance progress report.
- Supporting indicators are included in the executive budget supporting document but not in the executive budget and general and ancillary operating appropriation bills. For supporting indicators, performance standards are established during the budget development process. Interim targets and actual performance must be reported in only second quarter (midyear) and fourth quarter (yearend) performance progress reports.
- General performance information (GPI) indicators provide data on an actual basis only. No performance standards are developed for GPI indicators and actual data is reported at fourth quarter (yearend actual) for GPI's.

OPB has ultimate authority to determine which performance indicators will be included in the executive budget supporting documents and assign the level at which they will be included. However, OPB gives careful consideration to the indicator level designations in agency strategic and operational plans. **Please contact your OPB analyst by October 11, 2024 to modify existing performance indicators or to request new performance indicators.**

Performance Standard

A performance standard is the expected level of performance associated with a particular key or supporting performance indicator for a particular fiscal year and funding level. Performance standards are proposed during the budget development process and established during the appropriation process. Performance standards are commitments for service; they identify the level of performance linked with the level of funding budgeted/appropriated.

Performance standards may be revised through the BA-7 budget adjustment processes. The BA-7 form and questionnaire are available on OPB website.

Reporting Performance in the Operational Plan

Each objective should be accompanied by a balanced set of meaningful performance indicators. Performance must be reported with numeric indicator values. LaGov contains a Performance Quarterly section for reporting quarterly performance values. Additionally, the Operational Plan section in LaGov (under SPB Forms) contains areas for Department Goals Forms, Agency Goals Forms, Program Goals Forms, OP Key and Supporting Indicators Form, and OP GPI form. Please review goals, objectives and indicators in LaGov. **If performance Objectives or indicators need to be modified or added/removed, please contact your OPB analyst by October 11, 2024.**

Basic or Standard Performance Indicator Table Format

The basic or standard performance indicator table in LaGov includes columns for performance indicator Code (PI Code), Performance Indicator name, Yearend Performance Standard (for previous fiscal year), Yearend Performance Actual (for previous fiscal year), Performance Standard as Initially Appropriated, Existing Performance Standard, Performance Standard at Continuation Budget Level), Performance at Executive Budget Level, and Performance Standard as Initially Appropriated:

- **Prior year performance standard at yearend.** This is the performance standard reported) at yearend of the prior fiscal year (the fiscal year just ended as you prepare your operational plan). If you are using a performance indicator that is new and did not have a standard in the prior fiscal year, the value should be "Not Applicable" in the column and a footnote should be provided to explain why "Not Applicable" is being used for this indicator. **If "not applicable" needs to be added as value for a performance indicator please contact your OPB analyst.**
- **Prior year actual performance at yearend.** This is the actual performance achieved during the prior fiscal year. For existing performance indicators, this figure should be the same as the yearend actual reported in the Yearend (or Fourth Quarter) Performance Progress Report (due September 8) for the fiscal year that just ended. **If there is a discrepancy between the value reported for prior year performance standard at yearend and what is displayed, please contact your OPB analyst.**
- If requesting to add a new performance indicator, all reasonable efforts to gather and report a prior year actual figure should be made. All prior year actual performance indicator values should be real, numbers and measures of what actually happened. If values other than an actual figure (for example, "Not Available" or an estimated figure) for a prior year are used, a footnote must be included to explain why an actual figure is not available.

**REMEMBER**

When requesting a new performance indicator that has no prior year or current year performance standard, it is appropriate to show "Not applicable" in those columns. However, reasonable efforts should be made to gather and provide prior year actual data. In the existing operating budget column, provide an estimate for the existing operating budget value. Basic or standard performance indicator tables that show "Not applicable" or "Not available" in all prior year and current fiscal year columns raise the question: "If there is no baseline data, then on what basis were used to set the objective and target for the performance indicator value for the upcoming fiscal year?"

- **Performance standard as initially appropriated.** This is the performance standard included at the appropriated level for the budget which the Initial performance standards appear in the performance PDF's provided by OPB with the current year appropriation letter. For a new performance indicator that is being requested for the ensuing year, "Not Applicable" should appear for the Performance Standard as initially appropriated column. **If "Not Applicable" needs to be added or removed please contact your OPB analyst.**
- **Performance standard at existing level.** This is the most current performance standard for the performance indicator; it reflects the initial performance standard plus or minus any changes resulting from BA-7 budget adjustments. When a performance standard is adjusted OPB revises that performance standard in LaGov. When a performance indicator is created and a performance standard established as a result of a BA-7 performance standard adjustment, that indicator and performance standard are added to LaGov by OPB. For existing operating budget (EOB) values, report the performance standard as of the EOB cutoff date for budget requests. (OPB will adjust EOB performance standard values to reflect any approved adjustments after budget request EOB cutoff date up to the date used for EOB appropriation amounts in the Executive Budget.) Please reach out to your OPB analyst with any questions related to the Performance Standard at existing level.

If the current year performance standard for an indicator differs significantly from the actual yearend performance, add a footnote indicating what the anticipated yearend performance is and why it varies so greatly from the standard. This situation may occur because of unanticipated external factors that significantly affect the performance environment or as a result of a poor projection made during the budget development process. Regardless of the cause, a footnote may be used to explain the situation. However, the current value for the existing level of the Performance standard must be reported under the existing operating budget column; do not replace the standard with the anticipated yearend amount.

If the Operation Plan includes a new performance indicator for which there is no existing standard, use the EOB performance standard column to provide an estimate of anticipated performance or service level through the end of the current fiscal year. Every reasonable effort should be made to provide this yearend estimate. Do not use

a year-to-date actual number. (A year-to-date actual figure may be used to help estimate a yearend total, but do not use a partial year number in the existing operating budget column.) Add a footnote explaining that the existing operating budget level is an estimate and not a standard. The footnote also must explain the basis for the estimate.

- **Projected performance value at continuation budget level.** Unless data is being reported as general performance information (see section below), a performance value must be projected for the ensuing fiscal year. This value must reflect adjustments requested in Continuation Budget forms but must not include enhancements requested in New or Expanded Services forms. Continuation level performance is not an automatic extension or duplication of the existing performance standard; it should reflect anticipated changes in external business environment or internal management. If the continuation budget level performance figure is related to or dependent upon a particular Continuation Budget adjustment, add a footnote identifying the specific continuation adjustment or adjustments. If the current estimate of yearend actual performance differs significantly from the performance standard for an indicator, the continuation level value should take that expected difference into account. “Not Applicable” and “Not Available” are not appropriate entries for this column.

Do not complete the “Performance at Executive Budget Level” column in the standard performance indicator tables of the Operational Plan Form. This will be completed after OPB provides the funding level being recommended in the Executive Budget for the budget units and program activities.

Please provide documentation of the performance impacts associated with workload adjustments and New or Expanded requests in the budget request forms. If these enhancements are part of OPB budget recommendation, then the Executive Budget level values will include those performance impacts provided after Executive Budget recommendations decisions are made. If an agency is requesting to change a performance standard for ensuing fiscal year and these changes are not captured in CB or NE forms in the budget request, please provide the requested change and justification to your OPB analyst.

General Performance Information Tables and Other Materials

General performance information (historical or trend tables, charts, and graphics as well as external comparisons of performance) must be provided. Performance trends and external comparisons are an important gauge of program effectiveness, efficiency, and excellence and, therefore, are valuable for budget decision making.

When using trend charts or external comparisons derived from an internal database or an external survey, be sure to cite that methodology in a source statement. General performance

information gathered from a source external to an agency must have a source citation. When using an external source, please be alert to any institutional bias or agenda.

Not every performance indicator needs to be presented in a multi-year setting, but some performance data may be reported best in a historical or trend chart. In other cases, it is appropriate to show an indicator in historical perspective as well as at key or supporting level. (That is, an indicator may appear in both the standard performance indicator table as a key or supporting indicator as well as in a GPI trend table. In this case, the performance indicator would have two different PI codes. To demonstrate performance trends, include five years of actual data. (If there is not yet have five years of actual data, include those actuals that are available.)

Explanatory material should be included to further clarify and explain performance, trends, or comparisons. Other materials may be used to support the operational plan. These may include: internal or outside statistical information, spreadsheets, surveys or rankings; internal plans, studies, evaluations, reports, and publications; or any other supporting materials.

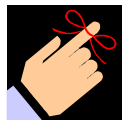
General performance information (GPI) indicators do not have performance standards and are reported only for prior year actual and yearend actual. General performance data tables appear in the Executive Budget Supporting Document. **If changes are needed to modify existing GPI's, shift indicators from GPI to a standard performance indicator, or to add or remove GPI's contact your OPB analyst by October 11, 2024.**

Additional Guidelines for Reporting Performance Information

It is essential that the performance indicators and other data cited in the operational plan be valid, accurate and reliable. They must be clear and simple but informative as well as consistent and verifiable. Further:

- Performance indicators must be related to the objectives and activities under which they appear. If the relationship is not immediately apparent, explain why the indicator is shown under a particular objective and what it means in the Explanatory Notes tab of the OP Key and Supporting Indicators Form. **If an existing Performance Indicator needs to appear under a different or new Objective, please contact your OPB analyst by October 11, 2024.**
- Although a balanced set of indicators is necessary for budget decision making, emphasis should be placed on outcome indicators. Labeling indicators by type is optional and if provided should be documented on the strategic plan performance indicator documentation sheets.
- When determining which indicators are key, consider the following:

- Is this indicator an outcome indicator?
- Is this indicator related to a key objective? Key objectives may have both key and supporting performance indicators. However, a supporting objective may have only supporting indicators.
- Is this indicator related to a "big ticket item" (a major or mandated activity or outcome requiring extensive allocation of resources) or the annualization of a recent, significant budgetary enhancement?
- Is this indicator related to a "hot button" item (a prominent or persistent issue or problem)?
- Who values the indicator? Has this indicator been identified in the past as key by legislative committees and staff, OPB, performance auditors, program managers and staff within the agency, and/or other decision makers?

**REMEMBER**

OPB has ultimate responsibility and authority to determine which performance indicators will be included and assign the level at which they will be included in the Executive Budget and Executive Budget Supporting Document. However, OPB gives careful consideration to the key or supporting designations requested by the agencies.

- Be sure that the performance indicator name clearly describes what is being measured. Do not use acronyms unless the complete name or title for which the acronym stands has been spelled out already and the acronym noted in parenthesis next to the spelled out name. Do not use technical terms or jargon unless absolutely necessary and then provide clear, simple definitions or explanatory notes.
- **If the name of an indicator needs to be modified, please contact your OPB analyst.** If the name of an existing performance indicator is being modified for clarity but there is no change in what the indicator measures or how it is measured, you are not creating a new performance indicator. Justification must be provided to OPB explaining the name change and verifying that the renamed indicator is not a new performance indicator.
- A new performance indicator is required if an agency is seeking to change what is being measured or the methodology used to measure an existing performance indicator, even if the name will remain the same. **Contact your OPB analyst by October 11, 2024 to request the creation of a new indicator and provide justification as to why the new indicator is needed.**
- Report performance indicator values on a fiscal year basis. If there is a compelling reason to report on some other basis (calendar year, school year, federal fiscal year, program year, as of a particular date within the fiscal year, average daily count, etc.), identify the other reporting period and explain why it is being used in the 'Explanatory Notes' tab of

the OPK Key and Supporting Indicators Form. This information should be part of the strategic plan performance indicator documentation sheets for such indicators.

- When comparing Louisiana to a national average, median, or composite, be sure to provide any explanatory information necessary to make clear the basis and result of the comparison. Identify the source of the comparative information. This information should be part of the strategic plan performance indicator documentation sheets for such indicators.
- When using and report data from some source outside a department and/or agency or program, be sure to cite the source fully. If a department and/or agency or program is a large one with many databases and data products, cite the particular in-house database or data product from which performance information is extracted. This information should be part of the strategic plan performance indicator documentation sheets.
- Be consistent in what is reported and how the data is calculated and reported. When an agency strategic plan was formulated, performance indicators to measure progress were developed as well. The agency committed to the use of those indicators for the lifetime of the strategic plan.
 - Once meaningful performance indicators have been developed and documented in the strategic plan, use them consistently. Unless there is a compelling, valid reason to change, the same things must be measured using the same methodology, measurement periods, and sources for each operational cycle during the lifetime of the strategic plan. Confusion can be avoided if proposed changes in performance information is discussed with an OPB analysts before the operational plan is submitted.
 - If the operational plan includes performance indicators that were not identified or documented in the agency's current strategic plan, submit a Performance Indicator Documentation Sheet for each such performance indicator. The format for these documentation sheets is available in the "Guidelines for Applying the Strategic Planning Process" on OPB Website, Strategic Planning Page.
 - Programs that are reporting the same performance indicator must be uniform/consistent in how those indicators are named and defined and how values are calculated. (For example, each adult correctional institution in the Office of Corrections Services reports the same performance data in the same way at the same time.) This requirement crosses budget unit boundaries. (For example, there are various programs or activities in different budget units addressing aspects of the teen pregnancy issue. Workforce development activities occur in many different departments. Museums are found in at least two different budget units. Personnel, accounting, and procurement functions are present in most departments/agencies.) Programs that are providing the same type of service or addressing the same need or

issue should work together to develop and report common indicators for common areas.

- To the maximum extent possible, use standard definitions and generally accepted or recognized calculation methods and formulas. For example: The definition and calculation method for incarceration rate are established by the U.S. Bureau of Justice Statistics; the calculation method for highway death rates is set by the National Highway Traffic Safety Administration. There are standard ways to calculate full-time equivalent employment, per capita expenditures and certain caseloads or workloads; there are also standard ways to adjust comparisons for population differences.

If there is no standard definition or generally accepted calculation methodology or formula, or if not using a standard definition or generally accepted calculation methodology or formula, then explain the basis on which terms are being defined and calculations are being done. (Documentation of validity, accuracy, and reliability of performance indicators should have been prepared during strategic planning. If using performance indicators that were not validated as part of the agency's strategic plan, it is especially important to give thought to this issue during operational planning and submit appropriate documentation to OPB.)

- Do not use the abbreviation "NA" since it can mean either "Not Available" or "Not Applicable." If there is a need to use either of these designations, spell out the entire phrase. If using either "Not Available" or "Not Applicable" for a performance indicator value, then a footnote explaining why the data is not available or not applicable must be added.
- Do not include decimals in dollar figures; round to the nearest dollar. (There are some exceptions, such as average daily costs, which may differ by only pennies, or dollar amounts expressed in millions or billions, when it may be appropriate to carry the figure to at least one decimal place.) When expressing dollar amounts in millions or billions, indicate such in the name of the indicator (Example: Total tax collections [in millions]).
- Carry calculations and percentages to one decimal point only (example: 24.5%) unless there is a valid reason to do otherwise.

Organization, Program Structure, and Activity Structure Charts

The operational plan should include: (1) an organizational chart (showing organizational structure for the budget unit as a whole); (2) a program structure chart that identifies a budget unit's programs and each program's activities. **These should be submitted as attachments in the Agency and Program Goal forms in LaGov.**

Program Contact Person(s)

Provide the name, title, and contact numbers (telephone, and e-mail) of the person(s) whom OPB analysts should contact if there are questions about the operational plan or if additional information is required. This contact should be the person who coordinated or prepared the operational plan. However, for budget units encompassing many programs, you may wish to provide a list of contacts, one for each program described in the operational plan, in addition to the principal or coordinating contact person. **These should be submitted as attachments in the Agency and Program Goal forms in LaGov.**

Additional Operational Plan Requirements of Louisiana Workforce Commission

Questions regarding the Louisiana Workforce Commission budget request forms (including performance) should be directed to the Louisiana Workforce Commission. The telephone number is (225) 342-3110.

Revised September 19, 2024