

**STRATEGIC PLANNING, BUDGETING, EXECUTION, AND
REPORTING TO IMPROVE OUTCOMES AND ADDRESS
LONGSTANDING PERFORMANCE AND MANAGEMENT ISSUES.**

SB 21: Strategic Plans

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District F

Overview

- Problem Statement
- Current State
 - AS 37.07: The Executive Budget Act (EBA)
- Proposed Future State: SB 21
- Structural Changes to AS 37.07
- Benefits
- Examples

Problem Statement

- Alaska's management of programs and projects has not been as strong as many citizens expect from their government
- Alaska consistently scores lower than other states in key metrics
 - e.g. #45 overall in US News' best states
 - <https://www.usnews.com/news/best-states/alaska>
 - e.g. Received a C- Report Card for Infrastructure by ASCE
 - <https://infrastructurereportcard.org/state-item/alaska/>
- Alaska has fragments of an appropriate enterprise-scale management system, but not something that cohesively blends operational, performance, and quality management
- How can we start to drive a higher level of performance while successfully improving our overall cost/benefit ratio?

Current Executive Budget Act

- Title 37: Public Finance
- Chapter 07: Executive Budget Act

Chapter 07. Executive Budget Act.

Sec. 37.07.010. Statement of policy.

It is the purpose of this chapter to establish a comprehensive system for state program and financial management that furthers the capacity of the governor and legislature to plan and finance the services that they determine the state will provide for its citizens. The system must include procedures for

- Describes the role of the legislature, OMB, and the governor in the budgeting and program execution process
- Includes two sections which focus on planning and performance
 - 37.07.050 Agency program and financial plans; mission statements
 - 37.07.080 Program Execution

Proposed Future State: SB 21

- Responsibility Change (Measures/targets set by executive branch)
- Planning Hierarchy and increased organization
 - Statewide Priorities (3-6 long-term priorities set by governor)
 - Strategic Plans (4-year plan, updated at least every two years)
 - Mission, goals, and objectives for each department
 - Performance Plans (Annual Plan)
 - Program structure and performance history/targets
 - Financial Plans (Annual Plan)
 - Financial History and Budget information
- Transparency and Reporting
 - Quarterly Performance Reports: Progress towards targets
 - All plans and reports are posted on a single, public website

PLAN LOCATION:

PLANNING CADENCE

GOVERNOR'S RECOMMENDATION

AGENCY
STRATEGIC PLANSPERFORMANCE AND
FINANCIAL PLANS*Statewide
Priorities**Mission
Statements**Agency Goals
(3-6 for each Agency)**Objectives: Specific, Measurable,
Realistic, and Timely**Performance Measures
(History and Targets)**Financial History and
Budget Information*

LONG-TERM PRIORITIES;
SUBMITTED ANNUALLY WITH BUDGET;
RARELY UPDATED

4-YEAR PLANS;
UPDATED EVERY 2
YEARS

ANNUAL
PLANS

Structural Changes to AS 37.07

- Title Change of AS 37.07.016: Governor's use of **strategic plans, mission statements, and performance plans**
- Title Change of AS 37.07.050: Agency **strategic** plans; mission statements
 - Refocuses this section on strategic plans and changes title due to moving performance and financial information
- New Section AS 37.07.055: Specific requirements for Boards/Commissions
- New Section AS 37.07.085: Performance and Financial Plan section

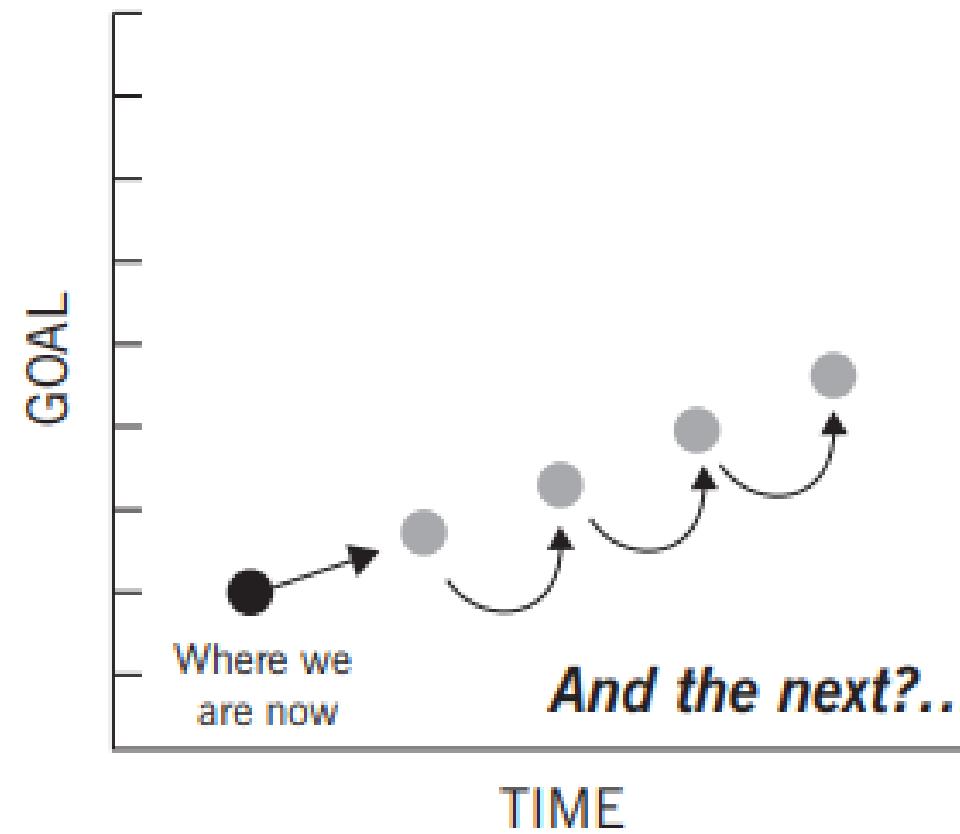
Benefits

- Align the strategy of all agencies with a governor's statewide priorities
- Link short term tactics/funding to mid-range, department-level strategy
- Push responsibility for defining measures and targets to the executive branch. The people closest to the customers of services
- Reduce duplication of goal-setting and financial information at a program or component level
- Increase the level of detail regarding program structure and program definition

Examples

- Federal Government (GPRAMA)
 - <https://www.gao.gov/leading-practices-managing-results-government>
- AZ Strategic Plans: <https://azospb.gov/>
- North Carolina:
 - <https://www.osbm.nc.gov/operational-excellence/strategic-planning/strategic-planning-guide>
- New Mexico: Accountability in Government Act
 - https://www.nmlegis.gov/entity/lfc/Documents/Accountability_In_Goverment_Act/Legislating%20For%20Results.pdf
- Other Guides
 - https://www.osc.state.ny.us/files/local-government/publications/pdf/strategic_planning.pdf
 - <https://www.urban.org/sites/default/files/publication/62616/410067-State-Approaches-to-Governing-For-Results-and-Accountability.PDF>

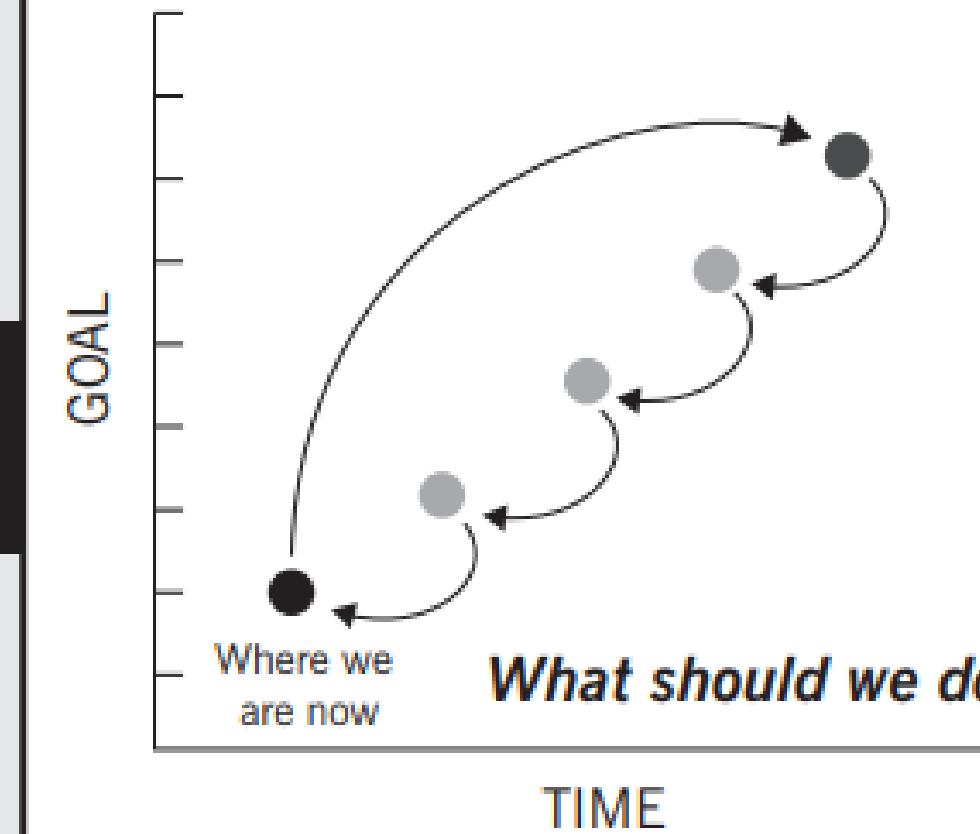
What can we do next year?



Incrementalism
Traditional
Budgeting

VERSUS

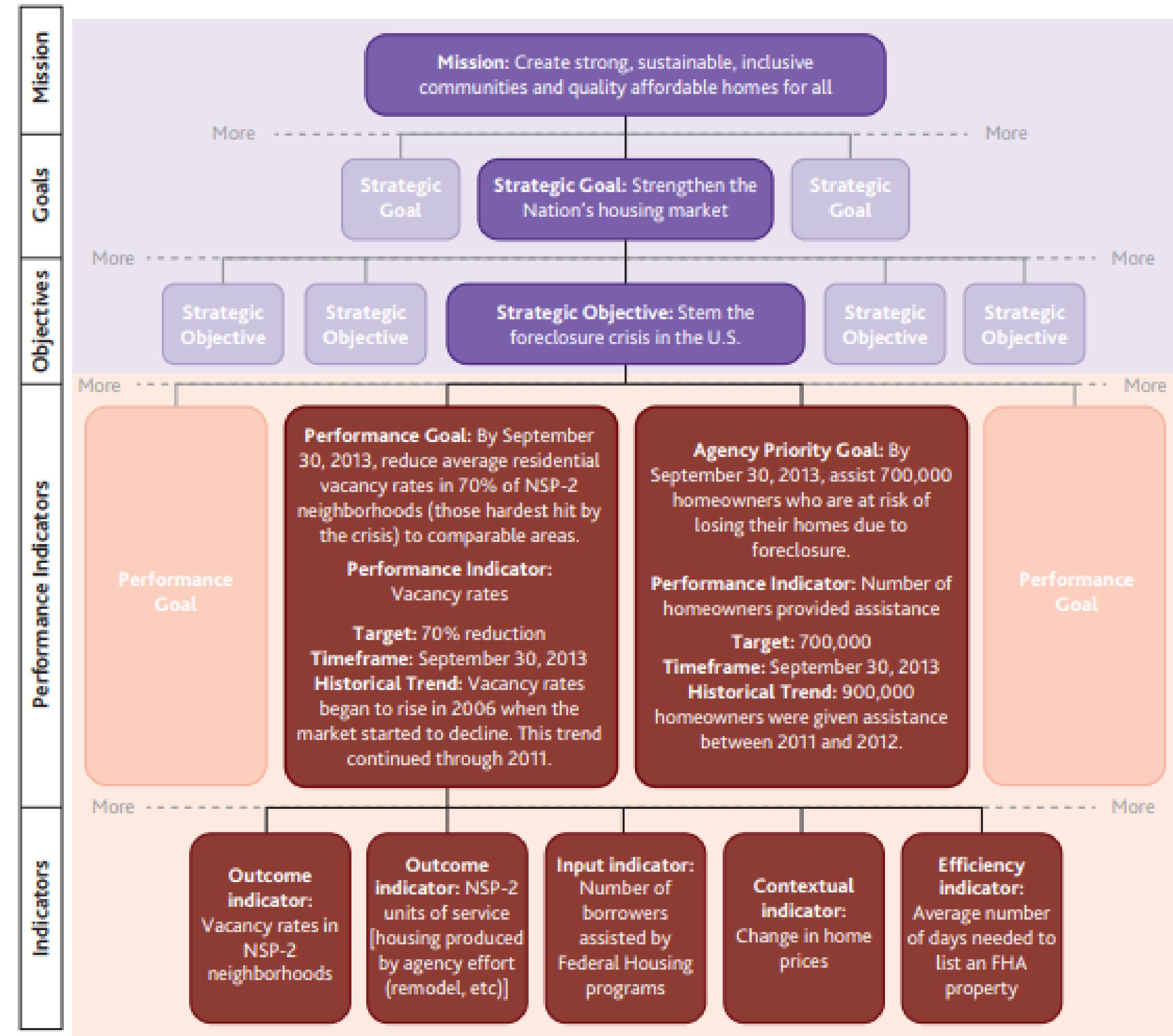
Where should we be in 5 years?



Planning Ahead
Programming with Future Years
Defense Program (FYDP)



Source: Adapted from *The Standard for Portfolio Management*, Figure 1-3, p. 8



Questions? Contact Me!

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