



INSTRUCTIONS: HOW TO REVIEW AND COMPLETE PERFORMANCE INFORMATION FOR EXECUTIVE BUDGET DOCUMENTS

Draft performance information for your agency is enclosed with the Office of Planning and Budget (OPB) memorandum transmitting preliminary funding recommendations for your agency. This information is contained in a PDF file and includes your program objectives, performance indicators, and explanatory notes as they currently stand. Performance indicator values are shown through continuation level. To complete development of the Executive Budget, performance indicator values associated with preliminary funding level recommendation must be identified now. In addition, comments and questions from OPB analysts about the performance data must be addressed.

Please review all performance information—particularly the performance indicator names, LaPAS codes, and values—for accuracy. Then provide performance indicator values for the "Performance At Executive Budget Level FY 2004-2005" column. These values are your proposed performance standards if the preliminary recommendation becomes final. This is the first budget development season in which the OPB's new budget database is being utilized for all budget units. Unfortunately, at this point, it is not possible to send "live" electronic files from the database. As a result, you must put your proposed performance standards on a hard copy of the enclosed PDF file. To avoid misunderstandings and data entry errors in the final executive budget documents, please ensure that all entries are made in a neat and legible manner.

All performance information (completed and revised printouts as well as responses to comments and questions from OPB analysts) must be returned to the Office of Planning and Budget. All completed information must be received by the OPB by 5:00 pm, Wednesday, January 21, 2004. This requirement applies whether your agency chooses to appeal your preliminary recommendation or not. There can be no extension of this deadline. Therefore, it is critical that your mode of delivery accommodates receipt by the OPB no later than 5:00 pm on Wednesday, January 21, 2004.

As you review and complete this information, please note that many agency operational plans did not conform to the FY 2004-2005 operational plan form and instructions provided by the OPB. In numerous cases, data provided in agency operational plans conflicted with the official performance data in the Louisiana Performance Accountability System (LaPAS). The OPB draft Executive Budget document enclosed with your preliminary funding recommendation includes corrections in the cases noted below. Further, OPB analysts may have additional questions or comments. If you have not already responded to OPB comments and questions regarding your performance data, you must include responses at this time.

- Your operational plans should have included standard performance tables, with columns for performance indicator LaPAS PI Code, level, name and performance indicator values at prior year actual, initial operating budget level, existing operating budget level, and

continuation budget level. These "budget levels" represent different funding scenarios for which you were required to provide related performance values. Guidelines, instructions, and examples for reporting performance indicators were provided in the FY 2004-2005 operational plan form and instructions, which were part of the FY 2004-2005 budget preparation instruction package posted on the OPB website (<http://www.state.la.us/opb/index.htm>).

- Prior year (FY 2002-2003) performance standards at yearend for indicators that were in use during FY 2002-2003 are shown in the Louisiana Performance Accountability System (LaPAS). If prior year performance standards in your operational plan differed from the official yearend standards in LaPAS, then OPB analysts have entered the official LaPAS standards in the performance file.
- Prior year actual performance indicator values for FY 2002-2003 are reported in FY 2002-2003 Yearend (Fourth Quarter) Performance Progress Reports in LaPAS as well as in FY 2004-2005 operational plans. (They will also be reported in FY 2003-2004 Midyear [Second Quarter] Performance Progress Reports in LaPAS, which are due February 8, 2004.) In each of these reporting venues, the FY 2002-2003 actual figure should be the same. If these actual values are not the same, you must explain why. However, in some operational plans, FY 2002-2003 actual values for existing performance indicators differed from the official LaPAS number, with no explanation of the difference. If no reasonable explanation for a difference was provided, OPB analysts have placed the official LaPAS number in the performance file.

For new performance indicators being used for the first time in FY 2004-2005, every reasonable effort should be made to report a FY 2002-2003 prior year actual value. Do not assume that use of a new performance indicator absolves your agency of the responsibility of reporting an actual number for the prior year. If your operational plan provided no reasonable explanation of why prior year actual information is unavailable, then OPB analysts have placed "Not Provided" in the performance file.

- Initial FY 2003-2004 performance values for existing performance indicators must reflect their performance standards under the 2003 General Appropriation Act or the 2003 Ancillary Appropriation Act. Your agency was provided performance spreadsheets containing initial operating values for all key and supporting indicators as part of your FY 2003-2004 appropriation letter package. If your operational plan did not show appropriate FY 2003-2004 initial operating budget level performance standards, our analysts have revised your performance indicator values to reflect those standards on your draft performance spreadsheets. If your operational plan includes new performance indicators that were not used in FY 2003-2004 and therefore lack an initial operating budget standard, then "Not Applicable" has been placed in the initial performance standard column.
- Existing operating budget (EOB) performance values must reflect your FY 2003-2004 performance standards for all existing performance indicators. (Existing performance standards are initial performance standards adjusted for August 15th performance

standard adjustments and BA-7s approved through December 02, 2003.) If your operational plan did not show appropriate FY 2003-2004 performance standards or if there were approved performance standard revisions subsequent to submission of your operational plan, OPB analysts have revised your performance indicator values to match standards as of the EOB freeze date.

Since new performance indicators have no FY 2003-2004 performance standards, guidelines require that all reasonable efforts be made to provide an estimate of yearend performance for the current fiscal year. If you provided this information in your operational plan, OPB analysts have placed your estimates into the draft performance tables and added to indicate that these figures are estimates of yearend performance, not performance standards. If you failed to provide this information and did not provide a reasonable explanation of why such an estimate is not available or not applicable, then OPB analysts have placed “Not Provided” in this cell.

- If your calculation of continuation budget level differs significantly from the OPB's calculation of continuation budget level, you should review your performance indicator values in the “Performance At Continuation Budget Level FY 2004-2005” column to see if those values should be adjusted. As noted in the FY 2004-2005 operational plan form and instructions, continuation level performance values should reflect a continuation budget. If, however, your agency included requested enhancements in its calculation of continuation level, then your continuation values should be revised. If the OPB's continuation level excluded workload adjustments or other factors that you included in your continuation level calculation, then you should review your continuation performance values and revise them if necessary.
- "Recommended budget level" performance indicator values must be provided for all standard performance tables. A blank column is provided for this purpose. Your performance values must reflect expected performance levels at the preliminary budget recommendation. Do not list the dollar amount of your preliminary funding recommendation. Provide the performance or service levels associated with that preliminary funding recommendation.

"Recommended budget level" means the enclosed preliminary funding recommendation(s) for your department/agency. It does not mean your existing operating budget level. It does not mean the dollar amount that your department/agency requested. It does not include any possible revenues that have not been recognized in the preliminary budget recommendation. It is based on the means of financing and expenditure category levels detailed in the preliminary budget recommendation. It does not include any appeals you plan to make to the commissioner of administration using the Budget Adjustment Decision Form.

Please give careful consideration to the formulation of performance values associated with the preliminary funding recommendation. These figures are proposed performance standards. Unless these figures are amended as we continue

through the budget development and appropriation processes, they become your FY 2004-2005 performance standards.

If you fail to provide performance values at the preliminary funding recommendation level by the response deadline mentioned earlier, your agency's failure to provide proposed performance standards will be noted in executive budget documents and appropriation bill. Further, you will have no performance justification for funding in FY 2004-2005. This lack of performance justification will be taken into account as final Executive Budget decisions are made.

REMEMBER: This is the first budget development season in which the OPB's new budget database is being utilized for all budget units. Unfortunately, at this point, it is not possible to send "live" electronic files from the database. As a result, you must put your proposed performance standards on a hard copy of the enclosed PDF file. To avoid misunderstandings and data entry errors in the final executive budget documents, please ensure that all entries are made in a neat and legible manner. Responses to questions and comments from OPB analysts may be made via e-mail, fax, or other hard copy delivery.

- The Division of Administration has statutory authority to determine which performance information shall be included in the Executive Budget and its supporting document. The division also has the authority and responsibility to designate "key" or "supporting" status for objectives and performance indicators. Although the OPB values your input, the OPB may not concur with your recommendations.
- Many of you disregarded Division of Administration guidelines and our reminder related to consistency in performance measures. That is, you made significant changes to your performance measures—deleting established indicators and adding new indicators for which you have provided no baseline data or estimate of current year performance—without providing evidence of a compelling reason to do so and without discussing these changes beforehand with the OPB and legislative fiscal analysts who work with your agencies. There are opportunities for modifying performance measures. However, such changes may not be made in isolation or in a willy-nilly fashion. If in response to queries by OPB analysts, you failed to provide a thorough explanation of the compelling reason justifying the change, OPB analysts have restored the existing performance indicator structure and you must now provide missing data.
- Any other blank cells or gaps in the performance information should be filled. Trend or other data tables should be reviewed and any gaps filled. Explanatory notes should be reviewed and additional explanatory notes added as needed or requested by the OPB.
- After you have completed your review and completion of each spreadsheet table, review the text of its related objective to determine whether or not it still reflects an appropriate level of accomplishment. Objectives are followed by a "Strategic Link" identifying how those objectives are related to the agency's strategic plan. As required by Act 1036 of 1999, a *Louisiana: Vision 2020* link is required. In addition, links related to the

Children’s Budget and other statewide initiatives must be included, as appropriate. (Although the FY 2004-2005 operational plan form and instructions explained these requirements, not all operational plans included such links.) “Not Applicable” may be an appropriate response for all but the strategic link; you **must** provide a strategic link, with the number and text of related strategic plan components. If you fail to provide responses to these links, then the final Executive Budget documents will indicate that the information was not provided.

- Respond to any notes or questions from OPB analysts. You may respond by e-mail, fax, or other hard copy response medium.
- Provide missing information for cells labeled “Not Provided.” Augment your explanatory notes as appropriate to explain performance issues.
- If your review and completion of draft performance spreadsheets is being conducted by your department’s Office of Management and Finance (or its equivalent) or coordinated at some other central agency level, communication and collaboration with agency program managers is essential.

REMEMBER: Agency review and completion of Executive Budget draft performance information is not a new procedure. For some years, the OPB has provided performance drafts for agency review and completion of "recommended" performance indicator values. However, this step in budget development is critical under performance-based budgeting. As mentioned earlier, the "recommended" column value for performance indicators (both key and supporting) is a proposed performance standard. Performance standards identify the expected return on investment of state resources. Performance standards are commitments for service and are the performance levels against which your actual performance will be compared at yearend.

REMEMBER: All performance information (completed and revised printouts as well as responses to comments and questions from OPB analysts) must be returned to the Office of Planning and Budget. All completed information must be received by the OPB by 5:00 pm, Wednesday, January 21, 2004. This requirement applies whether your agency chooses to appeal your preliminary recommendation or not. There can be no extension of this deadline. Therefore, **it is critical that your mode of delivery accommodates receipt by the OPB no later than 5:00 pm on Wednesday, January 21, 2004.**

REMEMBER: Direct questions about this part of the Executive Budget development process to the OPB analyst assigned to work with your agency. You may reach OPB analysts at 225-342-7005.