

MANAGEWARE



## AUGUST 15th PERFORMANCE ADJUSTMENT REQUESTS Guidelines

### Summary

In order to ensure adoption of the most accurate expectations of agency performance within the state budget, performance data contained in the adopted budget may, under certain circumstances, be adjusted at the beginning of the fiscal year. As indicated in Title 39:87.2.C, adjustments to objectives, performance indicators, and performance standards may be requested under the following circumstances:

- An agency may request adjustment of key and supporting objectives, performance indicators, and performance standards as required to adjust for changes made in the appropriation bill containing the appropriation for the agency after introduction of the bill. The performance standards proposed in the general or ancillary appropriation bill, as introduced, are based on the governor's executive budget recommendations. During the legislative process, the performance impacts of amendments to the general or ancillary appropriation bill may not have been addressed. As a result, some performance standards (for key indicators contained in the appropriation act and/or supporting indicators contained in the Executive Budget Supporting Document) may not reflect changes between the executive budget recommendation and the appropriation enacted. Agencies should use the performance adjustment request process to adjust key and supporting objectives, performance indicators, and performance standards to bring them in line with changes—both increases and decreases—made in an appropriation after introduction of the appropriation bill.
- An agency may request adjustment of supporting objectives, performance indicators, and performance standards in the Executive Budget Supporting Document to correct technical errors (such as typographical errors).
- An agency may request adjustment of key or supporting objectives, performance indicators, and performance standards to incorporate the impact of legislation enacted during the most recent regular session or an extraordinary session occurring after the regular session, or to incorporate the impact of any change in federal rule, regulation, or law that became effective no earlier than one month prior to submission of the executive budget.
- An agency may have been directed by specific language in the preamble or body of an appropriation act to submit new or adjusted performance information by August 15<sup>th</sup>. The performance adjustment process should be used to introduce new performance objectives and/or indicators or modify existing performance objectives and/or indicators when language in an appropriation act directs that performance information be developed, expanded, or altered; when an appropriation amendment funds a new program or activity; or when an

appropriation amendment breaks out an activity for separate presentation in the appropriation act.

Further, R.S. 39:87.2.C(2)(b) authorizes the Division of Administration (DOA) to submit recommendations to the Joint Legislative Committee on the Budget (JLCB) requesting adjustments to the objectives, performance indicators, and performance standards of any executive branch agency. These DOA recommendations must be submitted by September 1<sup>st</sup>. If your agency has a performance issue that does not fall under the statutory criteria for performance adjustments (for example, your agency experienced a major unanticipated change in its operating environment or gained access to data that will impact performance significantly too late in the appropriation process to seek an amendment to the appropriation bill), you should contact the OPB analyst assigned to your agency to discuss the situation and determine whether your agency should submit a performance adjustment request for consideration by the OPB under this alternate provision. Please remember that such a request is subject to the same submission deadline, review and approval as requests submitted under the regular Title 39 criteria.

**NOTE:** Under R.S. 39:87.2.C(2)(b), the DOA can recommend performance adjustments that were not requested by an agency but are deemed necessary and appropriate by the DOA. Note, also, that under R.S. 39:87.2.C(2)(c), the JLCB may consider and approve any other adjustments to the objectives, performance indicators, and performance standards of any executive branch agency as it deems appropriate, taking into consideration the agency's enacted budget and current law.

Since enacted performance standards are the performance levels or values against which your actual performance will be compared at the end of the fiscal year, agencies are urged to take advantage of the opportunities provided under Title 39 to request appropriate performance adjustments. Nonetheless, the performance adjustment request process is not intended to supplant the opportunities already provided to agencies, throughout the executive budget development process and legislative appropriation process, to develop appropriate performance standards. Nor is the process intended to be an opportunity for an agency to completely overhaul or replace its enacted performance standards because the agency failed to follow guidelines during the development and enactment of performance standards. Further, the performance adjustment process may not be used to seek revisions to prior year performance standards.

If you are unsure whether or not a performance situation qualifies for a performance adjustment, contact the OPB budget analyst assigned to your agency to discuss the situation. If it is determined that your issue or situation cannot be approved as a performance adjustment, then you can manage your quarterly performance targets in the Louisiana Performance Accountability System (LaPAS) to reflect more probable performance levels. Performance variances related to these factors can be explained in the comment column of quarterly performance progress reports in LaPAS.

Use the Performance Adjustment Request package to request performance adjustments. The Performance Adjustment Request package (an MS Excel file) is available on the OPB website - <http://www.doa.la.gov/Pages/opb/Index.aspx> – under Performance Based Budgeting – Performance Accountability. Submit requests to the OPB and the JLCB no later than August 15<sup>th</sup> of the new fiscal year. (If August 15<sup>th</sup> falls on a Saturday or Sunday, the OPB will extend the due date to the Monday immediately following August 15<sup>th</sup>.)

Requested adjustments are subject to review and approval by both the OPB and the JLCB (or a subcommittee thereof). The JLCB (or subcommittee thereof) generally hears requests in September. The person(s) from your agency most knowledgeable about performance items on the committee agenda must be present at these hearings to answer detailed questions.

If requests are approved, adjustments to performance standards in the official performance database (LaPAS) will be made by the OPB. Please remember that agencies do not have access to performance standard fields in LaPAS. Performance standards can be modified only by an approved performance adjustment request or BA-7.

## **Performance Objectives, Indicators, and Standards at Initial Appropriation**

The OPB provides performance information as part of your appropriation letter package. The performance printout identifies objectives, performance indicators, and performance standards at initial appropriation. Information for each objective (whether key or supporting) in each of your programs is provided. Each standard indicator table identifies the objective, and both key (K) and supporting (S) performance indicator names, LaPAS codes, and values. The next-to-last column has the performance indicator values associated with the funding level recommended in the executive budget; these values are the performance standards proposed in the executive budget recommendation at the beginning of the appropriation process. **The final column in the table identifies performance indicator values at the initial appropriation level, as shown in the appropriation act that applies to your agency; these values are your initial performance standards for the appropriated fiscal year.**

The performance information also includes General Performance Information (GPI) indicators, which do not have performance standards and are reported as actual data only during fourth quarter LaPAS reporting.

**Review this information carefully.** If you have questions or concerns about the performance information at initial appropriation, please contact the OPB analyst assigned to your agency.

## **Reviewing Objectives, Performance Indicators, and Performance Standards as Appropriated**

Review performance tables, appropriation act(s), and other enacted legislation that may relate to your agency carefully to determine whether:

- (a) there are differences (amendments) between the appropriation and the executive budget recommendation for which performance impacts have not been addressed in the appropriation instrument. If so, determine how performance is affected and how performance standards should be adjusted. (For example, an amendment adding or restoring funding and/or positions, would likely have a performance impact, particularly if the performance standards for the affected program had been set at a lower level because of executive budget reductions or denial of a requested continuation level workload adjustment. Also, as a general rule, standards for

performance indicators measuring “cost per unit” are affected when funding levels change; and standards related to caseloads and staffing ratios are affected when authorized position levels change.)

- (b) the performance impacts of an amendment are taken into account in all performance standards affected by the amendment. For example, the performance impact on key indicators (those included in the appropriation act) may have been addressed in an amendment but the impact on supporting indicators may not have been included. In some cases, neither key nor supporting indicators may have been adjusted during the appropriation process to reflect the performance impact of an amendment.
- c) there is language in the appropriation act directing you to provide new or adjusted performance information by August 15<sup>th</sup>.
- d) a technical error (such a typographical error) exists in a supporting objective, performance indicator, or standard.
- e) key or supporting objectives, performance indicators, and performance standards need adjustment to incorporate the impact of legislation enacted during the most recent regular session or to incorporate the impact of any change in federal rule, regulation, or law that became effective no earlier than one month prior to submission of the executive budget.

**REMEMBER:** To aid you in identifying situations in which a performance adjustment should be requested, the OPB includes a legislative tracking report in your appropriation letter package. This report includes amendments that may affect your performance. However, responsibility for reviewing performance information as enacted, determining whether or not a performance adjustment should be requested, and submitting complete and accurate adjustment requests lies with you.

Agencies and their programs are held accountable for achievement of performance standards and may be subject to rewards or penalties based on their performance and compliance with the requirements of performance-based budgeting. Clearly, it is to your advantage to scrutinize initial performance standards and, under qualifying circumstances, request appropriate adjustments. So, if your agency does not seek performance adjustments in situations that qualify for such adjustments, be prepared to explain your decision.

Do not overlook needed modifications in objectives. If your review determines that performance standards as initially appropriated qualify for adjustment, be sure to review the associated objectives. Chances are that the objective text should also be modified to parallel the needed performance standard adjustments. Include those needed objective modifications in your Performance Adjustment Request.

## **Appropriation Act and Other Acts**

To view the portion of the general or ancillary appropriation act that applies to your agency, go to the legislature's website (<http://www.legis.la.gov/legis/home.aspx>) and use the bill/act search function. Links to the appropriation acts are included in appropriation letter package transmittals and are also available on the OPB website.

To the extent possible, the impact of amendments on performance information is tracked and performance standards are adjusted by amendment during the appropriation process. However, it is not always possible to identify the performance impacts of an amendment during the time-constrained legislative session. You should review the appropriation act(s) to determine the performance impact of those amendments for which no performance information was addressed during the legislative session and request any needed adjustments to performance standards.

Often, to bring performance into line with an appropriation act, it is necessary to request adjustments that revise objectives, performance indicators, and performance standards that already appear in budget and appropriation documents. However, if an appropriation amendment provides funding for a new or expanded service or breaks out an activity for separate presentation, it may be necessary to request establishment of new objectives and/or new performance indicators and standards. New objectives may be key or supporting level; new performance indicators may include key, supporting, and/or GPI level indicators.

You also should review other enacted legislation for potential impact on your agency's performance. It may be necessary to bring performance standards into line with such legislation.

## **Performance Adjustment Request Package**

Requested adjustments must be submitted by program. The Performance Adjustment Request package, which is an Excel workbook, provides a cover sheet that allows you to cluster request forms by program. The request package workbook includes ten blank "request forms" or worksheet tabs. If you need more than ten request forms for a program, simply copy and insert additional request form worksheet tabs. The request package also includes backup indicator forms that must accompany new performance indicators to be added, and instructions.

The Performance Adjustment Request package (an MS Excel file) is available on the OPB website - <http://www.doa.la.gov/Pages/opb/Index.aspx> – under Performance Based Budgeting – Performance Accountability.

Complete one Performance Adjustment Request package workbook for each program under which adjustments are requested. Provide identifier information for department, agency, and program on the cover sheet. Each program cover sheet must be signed by the head of your budget unit and include the name, title, and telephone number of a contact person who can answer any questions about the request.

If your budget unit has several programs that require performance adjustments, you must submit a separate package (Excel workbook) for each program and number the packages, using the blank (“Agency Request No.”) provided on the cover sheet. For example, if your budget unit has three programs, each of which contains performance indicators for which the standards should be adjusted, then you would submit three Performance Adjustment Request packages (Excel workbooks), numbered “1,” “2,” and “3.”

Use one request form (worksheet tab) in a program workbook for each of the program’s objective (and its associated performance indicators/standards) for which an adjustment (or set of adjustments) is requested.

GPI indicators do not have performance standards since they are reported on a prior year actual basis only. However, the performance adjustment process is the vehicle through which some agencies will submit entirely new or revised sets of performance measures, containing some GPI indicators as well as standard key and/or supporting indicators. Therefore, the Performance Adjustment Request package provides instructions on how to handle adjustments related to GPI indicators.

**NOTE:** Do not use PARs to request modifications in GPI tables in the executive budget supporting document. The supporting document is a “snapshot in time” publication that is not revised or reissued after appropriation. If you have spotted a technical drafting error in GPI tables (an incorrect number, for example), contact your OPB analyst to report the problem so the analyst can make appropriate corrections in the budget database to prevent the reproduction of incorrect data in future executive budget documents.

The Performance Adjustment Request Package contains instructions that should cover most situations. However, if you have questions or need technical assistance, please contact the OPB budget analyst assigned to work with your agency.

## Submitting Performance Adjustment Requests

Submit Performance Adjustment Request forms to the OPB and the JLCB by August 15<sup>th</sup> of the new fiscal year. (When August 15<sup>th</sup> falls on a Saturday or Sunday, the OPB extends the due date to the Monday immediately following August 15<sup>th</sup>. Check your appropriation letter for the official due date.)

- Complete, signed, original request forms must be in the possession of the entities identified below by 5:00 pm on the due date specified in the appropriation letter transmitted by the OPB.
- Deliver requests to the OPB, which is located on the seventh floor of the Claiborne Building. For state messenger service, send packages to the OPB at 1201 N. Third Street, Suite 7-150. Or mail requests via the U.S. Postal Service to the Office of Planning and Budget, Division of Administration, P.O. Box 94095, Baton Rouge, LA 70804-9095.

- For JLCB review, send one copy of your request to the House Fiscal Division (Attention: Patrick Goldsmith). This copy may be delivered to the 11<sup>th</sup> Floor, State Capitol, or mailed to P.O. Box 44097, Baton Rouge, LA 70804. Send a second copy to Senate Fiscal Services (Attention: Sherry Hymel). This copy may be delivered to Suite H, 1<sup>st</sup> Floor, State Capitol, or mailed to P.O. Box 94183, Baton Rouge, LA 70804. Finally, send a third copy to the Legislative Fiscal Office (Attention: John Carpenter). This copy may be delivered to the 18<sup>th</sup> Floor, State Capitol, or mailed to P.O. Box 44097, Baton Rouge, LA 70804.

As in the case of BA-7 requests, a performance adjustment request package must be an original hard copy with appropriate signature. A faxed request is not considered an official request. If a fax is sent, the original, signed version must be received by the OPB by August 15<sup>th</sup> (or other date specified by the OPB.) If you send requests by state messenger mail, U.S. Postal Service, or other delivery service, you must ensure that requests are delivered to the OPB and JLCB by August 15<sup>th</sup> (or other date specified by the OPB).

Requests for performance adjustments must be complete when submitted. Incomplete “place holder” submissions are not acceptable and will be returned without action. Requests must provide sufficient information for OPB budget analysts and legislative fiscal staff to evaluate the requests and make recommendations for disposition. This does not preclude requests for additional information or clarification by OPB or legislative staff; however, no request will be recommended for approval if information is missing or questions remain unanswered.

## **Review and Approval of Performance Adjustment Requests**

Requests for performance adjustments must be approved by both the OPB and the JLCB (or a subcommittee thereof). Generally, requests are heard and decided at a September meeting of the JLCB. The person(s) from your agency who is/are most knowledgeable about performance items to be heard by the committee must be present at this meeting to answer detailed questions. If requests are approved, adjustments to performance standards in the official performance database (the Louisiana Performance Accountability System or LaPAS) will be made by the OPB.

## **More Information**

Please direct any questions about the performance adjustment request process to the OPB budget analyst assigned to work with your agency. The OPB website includes a list of staff assignments. You may reach your analyst at (225) 342-7005.