



Results-Based Budgeting: Preparing for the 2009-11 Biennium

Presented to:

Cabinet

April 11, 2008



Results-Based Budgeting – Governor’s Direction

- An integral part of the Biennial Continuation Budget.
- A budget process that ensures agencies state:
 - what they are trying to accomplish,
 - explain how it will be accomplished,
 - identify the cost of services, and
 - document how well services are performed.
- The process also ensures that:
 - agencies are adequately preparing for the future,
 - decision makers provided with detailed information to assess the effectiveness of state programs, and
 - citizens are informed about state government work and subsequent results.



Why Results-Based Budgeting?

- To establish a budget process that:
 - Increases transparency
 - Ensures accountability
 - Promotes proactive management
 - Focuses on performance

RBB for FY2007-09

Documented the following:

- Why an agency exists (Mission Statement)
- What an agency wants to achieve (Goal Statements)
- Why agency programs exist (Fund Purpose Statement)
- What activities are performed (Service Statements)
- What resources are used (Service Analysis)
- How well work is performed (Performance Measures)
- **For Campuses – done at the “Budget Code” level**

Required Elements of RBB

- UNC-GA:
 - Agency Overview (New)
 - Goals (update), Strategies (new), Key Indicators (new)
 - Mission Statement (Update)
 - Fund Purpose Statements (Update)
- **Campuses:**
 - **Service Statements (Update)**
 - **Service Analysis (Update)**
 - **Performance Measures (Update)**
- **What does change:**
 - **Done at purpose code level**

RBB Timeline

Milestone	Due Date	Responsible Party
Draft submissions to OSBM of: 1) agency overview; 2) mission statement; 3) goals; 4) strategies; and 5) key agency indicators	February 29, 2008	Agency heads and senior managers UNC-GA
OSBM comments back to agencies / UNC-GA	March 21, 2008	OSBM
Draft submissions to OSBM of: 1) Fund purpose statements; 2) service statements; 3) service analysis; and 4) measures.	April 18, 2008	Program / division managers UNC Campuses
Service analysis (methodology)	April 18, 2008	Agency / program budget staff / UNC Campuses
OSBM comments back to agencies / UNC Campuses	May 23, 2008	OSBM
Final Submissions	June 27, 2008	Agency leadership and staff / UNC-GA and Campuses

Public Availability of RBB Information

- The following will be published in the Governor's Recommended Budget that is delivered to the General Assembly:
 - Mission statement
 - Goals
 - Key agency indicators
 - Fund purpose statements
 - Service statements
 - Service analysis
 - Measures



Agency Overview – UNC-GA

- High-level summary of current performance
- Opportunity to provide broader context
- Addresses the following:
 - Current performance
 - Major initiatives and progress
 - Customer and workload trends
 - Future direction, expectations, and priorities
 - Challenges



Mission Statement – UNC-GA

- Describe UNC-system's fundamental reason for being
- Address the following:
 - Why does our agency exist?
 - What does our agency do?
 - For whom is our work done?
 - What is the impact of our work?



Goal Statement – UNC-GA

- Broad statement of what UNC-system wants to achieve
- Supports the mission statement
- Answers the following questions:
 - What are you doing or going to do?
 - Who will be affected?
 - What method or approach will you use?
 - What results or outcome do you expect?

Strategies – UNC-GA

- Describe the actions UNC-system will take to achieve its mission and goals
- Consider longer-term needs (3 to 5 years)
- ***Serve as the foundation for budget requests such as expansion items***
- Strategies may be related to one or more goals
- Each goal should be addressed by one or more strategy

Key Agency Indicators – UNC-GA

- Focus on the most pivotal tasks of UNC-system
- Areas of work which will be most critical to the success of the organization over the next few years
- Develop indicators that do the following:
 - Reflect the mission statement
 - Focus on results rather than inputs, outputs or processes
 - ***Impact and link to budget decisions***
- ***Retention, Graduation Rates, Nursing, Education exams***

Service Statement - Campus

- **Change from FY 2007-09:**
 - **All Service Statements must be delineated by Fund/Purpose Code**
 - **Except for 230, 252, & 990**
- Narrow scope and action oriented
- Outlines activities performed in pursuit of the fund purpose

Service Analysis - Campus

- Studies the relationships between budgeted funds and services
- Identifies the dollar (FY 07-08 expenditures) and FTE (Budgeted) totals dedicated to each service in a fund
- Universities will provide **allocation methodology** to OSBM
 - How do we calculate the \$ / FTE per service statement?



Performance Measures - Campus

- Gauges the effect that services are having in accomplishing desired results
- **Assists in the decision making process**
- Submit at least one (1) but no more than three (3) measures per fund with service statements
- Outcomes (versus output) measures should be used to the extent possible
- My Concerns: consistency, comparability



The Impact of RBB – From the Governor's Eyes

- Sets focus on performance and outcomes
- Provides data for more informed decisions
- Improves budgetary and operational analyses
- Assists agencies in planning and driving their future
- Promotes accountability and transparency across state government

Handouts

- Service statements
 - Start w/ FY 2007-09 and modified
- Performance measures
 - Inputs from Ken, Lisa, campus
- Data collection
 - COGNOS reports
- Budget Office Website:
<http://www.uncw.edu/budget/ResultsBasedBudgeting.htm>



Questions?
