2017-2019 Direction and Timelines
For
Proposed Changes to KPMs for Approval during the 2017 Legislative Session

The system is open for making proposed changes to your KPM's for the next phase of the budgeting process which is due in April. Attached a guidance document KPM 2017-19 Guidelines (LegProcess.pdf) to assist. It details the instances an Addition or Deletion of a KPM would take place. This document also (at the end) provides you with the timelines beginning in March through the 2017 Legislative Session for the KPM process.

Proposing New, Deletion, or Replacement of KPMs or a Modification of Target

- **Propose a New KPM:** Used when proposing a brand new KPM which is NOT replacing an existing one.

- **Propose a Deletion of a KPM:** Used when proposing to completely delete a KPM.

- **Propose a Replacement of a KPM:** this proposes the deletion of the KPM you are replacing and provides you with the ability to enter the info for the new one.

- **Proposing Target change:** you may enter the 2018 and 2019 proposed changes under the KPM itself, however it will be subject to change in working with your LFO and LRO Budget Analyst.

*IMPORTANT: When proposing changes please work directly with your LFO and DAS Budget Analysts prior to entering them in the Online System. Once there is agreement for the change(s) you may add them.

Your agency only needs to complete this process if additions or deletions are proposed.

Requests for KPM deletions/ additions are due April 30th.

BAM and LFO Analysts will review your agency's request against a set of criteria and provide feedback to the agency. Agencies may choose to make further modifications based on BAM/LFO feedback.

The agencies final list of proposed KPMs for the 2017-19 biennium is due with the Agency Request Budget.

KPM 2017-19 Guidelines

Rationale:
Historically the Legislature has been provided with details about all proposed changes to Agencies KPM (including wording changes, data adjustments, and methodological changes). This tends to focus the legislative discussion on the *mechanics* of a measure rather than on discussing and reviewing performance data, analysis and conclusions. To address this, parameters have been defined to categorize certain KPM modifications, such as wording changes, as being *mechanical adjustments*.

I.   *These adjustments can now be made <u>without legislative approval.</u>*
     Mechanical KPM Adjustments - There are generally three circumstances when it is appropriate to request a mechanical adjustment to an existing, legislatively approved KPM:

- ***Language modifications*** – defined as language adjustments that improve communication or understanding for what a particular measure actually measures. No change is made to the data history or data source.

- ***Data source modifications*** – defined as adjustments to data sources made as a result of factors outside the agency's control that do not significantly change the intent of a measure. For example, a measure includes three data components; one data component is no longer being published by a third party; the measure is easily recalibrated to be an index of just the remaining two components; and, the intent of what is being measured remains intact.

- ***Methodology modifications*** – defined as changes to a preliminary methodology for a **New** KPM (one not yet reported on) where the change ensures more reliable data without changing the original intent of the measure. If your agency needs to make a mechanical adjustment, please make a formal request via e-mail and send the request to your LFO and BAM Analysts.

  i. An example of changing an existing measures methodology without it being a new measure would be changing the reporting periods to reflect changes in how the data is actually collected. Or maybe reporting at a more granular level like 0.1% than previously reported. These are not really a material change to approved KPMs

II.   *All mechanical adjustments <u>must be approved</u> by both your LFO and BAM Analysts;*
     Approved adjustments should be reflected in future Annual Performance Progress Reports with the adjustment documented in the "data source" section of the report.

1. **Additions or Deletions of a KPM:**

As has been the process historically, the goal is to have the Legislature **only** review and approve additions and deletions to an Agency's KPMs. Additions and/or deletions should be made in the following circumstances:

• *Legislative request* – the Legislature has asked an agency to propose a new measure in a specific area or delete a particular KPM.

• *Agency proposed additions* – agency identified new or improved KPM.

• *Agency proposed deletions* – agency requests deletion because an existing KPM is no longer appropriate due to shifts in priorities, data sourcing or methodological issues, or proposed improvements. An agency should request deletion of measures they wish to significantly modify, and request the addition of a proposed new measure.

KPM Timeline

March 2016 - 2017-19 Budget Instructions are released by DAS

April 30th - Agencies input change request information and advise BAM/LFO Analysts

June 30th – BAM and LFO Analyst provide feedback to agency

September 30th – Agency APPRs are due – send final copy to LFO/BAM Analyst (email analysts if you need an extension)

October – Include APPR for FYE June 30th in Governor's Recommended Budget (Note: if you are a yearly reporter, no worry KPMs are an iterative process, enter what you have and note where you do not)

February – June – Agency's presentation of KPM results and Legislative review of proposed changes and LFO Analysis.

June – Legislatively Approved KPMs released by LFO and included in the final agency budget report.