2021-2023 Direction and Timelines
For Proposed Changes to KPMs in the 2021 Legislative Session

The system is open for making proposed changes to your KPM’s for the next phase of the budgeting process due in April. Guidance detailing the instances an Addition or Deletion of a KPM would take place and the KPM timelines are included below.

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 2022 and 2023 proposed changes under the KPM itself, however it is subject to change in working with your LFO and CFO Budget Analyst.

*IMPORTANT:* When proposing changes please work directly with your LFO and CFO 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.

LFO and CFO 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 LFO/CFO feedback.

The agencies final list of proposed KPMs for the 2021-23 biennium is due with the Agency Request Budget (APPR) and should also be included with the Governor’s Budget.
KPM 2021-23 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 may be made without legislative approval.

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 measure actually measures. No change is made to the data history or data source.

- **Data source modifications** – defined as adjustments to data sources made because 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 CFO Analysts.

  i. An example of changing an existing measure methodology without it being a new measure would be changing the reporting periods to reflect changes in how the data is 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 Must be approved by both your LFO and CFO Analysts;

Approved adjustments should be reflected in future Annual Performance Progress Reports with the adjustment documented in the report.
III. **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 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 2020** - 2021-23 Budget Instructions are released by DAS

**April 30th 2020**- Agencies input change request information; advise LFO/CFO Analysts

**June 30th, 2020** – CFO and LFO Analyst provide feedback to agency; agencies submit APPR with Agency Request Budget.

**October 1st, 2020** – Agency APPR’s are due – send final copy to LFO/CFO Analyst & June Starkey (email analysts if you need an extension)

**October 2020**– Include APPR for 2018 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 2021 Legislative Session**– Budget Approval - Agency’s presentation of KPM results and Legislative review of proposed changes and LFO Analysis.

**June 2021** – Legislatively Approved KPMs released by LFO and included in the final agency budget report.