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LETTER TO AGENCY ADMINISTRATORS

TO: State Agency Administrators

FROM: Albert Hawkins, Director
Governor's Office of Budget and Planning

John Keel, Director
Legislative Budget Board

DATE: February 15, 2000

SUBJECT: Agency Strategic Plan and Information Resources Strategic Plan Instructions

The Instructions for Preparing and Submitting Agency Strategic Plans for Fiscal Years 2001–05, issued jointly by the Governor's Office of Budget and Planning and the Legislative Budget Board, are now available for download at www.lbb.state.tx.us and www.governor.state.tx.us. Agencies that experience difficulties in accessing and/or printing the instructions should contact our offices.

These instructions contain a number of new statutory and other requirements, including the following:

- Each agency is now required to prepare and submit an Information Resources Strategic Plan in conjunction with its Strategic Plan. Included as an appendix to the instructions are instructions for preparing Information Resources Strategic Plans (see Appendix N).
- Each agency must include customer service–related information in the Strategic Plan. Instructions on implementing the provisions of Senate Bill 1563 (relating to establishing customer service standards and performance measures for state agencies) are found on pages 18–22. Appendix J contains answers to frequently asked questions regarding implementation of Senate Bill 1563.
- Each agency must complete ABEST entry of its performance measure definitions no later than **June 30, 2000**, and must include measure definitions in the Strategic Plan (see Appendix H).
- Each agency is now required to identify in its External/Internal Assessment each geographic region of the state served by the agency and, if appropriate, the means and strategies for serving each region (see Appendix D).

LETTER TO AGENCY ADMINISTRATORS (Cont'd.)

- Each agency is now required to identify in its External/Internal Assessment each geographic region of the state served by the agency and, if appropriate, the means and strategies for serving each region (see Appendix D).
- Each agency must include a plan for receiving electronic payment of monies received through the Internet (see Appendix N).

Agencies requesting revisions to their strategic planning and budget structures (including measures and measure definitions) must provide written notification to the Governor's Office of Budget and Planning and the Legislative Budget Board no later than **March 17, 2000**.

The due date for submission of agency Strategic Plans (including Information Resources Strategic Plans and Reports on Customer Service) for fiscal years 2001–05 is June 1, 2000.

All agencies are encouraged to post their Strategic Plans and Information Resources Strategic Plans on their web sites.

The full text of *Vision Texas*, which contains goals for Texas state government as well as other statewide elements (e.g., state-level benchmarks), is included in Appendix A. A copy of *Vision Texas* will also be provided to state agencies and institutions under separate cover. As in the case with agencies' and institutions' current Strategic Plans, we are asking that you use *Vision Texas* as an overarching framework for the development of your plans and that you link those plans with the strategic goals and benchmarks contained within *Vision Texas*.

As the state's strategic planning and performance budgeting system enters its fifth biennium, we must take care not to be complacent about our ability to anticipate the future. While many agencies have developed good Strategic Plans, each cycle offers an opportunity to rethink agency approaches and to seek innovative ways to serve the citizens of Texas efficiently and effectively. Successful agencies have used the planning process to identify opportunities and obstacles as well as strengths and weaknesses. Meaningful participation by agency governing bodies, senior and middle management, rank-and-file employees, agency stakeholders, and the public is a hallmark of successful processes and, ultimately, successful agencies.

LETTER TO AGENCY ADMINISTRATORS (Cont'd.)

As we have faced many fiscal and other challenges in recent years, our strategic planning and performance budgeting system has helped agencies, the Legislature, and the Governor make better decisions by bringing critical information to bear on these challenges in a proactive and coherent manner. While much work remains to improve the components and utilization of the system, a strong commitment on your agency's part will move us steadily closer to our shared goal of a better state government—one that has a strong customer-service orientation and a sharp focus on outcomes and results.

In each of the last three biennia, the Governor has brought together agency administrators and board chairs to highlight the importance of the task at hand while providing means and methods of improving the capacity to be high-performing organizations. At the last conference—held November 15, 1999—the Governor and conference speakers addressed technological and demographic factors shaping state government services. These include the aging of Texas' population and the state's increased racial and ethnic diversity. Agencies are encouraged to reflect on these trends and address them in their Strategic Plans. The Governor's Center for Management Development has expanded its curriculum to include training in the areas of strategic planning, benchmarking, and performance measurement, and agency participation in the Survey of Organizational Excellence has increased markedly. We encourage you to use these tools as well as the technical assistance offered by our respective offices to expand your capacity to perform. We stand ready to work with you during the coming months.

INTRODUCTION

Beginning in 1991, Texas embarked on a comprehensive strategic planning process for all state agencies within the executive branch of government. House Bill 2009,¹ Seventy-second Legislature, Regular Session, 1991, which inaugurated the process, established the requirements and time frame under which Texas completed its first planning cycle.

In 1993, the statute was amended to consolidate certain planning requirements and to change the required planning horizon from six years to five years (i.e., the second year of the current biennium and the next two biennia).² Formal plans must be completed and submitted every two years; however, agencies may engage in planning on a continual basis and may adjust plans internally as changing conditions dictate.

Conceptual Framework

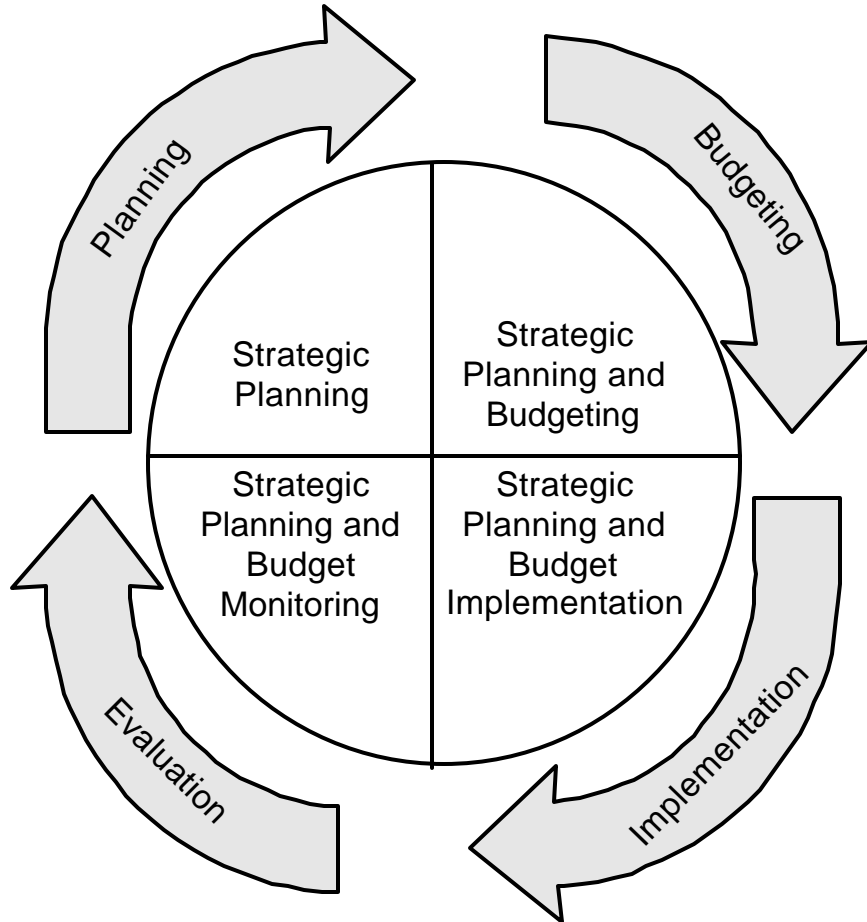
Strategic planning is a long-term, iterative, and future-oriented process of assessment, goal setting, and decision-making that maps an explicit path between the present and a vision of the future. It includes a multiyear view of objectives and strategies for the accomplishment of agency goals. Clearly defined outcomes and outputs provide feedback that leads to program performance that influences future planning, resource allocation, and operating decisions. The strategic planning process incorporates and sets direction for all agency operations.

A Strategic Plan is a formal document that communicates an agency's goals, directions, and outcomes to various audiences, including the Governor and the Legislature, client and constituency groups, the general public, and the agency's employees. The Strategic Plan serves as the basis for the agency's strategic planning and budget structure; through it the agency develops an appropriations request that reflects decisions about how fiscal resources will be allocated. Figure 1 depicts the strategic planning and budgeting, implementation, and evaluation cycle.

¹ V.T.C.A., Government Code, Chapter 2056.

² Senate Bill 1332, Seventy-third Legislature, Regular Session, 1993.

Figure 1
Strategic Planning and Budgeting System



A successful strategic planning process will provide many benefits to agencies and those affected by their operations. As an agency clarifies its purpose and direction, it will develop a stronger identity. It will enhance decision-making by strengthening internal communication, both vertically and horizontally, and by articulating the primary factors affecting the agency. The process of developing the Strategic Plan will also strengthen the agency's external communications and emphasize customer service. Strategic planning will guide budget preparation and establish a basis for measuring success.

Strategic planning relies on careful consideration of an organization's capabilities and environment and leads to priority-based allocation of fiscal, human, technological, capital, and other resources. The Strategic Plan defines what an agency is and intends to be, as well as the principles guiding it. It outlines agency goals and objectives and produces strategies that lead to priority-based resource allocation decisions the agency plans to follow to achieve these goals. Successful strategic planning is characterized not only by compliance with statutory requirements but also by a commitment on the part of agency leadership, the entire management team, and all agency employees to the planning process and to the Strategic Plan. Ultimately, strategic planning will succeed or fail according to how well the process results in quality services. Producing identifiable and meaningful results is essential to a successful process. A glossary of commonly used terms related to strategic planning is contained in Appendix M.

Purposes of Strategic Planning

The ultimate goal of strategic planning is to anticipate and accommodate the future by identifying issues, opportunities, and problems. Strategic planning for Texas state government serves a number of distinct, though interrelated, purposes:

- to establish *statewide direction* in key policy or functional areas to move away from crisis-driven decision-making;
- to provide a basis for *aligning resources* in a rational manner to address the critical issues facing the state now and in the future;
- to make state government *more responsive* to the needs of Texans by placing greater emphasis on benefits and results than on simply service efforts and workload;
- to bring *focused issues* to policymakers for review and debate;
- to provide a context to *link* the budget process and other legislative processes with priority issues, and to improve *accountability* for the use of state resources;
- to establish a means of *coordinating* the policy concerns of public officials with implementation efforts and to build interagency, intergovernmental, and public/private/nonprofit *partnerships*; and

- to provide a forum for communication between service providers and the constituents they serve.

Texas Strategic Planning Template: An Overview

The Texas strategic planning template comprises nine “tiers.” The Governor and the Legislative Budget Board develop the first two, which contain the statewide vision, mission, philosophy, goals, and benchmarks (i.e., “statewide elements”) and which serve as a foundation for the strategic planning process. Agencies develop the elements in the remaining tiers as they prepare their individual Strategic Plans. Figure 2 on page 9 illustrates the nine tiers of the strategic planning template. Each tier is inextricably linked to the others.

The tiers are briefly described below:

Statewide Vision, Mission, and Philosophy

- Vision—*an inspiring view of the preferred future*
- Mission—*a concise statement of the basic purpose and role of Texas state government*
- Philosophy—*a statement of the core values and principles underlying Texas state government service*

Statewide Goals and Benchmarks

- Statewide Goals—*general ends toward which the state directs its efforts*
- Statewide Benchmarks—*specific performance indicators and targets used to assess progress at the statewide level in achieving statewide goals*

Agency Mission

- *the reason for an agency's existence (to be developed and submitted by agencies)*

Agency Philosophy

- *the expression of core values and principles for the conduct of the agency in carrying out its mission (to be developed and submitted by agencies)*

External/Internal Assessment

- *an evaluation of key factors that influence the success of an agency in achieving its mission and goals (to be developed and submitted by agencies)*

Agency Goals

- *general ends toward which agencies direct their efforts (to be developed and submitted by agencies in approximate priority order)*

Objectives and Outcome Measures

- *clear targets for specific action and the quantified results or impacts of that action (to be developed and submitted by agencies in approximate priority order)*

Strategies and Output, Efficiency, and Explanatory Measures

- *methods to achieve goals and objectives and the quantified end products, proficiencies, and descriptive indicators of the agencies' efforts (to be developed and submitted by agencies in approximate priority order)*

Action Plans

- *detailed methods that implement the strategies (to be developed and maintained by agencies, but not included as part of their strategic planning submissions)*

Figure 2
Strategic Planning Template

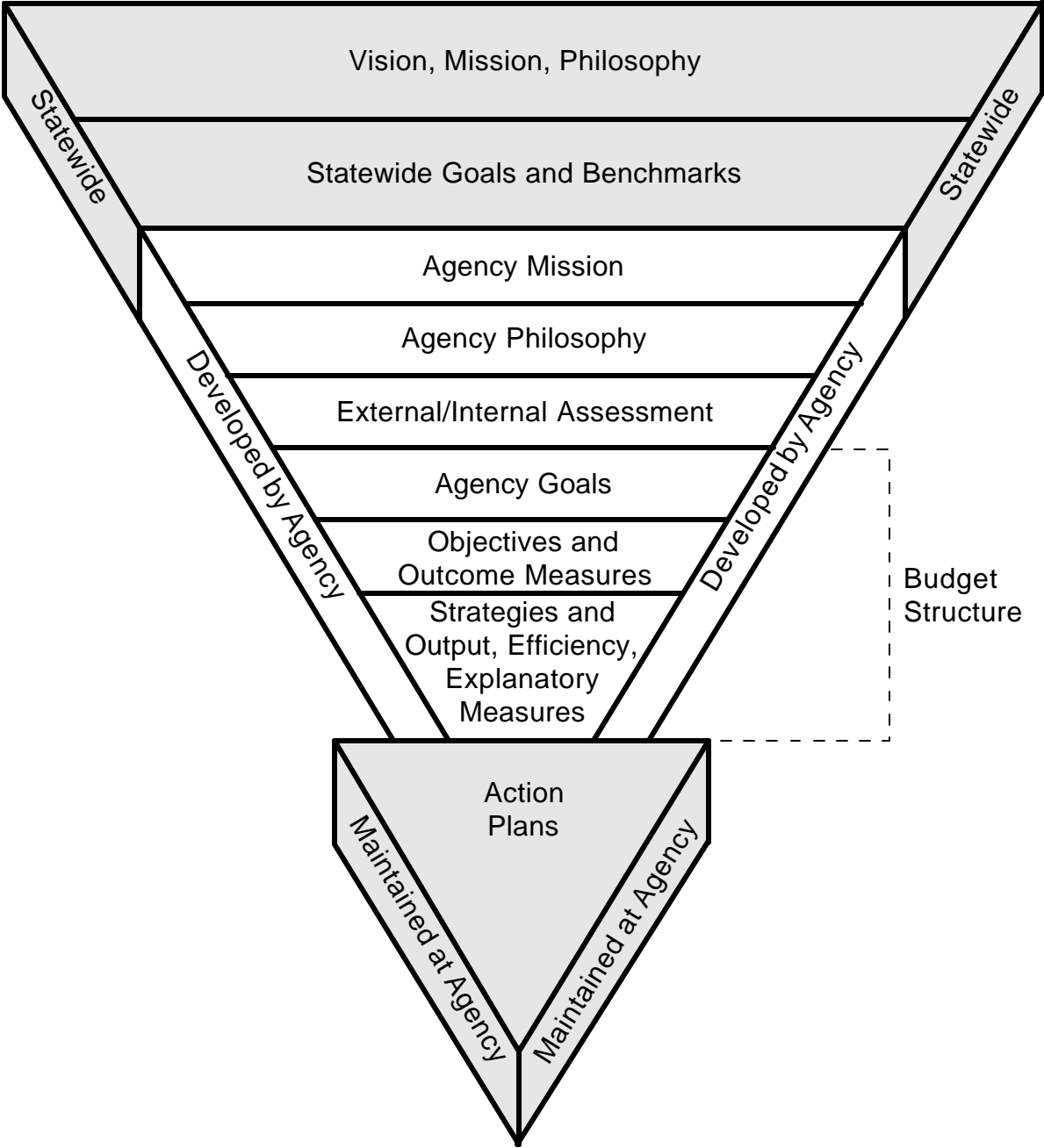
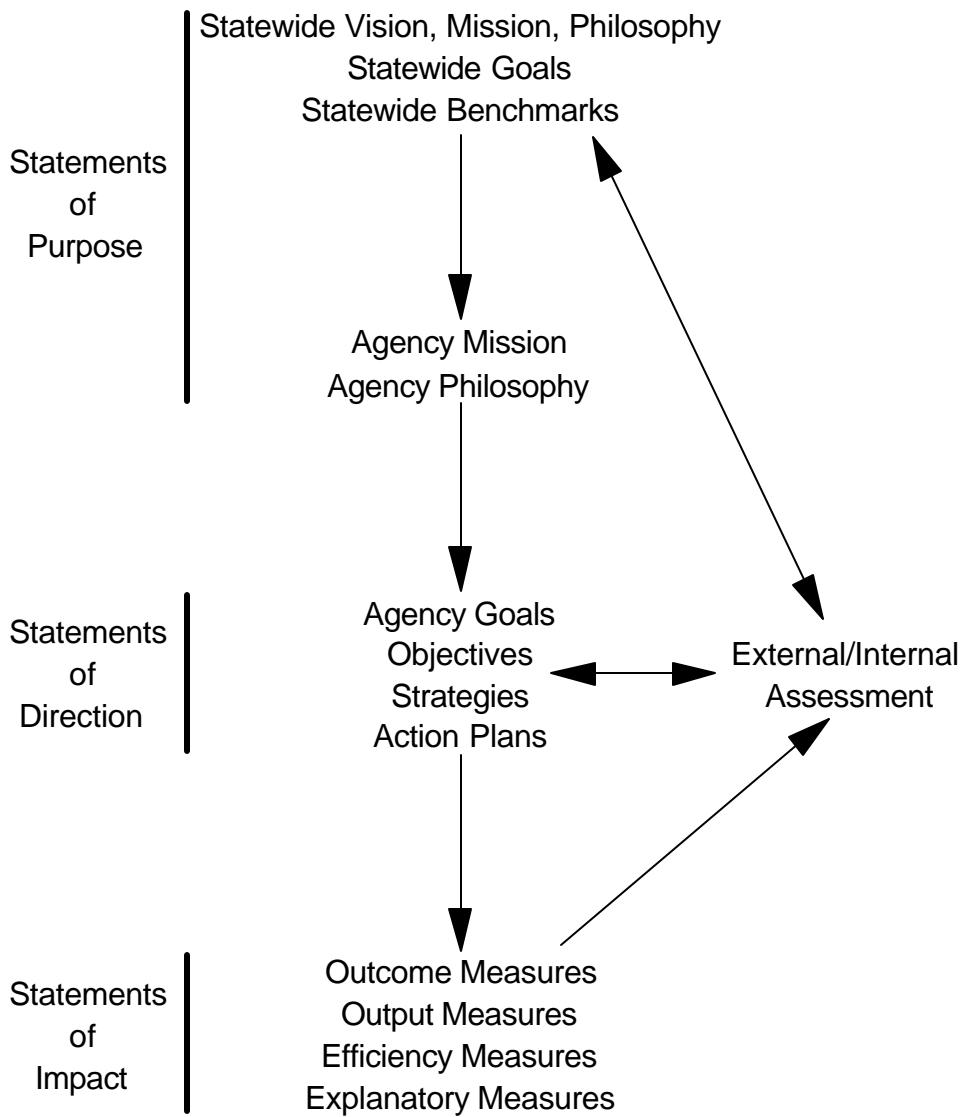


Figure 3 illustrates the relationship between the elements of the strategic planning process. Each of these elements is described in greater detail in other parts of these instructions.

Figure 3
Strategic Planning Elements



Strategic Planning and the Appropriations Process

Strategic planning is the first step in Texas' Strategic Planning and Budgeting System. This system recognizes the necessary relationship between strategic planning, allocation of resources, and performance evidenced by quality service. The process includes a multiyear view of the strategies for the accomplishment of agency objectives and goals. Figure 4 illustrates the linkages within the Strategic Planning and Budgeting System.

Figure 4
Linking Strategic Planning and Performance Budgeting

Strategic Plans	Performance Measures	General Appropriations Act
Mission		
Philosophy		
External/Internal Assessment		
Agency Goals		
Objectives 6	Outcome Measures 6 <i>Quantifiable results measuring how the public benefits by the agency's meeting the objective</i>	Performance Targets
Strategies 6	Output Measures 6 <i>Quantity of agency workload and work product as it pursues its strategies</i>	Items of Appropriation & Performance Targets
	Efficiency Measures 6 <i>Agency workload unit costs or time for completion</i>	Performance Targets
	Explanatory Measures <i>External factors relating to agency operations</i>	

Since the Strategic Plan serves as the basis for an agency's appropriations request, as a general rule, only approved goals, objectives, strategies, and measures may be included and carried forward to the agency's appropriations request. Two exceptions to this general rule are permitted:

Historically Underutilized Businesses. First, to respond to statutory requirements, each agency must include a goal relating to the use of historically underutilized businesses. Although required as a part of the Strategic Plan, this goal may or may not be carried forward to the appropriations request, depending on the operational decisions of each agency.

Nonbudgetary Elements. Second, the Strategic Plan may include “nonbudgetary,” or indirectly funded, elements that are not carried forward to the appropriations request as distinct and separate items of request. An example of a nonbudgetary item might be a goal, objective, or strategy reflecting various management initiatives. Nonbudgetary items do not require approval and may, but are not required to, include performance measures. Appendix F includes an example of a nonbudgetary goal.

The Strategic Plan will not include the Indirect Administration goal and related strategies that were developed for many agencies for inclusion in the 2000–01 General Appropriations Act.

Any changes to an agency's 2000–01 strategic planning and budget structure (i.e., goals, objectives, strategies; outcome, output, efficiency, and explanatory measures) and measure definitions other than the addition, modification, or deletion of nonbudgetary or indirectly funded elements must be requested in writing and approved by the Governor's Office of Budget and Planning and the Legislative Budget Board prior to the submission of the Strategic Plan. **The request must be submitted by March 17, 2000.**

SEQUENCE OF EVENTS

The major tasks and completion dates for the strategic planning and budgeting process are the following:

- February 2000
Instructions for Preparing and Submitting Agency Strategic Plans for Fiscal Years 2001–05 issued by the Governor's Office of Budget and Planning and the Legislative Budget Board.

The Governor, in cooperation with the Legislative Budget Board, issues *Vision Texas*—the statewide elements (i.e., vision, mission, philosophy, goals, benchmarks).
- March 17, 2000
Deadline for agency requests to the Governor's Office of Budget and Planning and the Legislative Budget Board to revise strategic planning and budget structures, including performance measures.

Due date for submission of agency “Compact with Texans” to the Governor's Office of Budget and Planning and the Legislative Budget Board.*
- April 2000
Instructions for preparing and submitting Agency Requests for Legislative Appropriations for the 2002–03 biennium are issued by the Governor's Office of Budget and Planning and the Legislative Budget Board.

*New requirement.

SEQUENCE OF EVENTS (Cont'd.)

- June 1, 2000 Due date for submission of agency Strategic Plans and Information Resources Strategic Plans for fiscal years 2001–05.*
- June 30, 2000 Due date for completion of ABEST entry of performance measure definitions.*
- August 2000 Agencies submit legislative appropriations requests for the 2002–03 biennium.

Joint Governor's Office of Budget and Planning and Legislative Budget Board budget hearings begin on agency legislative appropriations requests for the 2002–03 biennium.

*New requirement.

STATE AGENCY PARTICIPATION AND DEFINITION

Chapter 2056 of the Government Code (see Appendix B) requires strategic planning for all agencies in the executive branch of state government. For these purposes, a state agency is defined as a department, commission, board, office, or other entity of state government, including a university system or an institution of higher education, as defined by V.T.C.A., Education Code, Section 61.003, that

- (1) has authority that is not limited to a geographical portion of the state;
- (2) was created by the constitution or a state statute with an ongoing mission and responsibilities;
- (3) is not the Office of the Governor or Lieutenant Governor;
- (4) is not within the judicial or legislative branch of government;
- (5) is not a committee created under state law whose primary function is to advise an agency; and
- (6) is not a state-funded junior or community college.

REQUIRED INFORMATION

In addition to items discussed elsewhere in these instructions, each state agency's Strategic Plan must contain, or address (where applicable), the following:

Historically Underutilized Business Plan

Pursuant to Government Code, Section 2161.123, each agency must prepare, and include as part of its Strategic Plan, a written plan for its use of historically underutilized businesses (HUBs) in purchasing and public works contracts. The plan must include the following:

Strategic Plan Element	Definition
Goal	<ul style="list-style-type: none">• a policy or mission statement relating to the use of historically underutilized businesses by the agency
Objective	<ul style="list-style-type: none">• goals to be met by the commission or agency in carrying out the policy or mission
Strategy	<ul style="list-style-type: none">• specific programs to be conducted by the agency to meet the goals stated in the plan, including a specific program to encourage contractors to use historically underutilized businesses as partners and subcontractors
External/Internal Assessment	<ul style="list-style-type: none">• a statement relating to the agency's past use of historically underutilized businesses in purchasing and in public works contracting

An agency's HUB plan shall be incorporated into the Strategic Plan as a separate nonbudgeted or indirectly funded goal with associated elements as indicated.

REQUIRED INFORMATION (Cont'd.)

Description of Agency Planning Process

Agencies must also include an appendix that briefly describes the internal planning process used in the development of their Strategic Plans. Any additional information that agencies wish to provide in support of their Strategic Plans may be attached as separate appendices. All agency plans, however, must be presented in the format provided and must contain every element in these instructions.

Discussion of Current-Year Activities

In order to link Strategic Plans to the state's fiscal cycle, the primary focus of agency plans should be the five-year period between September 1, 2000, and August 31, 2005 (fiscal years 2001–05). The plans should briefly discuss any goals, objectives, or strategies to be accomplished in fiscal year 2000; however, the emphasis of the agency plans should remain on the five years beginning with fiscal year 2001.

Performance Benchmarking

Section 9-6.40, Article IX of the 2000–01 General Appropriations Act requires that selected agencies and institutions engage in an internal performance benchmarking process that will provide for the identification and development of agency-specific performance benchmarks and their linkage to state-level benchmarks. The rider provisions also require that a report of this process be included in agency and institution Strategic Plans. It is the intent of the Governor's Office and the Legislative Budget Board that all agencies engage in an internal benchmarking process.

Each agency and institution is required, for each goal, to either identify an existing performance measure or develop a new measure that could be considered a performance benchmark (i.e., a measure that can be compared over time and/or against other entities to some objective standard). Administrative goals are exempt from this requirement, as are goals for which a performance benchmark is unavailable or clearly inappropriate.

REQUIRED INFORMATION (Cont'd.)

While performance measures identified as benchmarks and discussions of agency benchmarking may occur in several sections of the Strategic Plan, the specific requirements of the rider provision must be included within a separate section of the External/Internal Assessment labeled “Performance Benchmarking.” That section should include the following:

- a description of the agency/institution benchmarking process;
- performance measures for each goal that have been identified or developed as agency-level performance benchmarks; and
- the state-level benchmarks to which these agency-level performance benchmarks link.

Agencies still need to identify all relevant statewide goals and benchmarks (contained in *Vision Texas: The Statewide Strategic Planning Elements for Texas State Government*) and list them in their plans. In addition, the External/Internal Assessment should continue to include a discussion of the nature and extent of the relationship between agency strategies and state-level benchmarks.

Please review the individual sections of these instructions, particularly the development guides and Appendix I, for additional information on benchmarks and the benchmarking process.

Customer Service Standards and Assessment of Satisfaction

Senate Bill 1563, enacted during the Seventy-sixth Legislature, Regular Session, requires state agencies to develop customer service standards and implement customer satisfaction assessment plans. A memorandum issued October 26, 1999, by the Governor's Office of Budget and Planning and the Legislative Budget Board outlined those requirements and provided guidance for agencies and institutions.

The memorandum notes that agency and institution Strategic Plans are the vehicle for submitting a Report on Customer Service required by Sec. 2113.002 (c) of the bill. It also states that the strategic planning and budget structure review process is the vehicle for submitting for approval the required “Compact with Texans” (see p. 21 for details).

In addition to the information provided below, answers to some frequently asked questions regarding implementation of Senate Bill 1563 may be found in Appendix J.

Report on Customer Service

REQUIRED INFORMATION (Cont'd.)

Agencies and institutions shall include a Report on Customer Service as Appendix E of their Strategic Plans. The report must include the required information in the following order:

1. An inventory of external customers served by each strategy listed in the 2000–01 General Appropriations Act and a brief description of the types of services provided to them.

Agencies that have already inventoried their customers as part of earlier efforts or requirements may report this information, providing it is no more than two years old. These existing inventories should be updated to reflect any recent changes in order to provide a complete inventory.

For the purposes of Senate Bill 1563, customer inventories should focus primarily on direct recipients of state services, not on agency or institution employees.

2. A brief description of the information-gathering methods utilized in obtaining input from agency/institution customers. This description should include a summary description of surveys, focus groups, or other methods utilized in sufficient detail to allow an evaluation of the quality of the information-gathering processes. The description should also include, but is not to be limited to, the following items: data collection time frames/cycles; data limitations; numbers of customers surveyed; confidence intervals/levels; error/response rates; customer groups excluded from the data-collection process and a justification for such exclusion; and any other information considered important for explaining the methods used.

When direct recipients of any agency's or institution's services are broad classes of Texans (e.g., all citizens) and/or when evaluating customer service quality may require expensive and extensive means, agencies may use alternative approaches to assess customer satisfaction. For example, agencies may use political subdivisions (e.g., school boards, county health departments, councils of government, and other surrogates/intermediaries) as sources of data for the purpose of measuring customer service quality.

Agencies may also make reasonable choices to limit the number of customer groups contacted to focus on priority populations of customers, to limit the frequency and degree of customer-information gathering, and to otherwise exercise discretion in

REQUIRED INFORMATION (Cont'd.)

implementing the statutory provisions to ensure meaningful but cost-effective data collection.

Agencies should weigh the cost of addressing a customer category using any particular method against the potential benefits of the information. Major customer classes involved in significant agency activities/services should be included. Smaller classes or those requiring expensive data collection methods should be given a lower priority.

Methods used, including statistical sampling and focus groups, should be statistically sound in design and practice to ensure accurate data. Agencies that are planning significant deviations from the methods or categories specified in Senate Bill 1563, or that are considering methods requiring a significant expenditure of funds, should consult with staff from the Governor's Office of Budget and Planning and the Legislative Budget Board.

3. A chart detailing the levels of customer-determined service quality and other relevant information received for each customer group and each statutory customer service quality element (i.e., facilities, staff, communications, Internet sites, complaint-handling processes, service timeliness, and printed information).

Agencies that have already compiled survey data from customers regarding agency service quality levels and standards as part of earlier efforts may use and report this information, providing it is no more than two years old and incorporates the customer service quality elements listed above.

4. An analysis of the findings identified from the customer satisfaction assessment. This analysis should include an identification of changes that would improve the survey process itself, as well as summary findings regarding the quality of service provided and improvements to be made in response to this assessment.
5. The name, title, and contact information for the required customer relations representative.

Compact with Texans

In addition the Report on Customer Service, agencies must include the statutorily required "Compact with Texans." The Compact must include, at a minimum, the following information:

REQUIRED INFORMATION (Cont'd.)

- Agency name
- Brief description of services offered
- A statement of the agency's customer service principles, goals, objectives, and standards for wait times, complaint handling, and other related agency functions
- The process within which customers receive information and file complaints
- The names and contact information for the agency's customer relations representative or other agency personnel

The Compact should be concise (i.e., 1–3 pages), clear, user-friendly, and operational in nature. Agencies with Web sites must publish their Compacts on their sites.

Customer-related Performance Measures

Include in this section agency-specific performance measures related to customer service standards and customer satisfaction (i.e., wait times, complaints, responses) in addition to the standard measures listed below. Estimated performance for fiscal year 2000 should be included for both agency-specific and standard measures.

Outcome Measures

- Percentage of Surveyed Customer Respondents Expressing Overall Satisfaction with Services Received
- Percentage of Surveyed Customer Respondents Identifying Ways to Improve Service Delivery

Output Measures

- Number of Customers Surveyed
- Number of Customers Served

REQUIRED INFORMATION (Cont'd.)

Efficiency Measures

- Cost Per Customer Surveyed

Explanatory Measures

- Number of Customers Identified
- Number of Customer Groups Inventoried

External/Internal Assessment

In previous instructions, agencies were asked to report customer-related information in their External/Internal Assessment. It is recommended that agencies continue to do this, as appropriate, notwithstanding the suggested information elements included in Appendix D.

Performance Measure Definitions

Each agency must submit, as Appendix D of its Strategic Plan, the definitions for all measures contained in its approved strategic planning and budget structure. A performance measure's definition establishes an explanation of the measure, the methodology for its calculation, and enough information about the measure that it can be clearly understood. The description of a measure's calculation must be detailed enough to allow replication. Definitions submitted with the Strategic Plan must present *all* of the elements shown below using the following format:

- *Short Definition: provides a brief explanation of what the measure is, with enough detail to give a general understanding of the measure;*
- *Purpose/Importance: explains what the measure is intended to show and why it is important;*
- *Source/Collection of Data: describes where the information comes from and how it is collected;*
- *Method of Calculation: describes clearly and specifically how the measure is calculated;*
- *Data Limitations: identifies any limitations about the measurement data, including factors which may be beyond the agency's control;*

REQUIRED INFORMATION (Cont'd.)

- Calculation Type: *identifies whether the information is cumulative or non-cumulative;*
- New Measure: *identifies whether the measure is new (or whether the definition has significantly changed) or continues without change from the previous biennium;*
- Desired Performance: *identifies whether actual performance that is higher or lower than targeted performance is desirable (e.g., a disease rate lower than targeted is desirable).*

Appendix H provides examples of definitions prepared using this format. Agencies must also complete ABEST entry of performance measure definitions by **June 30, 2000.**

OTHER STATE PLANNING REQUIREMENTS

In addition to the strategic planning requirement for state agencies set forth in Chapter 2056 of the Government Code, state agencies may be subject to other state planning requirements. To the extent possible, agencies should coordinate the development of their Strategic Plans with other state planning requirements and, as appropriate, cross-reference these plans and efforts. Some of these other requirements include the following.

Information Resources Management Strategic Planning

Chapter 2054 of the Government Code requires each state agency to prepare and submit a Strategic Plan for information resources management to the Department of Information Resources for review and approval. Chapter 2054 also requires the Department of Information Resources to prepare and adopt a state Strategic Plan for information resources management. Instructions for preparing an information resources Strategic Plan are included in Appendix N. **Agency Information Resources Strategic Plans should be submitted as Appendix G in the agency Strategic Plan.**

Statewide Capital Planning

Section 9-6.52, Article IX of the 2000–01 General Appropriations Act requires all state agencies and institutions of higher education to supply capital planning information relating to projects for the 2002–03 biennium to the Bond Review Board. Based on information submitted by agencies and institutions, the Bond Review Board is required to compile a statewide capital expenditure plan for the 2002–03 biennium for submission to the Legislative Budget Board and the Governor's Office of Budget and Planning. While capital plans will be due on or around June 1, 2000, they should not be included in agency Strategic Plans. Capital plans should be submitted separately to the Bond Review Board in accordance with instructions which will be provided separately from that agency.

Health and Human Services Strategic Planning

Chapter 531 of the Government Code requires the Commissioner of Health and Human Services to develop a coordinated state Strategic Plan for health and human services for submission to the Governor, Lieutenant Governor, and Speaker of the House. Chapter 531 also requires all health and human services agencies to submit Strategic Plans and biennial updates to the Health and Human Services Commission.

OTHER STATE PLANNING REQUIREMENTS (Cont'd.)

Workforce and Economic Competitiveness Strategic Planning

Chapter 2308 of the Government Code requires the Texas Council on Workforce and Economic Competitiveness to prepare for the Governor and report to the Legislature a Strategic Plan that establishes the framework for the budgeting and operation of all workforce development programs, including school-to-careers and welfare-to-work components. The Strategic Plan for Workforce Development for the upcoming agency biennial planning period has been completed and includes goals, objectives, and performance measures that will be used in evaluating agency plans and components.

Assembly and Distribution of Plans

To facilitate the process of reviewing and compiling agency Strategic Plans, please use the following uniform, standard format:

- All pages of the agency Strategic Plan should be prepared on letter-size paper (8½ x 11), numbered consecutively at the bottom center of the page, and securely bound along the left margin in a document with durable covers.
- The Strategic Plan may be printed on both sides of the page, with the items and elements assembled in the same manner as shown in these instructions. A sample title sheet form is included on page 27.
- All financial figures included in the Strategic Plan should be expressed as whole dollars, omitting cents, with the exception of pertinent performance measures.
- Numbers of personnel should be expressed either as whole numbers or rounded to the nearest tenth, as appropriate.

Agency Strategic Plans should be assembled in the following order:

- Title Sheet
- Table of Contents
- Statewide Vision, Mission, and Philosophy
- Relevant Statewide Goals and Benchmarks
- Agency Mission
- Agency Philosophy
- External/Internal Assessment
- Agency Goals
- Objectives and Outcome Measures
- Strategies and Output, Efficiency, and Explanatory Measures
- Appendices
 - A. Description of Agency's Planning Process
 - B. Current Organizational Chart
 - C. Five-Year Projections for Outcomes

OTHER STATE PLANNING REQUIREMENTS (Cont'd.)

- D. List of Measure Definitions
- E. Report on Customer Service, Compact with Texans, and customer-related performance measures
- F. Survey of Organizational Excellence Results and Utilization Plans (if applicable)
- G. Information Resources Strategic Plan

Copies of the agency Strategic Plan should be received no later than **June 1, 2000**, by each of the individuals and entities listed in Appendix L.

GUIDE TO STRATEGIC PLAN DEVELOPMENT

The remainder of this document is devoted to detailed descriptions of the various components noted above that should make up each agency's Strategic Plan. The descriptions of each component will typically include a definition, development guides, and an example.

Title Sheet

The title sheet for an agency's Strategic Plan should look like the following:

AGENCY STRATEGIC PLAN		
For the Fiscal Years 2001–05 Period		
by		
Agency, Department, Board, or Commission		
Board Member	Dates of Term	Hometown
Date of Submission		
Signed:	_____	
	(Administrator)	
Approved:	_____	
	(Board/Commission Chair)	

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

Table of Contents

A Table of Contents should be provided that identifies the individual strategic planning elements, individual appendices, and any additional materials.

Statewide Elements

The statewide elements form the basis for developing all other elements of the strategic planning process. These elements declare what the state's leaders envision for the future of Texas, define the broad purposes that Texas state government seeks to fulfill, articulate core values and principles, and delineate the ultimate ends toward which state government directs its efforts. The statewide elements (i.e., *Vision Texas: The Statewide Strategic Planning Elements for Texas State Government*), which are reissued every two years, are included in Appendix A. Agency Strategic Plans should be developed in a manner consistent with the statewide elements. Applicable statewide goals and benchmarks should be reprinted in the final plan.

Definitions

Vision is an inspiring picture of a preferred future. A vision is not bound by time, represents global and continuing purposes, and serves as a foundation for a system of strategic planning. A statewide vision depicts an ideal future for the people of Texas and the contributions that state government can make to that end.

Mission is a broad, comprehensive statement of purpose that reinforces the basic responsibilities of government. The statewide mission defines what the state does and whom it serves.

Philosophy is a declaration of the fundamental principles and values underlying every activity of state government. The philosophy describes the way in which state government does business.

Statewide goals are the general ends toward which the state directs its efforts. The statewide goals address the primary issues facing the state within broad groupings of interrelated functions. Statewide goals are founded on the

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

statewide vision and may involve coordination among agencies with similar functions. Each agency's Strategic Plan will link directly to these statewide goals.

***State-level benchmarks** are numerical indicators used for assessing state government progress in meeting its goals. They are indicators of success as well as specific statewide targets for future performance. They address the primary performance issues facing the state within broad groupings of interrelated functions. State-level benchmarks relate to statewide goals and may involve coordination among agencies with similar functions. As with statewide goals, agency strategies will link directly to those benchmarks.*

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

Agency Mission

Definition

Agency mission is the reason for an agency's existence. The mission succinctly identifies what the agency does, why, and for whom. A mission reminds everyone— the public, the Governor, legislators, the courts, and agency personnel— of the unique purposes promoted and served by the agency.

The mission of the agency identifies what the agency is, why it exists, and its unique contribution. The mission appears at the beginning of the agency's Strategic Plan and provides the foundation for the rest of the document. It should link to the statewide mission contained in the statewide elements.

Development Guides

The mission describes the overall role of the agency as it relates to the state as a whole and is the thread tying the agency's organizational structure and its activities together. The agency's mission may link to several state functional areas, depending on the nature of the agency. All agency employees should be able to identify their specific working relationship to this defined mission. The mission must be clearly understandable to the public and should at a minimum answer the following questions:

1. Who are we as an organization and whom do we serve?
2. What are the basic purposes for which we exist, and what basic problems are we established to address?
3. What makes our purpose unique?
4. Is the mission in harmony with the agency's enabling statute?

As noted above, the mission statement succinctly identifies agency purposes by distilling from enabling statutes or constitutional provisions the most important reasons for an agency's work. In developing the mission, the agency should also examine other relevant sources (e.g., board policies and program descriptions). The mission should generally be no

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

more than one paragraph in length. This element of the Strategic Plan should describe the linkage between the agency's mission and the adopted statewide goals.

*Example
Mission for a
hypothetical
agency*

The mission of the Department of Environmental Quality is to establish and enforce standards to ensure the best possible environmental quality for the people of Texas and to protect public health and safety while facilitating economic growth.

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

Agency Philosophy

Definition

Agency philosophy is the expression of core values and operating principles for the conduct of the agency in carrying out its mission. It describes how the agency conducts itself as it does its work.

The agency philosophy is derived in conjunction with the agency's mission. It defines the way in which the agency does business by articulating management policies and principles. The philosophy should define a customer-oriented approach for producing and delivering government services.

Development Guides

The philosophy should reflect the values and principles that guide the agency's behavior. It is a statement of the relationship between the organization and its stakeholders—consumers of its services or products, service communities, employees, et al. The philosophy defines the basic agency approach in terms of management style, organizational values, and rules of personal and agency behavior. It might include such topics as respect for individuals (customers and employees), ethical and professional standards of conduct, equal opportunity policies, and emphasis on quality services.

In developing the philosophy, the following questions should be addressed:

1. How will we conduct ourselves in carrying out our mission?
2. What are our organizational values?

The agency's personnel manual should be consistent with principles outlined in its philosophy. The philosophy statement should generally be no more than one paragraph in length.

The philosophy should be developed by the agency and provided as indicated in the example on the next page.

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

*Example
Mission for a
hypothetical
agency*

The Department of Environmental Quality will act in accordance with the highest standards of ethics, accountability, efficiency, and openness. We affirm that environmental protection is a public and private trust. We approach our activities with a deep sense of purpose and responsibility. The public and regulated community alike can be assured of a balanced and sensible approach to regulation.

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

External/Internal Assessment

Definition

External/internal assessment is an evaluation of key factors that influence the agency. Detailed evaluation of trends, conditions, opportunities, and obstacles directs the development of each element of the Strategic Plan. This type of assessment may be heavily quantitative, but may also include qualitative issues. External factors may include economic conditions, population shifts, technological advances, geographical changes, and statutory changes. Internal factors may include management policies, resource constraints, organizational structure, automation, personnel, and operational procedures.

The external/internal assessment sets the stage for the agency's strategic planning process. Its purpose is to facilitate the agency's recognition of current and future issues that may affect operations and results. The assessment should be a concise summary of the information collected and analyzed. It should provide only highlights of the conclusions drawn by the agency from the analytical process.

The external/internal assessment should be an ongoing process that is critical to the development of each element of the Strategic Plan. It should be the basis for justifying an agency's decisions regarding goals, objectives, strategies, and performance measures.

The external/internal assessment should identify specific need indicators and address the major issues affecting the agency during the plan's time frame. It should be used and refined at each stage of the strategic planning process. The external/internal assessment is an ongoing evaluation tool for analyzing what the agency has accomplished and where it needs to head. It should be used in annual reviews of the agency's implementation of its Strategic Plan.

Prior to the development of agency goals, a thorough analysis of the agency's current position and its expectations for internal and external change should be conducted. The external/internal assessment should address all factors affecting the agency, including strengths, weaknesses, opportunities, and threats.

Development Guides

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

State law requires the Comptroller's Office to provide a long-term forecast of the state's economy and population for use in the external/internal assessment. A summary of this forecast is included in Appendix C. The agency should use the summary to the extent that variables important to agency activities are included in the forecast. A more complete set of variables is available for agency use through the Revenue Estimating Division of the Office of the Comptroller of Public Accounts. Please footnote data and projections obtained from sources other than the Comptroller's Office.

The external/internal assessment should include the following information, as required specifically by statute:

1. an identification of priority and other service populations under current law and how those populations are expected to change within the time horizon of the Strategic Plan;
2. an analysis of current agency resources for meeting current needs and expected needs and a broad summary of additional resources necessary to meet future needs;
3. an analysis of expected changes in services provided by the agency due to changes in state or federal law;
4. a broad summary of the capital improvement needs of the agency during the period covered by the plan, and a prioritization of those needs (see "Other State Planning Requirements" for related requirement);
5. a statement relating to the agency's past use of historically underutilized businesses in purchasing and in public works contracting; and
6. an identification of each geographic region of this state served by the agency, including the Texas-Louisiana and the Texas-Mexico border region, and, if appropriate, the agency's measures and strategies for serving each region.

The external/internal assessment addresses economic, political, technological, demographic, and social factors affecting the organization in order to determine how well the agency has met its external challenges. A complete assessment of such factors encompasses both historical and future perspectives with reviews of past performance and forecasts of trends in the agency environment. The assessment should provide a

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

forecast discussion of annual performance on the agency's outcome measures, output measures, and other indicators that are expected to have significant impact on the agency's programs for the five-year period of the Strategic Plan. As part of the assessment process, agencies are strongly encouraged to solicit comments from individuals and groups that have an interest in or are affected by agency policies and programs.

The **external assessment** should address, at a minimum, the following questions:

1. Who are our target populations and what changes, if any, are anticipated within the time horizon of the Strategic Plan? What is the level of customer demand and public need for our agency's products or services? To what extent do we interact with our customers to identify those demands and needs? How do we determine if we should attempt to meet them and how do we assess our progress in meeting them? What are the most significant indicators of customer demand and public need? What trends have been identified?
2. What major issues, conditions, or problems in the external environment are relevant to the delivery of our agency's goods and services? What conditions could affect or alter key elements of the environment? What implications do specific environmental changes, such as changes in state or federal law, hold for the agency? What relationships exist between our agency's programs, programs in other agencies, and statewide initiatives with related target populations? What opportunities may exist for improving coordination or eliminating duplication between programs?
3. What strengths, weaknesses, opportunities, or obstacles characterize our external relationships? What opportunities are available that have not been previously explored? What factors or conditions significantly affect the agency's use of HUBs?
4. What progress has been made by the agency toward achieving the objectives and desired outcomes described in the agency's current Strategic Plan? To what extent are our customers satisfied with the services we provide? What other jurisdictions perform similar functions, and how can we emulate their successes? How reliable are annual performance projections for the next five-year strategic planning period on all outcome measures and on the most significant output measures?

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

5. What is the impact of agency strategies on service populations and statewide benchmarks? What is the nature and degree of these relationships?

The **internal assessment** should address, at a minimum, the following questions:

1. How successful are internal agency processes for meeting the needs of our target populations and other agency customers? In what ways has the agency grown, remained the same internally, or changed, and why? To what extent have we analyzed the best practices of other jurisdictions and adopted those practices internally? What are reasonable expectations for the impact of such changes on performance levels? What are our internal accomplishments? What have we failed to accomplish internally and why?
2. What is the public's perception of the quality of our products and services? What are we doing well? What are we doing poorly? How do our products and services and internal processes compare with recognized standards for program accreditation or evaluation criteria? What is our process for identifying the best practices of public, private, and nonprofit sector leaders? How do we disperse that information throughout the agency? Do our programs and activities support one another, or is there conflict or duplication?
3. What programs or activities are expected to grow or decline, and how have we planned to accommodate those changes? What are the agency's current and anticipated resource needs? What strengths, weaknesses, opportunities, or obstacles characterize our internal operations?
4. What procedures will be used to implement our agency's plan for the use of historically underutilized businesses in purchasing and public works?
5. What are our employees' attitudes toward our organization? What are the significant issues identified by our employees as internal weaknesses? How can we address those issues? How can we support our employees as they are called on to accept more responsibilities and meet more challenges? (See Appendix K for related information.)
6. What immediate and longer-term strategies are in place in the organization to involve employees in intensifying both involvement and accountability to further organizational excellence? What specific timetables are associated with these strategies?

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

The external/internal assessment should be developed by the agency and may include elements from the example contained in Appendix D as are relevant and appropriate to agency circumstances.

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

Agency Goals

Definition

Agency goals are the general ends toward which agencies direct their efforts. A goal addresses issues by stating policy intention. It is both qualitative and quantifiable, but is not quantified. In a strategic planning system, goals are ranked for priority. Goals stretch and challenge an agency, but they are realistic and achievable.

Development Guides

The development of agency goals is one of the most critical aspects of the strategic planning process, since goals chart the direction of the agency. The goal development process begins to focus the agency's actions toward clearly defined purposes. Within the scope of the stated mission and utilizing the external/internal assessment, goals specify where the organization desires to be in the future. Goals are broad, issue-oriented statements that reflect the realistic priorities of the agency.

Goals should be client-focused, address the primary external and internal issues facing the organization, and be easily understood by the public. Although there is no established limit, the number of goals the agency may develop should be kept to a reasonable number in order to establish the agency's direction and provide a unifying theme for programs and activities. They are shown in the Strategic Plan in approximate priority order. During goal development, the agency should begin identifying the desired results of its efforts and the corresponding performance measures that will quantify accomplishment of those results.

The formation of agency goals should include, but is not limited to, an analysis of the following questions:

1. Are the goals in harmony with the agency's mission and philosophy statements and will achievement of the goals fulfill or help fulfill the agency's mission?
2. Are the goals derived from the external/internal assessment and do they reflect responses to identified factors?
3. Do the goals provide a clear direction for agency action?

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

4. Are the goals unrestricted in terms of time? Do they reflect agency priorities?

Each agency's Strategic Plan must include a goal that presents the elements of the agency's plan to increase its use of HUBs. An example of a HUB goal is contained in Appendix E.

Based directly on its delineated goals, the agency will specify expected accomplishments (objectives) and actions (strategies) to achieve those objectives. The goal element of the Strategic Plan should be generally no more than two sentences in length per goal and should include the statutory citation(s) that provide authority for the goal. Agencies may include other appropriate goals, even when statutory authorization is not provided, although these should be pointed out.

Agency goals should be developed by the agency and provided as indicated in the following example:

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

*Example
Goals for a
hypothetical
agency*

- (1) We will improve air quality in Texas, especially in major urban areas where air pollution is the greatest. [Vernon's Ann. Civ. St., Art. 1234(a)]
- (2) We will aggressively enforce all environmental standards and ensure swift, fair, and effective enforcement for violators of these standards. [Vernon's Ann. Civ. St., Art. 1235(c)]
- (3) We will educate the general public and industry about the importance of preserving the environment through pollution prevention, recycling, and source reduction. [No specific statutory authorization]
- (4) We will respond effectively and efficiently to federal mandates while aggressively pursuing federal funding for Texas' environmental programs. [Vernon's Ann. Civ. St., Art. 1234(e) and 42 U.S.C. § 1983 (1970)]

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

Objectives

Definition

Objectives are clear targets for specific action. They mark quantifiable interim steps toward achieving an agency's long-range mission and goals. Linked directly to agency goals, objectives are measurable, time-based statements of intent. They emphasize the results of agency actions at the end of a specific time period.

Development Guides

Objectives are tools that can provide incentives to improve employee motivation and productivity and inform citizens of how well an agency is meeting their needs. The development of objectives aids decision making and accountability by focusing on outcomes. An agency's objectives are derived from its goals. Objectives should be shown under each goal in approximate priority order.

An agency may have multiple objectives under a single goal; however, each stated goal should have at least one objective. The data necessary to establish objectives and determine the feasibility of achieving realistic objectives should be provided by the agency's external/internal analysis. Objectives should be easily understood by the public and clearly state the specific results the agency seeks to accomplish.

The following questions should be asked to determine the relevancy of the objective:

1. Does meeting the objective demonstrate progress toward the stated goal?
2. Does the objective clearly state what the agency intends to accomplish?
3. Is the objective realistic and attainable? How does it compare with the objectives of other states?
4. Does the objective describe an outcome in terms of specific targets and time frames?

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

Outcome Measures

Definition

Outcome measures are indicators of the actual impact or effect on a stated condition or problem. They are tools to assess the effectiveness of an agency's performance and the public benefit derived from it. An outcome measure is typically expressed as a percentage, rate, or ratio.

Development Guides

Outcomes are the ultimate results, or impacts, of government action or policy. Progress is assessed by comparing outcomes to objectives through the use of measures. Outcome measures are expressed in a quantifiable form and indicate the degree to which an agency is achieving its objectives. An outcome measure indicates the change or difference the agency's action will have on the particular target group or issue area indicated in the objective. While outcome measures seek to record the ultimate or final impact of agency actions, they may also reflect intermediary impacts. An outcome measure should be directly related to the objective it is measuring; there should be at least one outcome measure for each objective. Outcome measures should be clear and easily understood by those who are unfamiliar with the agency.

Outcome measures should be developed by the agency and provided in the Strategic Plan with performance projections for each year of the five-year period, as shown in Appendix G.

The following questions should be addressed as outcome measures are developed:

1. Is the outcome measure relevant? Is it logically and directly related to the agency goal and objective?
2. Is the outcome measure reliable? Does it produce accurate and verifiable information over the time frame set by the objective?
3. Is the outcome measure valid? Does it capture what the agency intends to measure?

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

4. Is the measure of sufficient value to justify the cost of producing the necessary data? In the case of excessive costs, could sampling techniques or other, more cost-effective, alternatives be used to collect the data?
5. If the information is not currently available, can a proxy measure be substituted until a data base is available?
6. Will the outcome measure enable a decision to be made or lead to a valid conclusion concerning the agency's action?
7. Is this measure subject to interstate or other comparisons? To the extent that it is, what additional information must be developed (e.g., explanatory measures) to properly interpret it?

The differences between outcome measures and output measures are demonstrated by the following examples:

1. The number of patients treated and discharged from a state mental hospital (output measure) is not the same as the percentage of discharged patients who are capable of living independently (outcome measure).
2. The number of vaccinations given (output measure) is not an indicator of the incidence of the disease (outcome measure).

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

*Example
Objectives and
Outcome
Measures for a
hypothetical
agency*

- (1) To reduce levels of criteria air pollutants to attain federal standards by 2000 [*relates to Goal 1 on page 41*]

Percentage of Texans Living Where the Air Meets Ambient Air Quality Standards

Number of Days in Which Air Pollutants Are within Federal Air Quality Standards

- (2) To reduce air toxic emissions by 50 percent between 1994 and 2001 [*relates to Goal 1 on page 41*]

Percentage Reduction of Toxic Chemical Discharges into the Environment from 1990 Levels

Percentage of Federal/EPA Nonattainment Area Deadlines with Which Texas Has Complied

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

Strategies

Definition

Strategies are methods to achieve goals and objectives. Formulated from goals and objectives, a strategy is the means for transforming inputs into outputs and, ultimately, outcomes with the best use of resources. A strategy reflects budgetary and other resources.

Development Guides

Strategies are specific courses of action that will be undertaken by the agency to accomplish its goals and objectives. While an objective indicates *what* the agency plans to achieve, a strategy indicates *how* the particular objective will be achieved. Strategies are action-oriented rather than procedural in nature and are directly linked to output measures.

To develop strategies, the agency determines how best to achieve the results intended by the specific objective. This determination should include benchmarking agency practices against those of other organizations. More than one strategy may be required to accomplish each objective. In selecting strategies, the costs, benefits, and anticipated consequences of alternative courses of action must be evaluated by the agency. Strategies may, and probably will, cross program, activity, or division lines. Strategies must be easily understood by the public. They are shown in the Strategic Plan under each objective in approximate priority order.

Questions to consider when developing strategies include, but are not limited to, the following:

1. If this strategy is implemented, can we assume that the objective will be reached?
2. What are the anticipated costs and benefits of each strategy?
3. Do we have the authorization to take the action outlined in each strategy? Is it legal and practical?

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

4. Does this strategy directly support or affect any statewide benchmarks? If so, what is the nature and extent of such relationships? What measures, analyses, or other data document the relationships?

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

Output Measures

Definition

Output measures are tools, or indicators, to count the services and goods produced by an agency. The number of people receiving a service and the number of services delivered are often used as measures of output.

Development Guides

Outputs are the goods and services produced by an agency. Output measures are used to track performance of the agency in implementing its strategies and to evaluate the efficiency of the implementation of the Strategic Plan. In developing and selecting key output measures, the following questions should be addressed:

1. Is the output measure reliable? Will it consistently measure the same thing and produce accurate and verifiable information over a period of time? Will the data used in the measure be available on a continuing basis?
2. Is the output measure directly related to the agency's strategies?
3. Does the output measure show the quantity of work performed? Can the measure be stated in unit cost terms?
4. Is the output measure clear? Are the terms used generally accepted and defined? Will the measure be easily understood by those who are not familiar with the subject matter?

Output measures should be developed by the agency and provided as indicated in the following example:

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

*Example
Strategies and
Output Measures
for a hypothetical
agency*

- (1) Implement EPA's post-1987 ozone policy and expand monitoring network to monitor progress [*relates to Objective 1 on page 45*]

Number of Facilities Inspected

Number of On-site Monitors

- (2) Research, develop, and implement a comprehensive Air Toxic Program [*relates to Objective 2 on page 45*]

Number of Toxic Sites Undergoing Emissions Inventory during Year

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

Efficiency Measures

Definition

Efficiency measures are indicators that quantify an agency's cost, unit cost, or productivity associated with a given outcome or output. Efficiency measures are generally expressed in unit costs, units of time, or other ratio-based units.

Development Guides

Efficiency measures are expressed in a quantifiable form and indicate an agency's operational efficiency as measured by a comparison of the cost, unit cost, or time associated with producing a desired outcome or output. The following questions should be addressed in developing efficiency measures:

1. Is the efficiency measure valid? Does it capture the information intended? Does it quantify significant efficiency aspects of agency operations?
2. Is the efficiency measure reliable? Will it produce accurate and verifiable information over a period of time? Will the data used to calculate the measure be available on a continuing basis?
3. Is the measure responsive? Will it reflect changes in levels of performance?
4. Does the measure produce relevant information that will justify the cost of collecting and retaining the data?
5. Are the terms used to describe the measure generally accepted and defined? Will those who are unfamiliar with the subject easily be able to understand the measure?

Efficiency measures should be developed by the agency and provided as indicated in the following example:

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

*Example
Strategies and
Efficiency
Measures for a
hypothetical
agency*

- (1) Implement EPA's post-1987 ozone policy and expand monitoring network to monitor progress [*relates to Objective 1 on page 45*]

Average Number of Days to Complete Facility Inspection

Average Cost Per On-site Monitor

- (2) Research, develop, and implement a comprehensive Air Toxic Program [*relates to Objective 2 on page 45*]

Average Number of Days to Complete Toxic Site Emissions Inventory

Average Cost Per Toxic Site Emissions Inventory

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

Explanatory Measures

Definition

Explanatory measures are quantitative indicators that provide additional information that contributes to the understanding of an agency's operating environment.

Development Guides

Whereas agency external/internal assessments contain narrative explanatory information, explanatory measures are specific quantitative indicators that can help users understand other reported measures, assess the entity's performance, and evaluate the significance of underlying factors that may have affected the reported performance, including the unintended effects of a service. Input measures are a subset of explanatory measures.

There are two primary types of quantitative explanatory information that can be reported as explanatory measures. These include factors substantially outside the control of the agency, such as environmental and demographic characteristics, and factors over which the agency has some control, such as caseloads.

The following questions should be addressed in developing explanatory measures:

1. Is the measure valid? Does it capture the information intended? Does it quantify significant external/internal aspects of agency operations?
2. Is the explanatory measure reliable? Will it produce accurate and verifiable information over a period of time? Will the data used to calculate the measure be available on a continuing basis?
3. Does the measure produce information that will justify the cost of collecting and retaining it?
4. Is the measure clear? Are the terms used to describe the measure generally accepted and defined? Will those who are unfamiliar with the subject be able to understand the measure?

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

*Example
Strategies and
Explanatory
Measures for a
hypothetical
agency*

- (1) Implement EPA's post-1987 ozone policy and expand monitoring network to monitor progress [*relates to Objective 1 on page 45*]

Number of EPA-required Monitoring Sites

Number of Texas Cities Containing EPA-required Monitoring Sites

- (2) Research, develop, and implement a comprehensive Air Toxic Program [*relates to Objective 2 on page 45*]

Number of Industrial Facilities Subject to Inspection

Number of Industrial Facilities Eligible for Participation

Number of Complaints Received by the Agency

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

Action Plans

Definition

Action plans are detailed methods specifying how a strategy is to be implemented. Task specification includes staff assignments, material resource allocation, and schedules for completion. Action plans separate strategies into manageable parts for coordinated implementation of goals and objectives. Action plans also specify detailed cost and expenditure information.

Action plans provide a detailed description of a strategy's implementation process by outlining the specific tasks, responsibility assignments, and time frames that will be followed. Often referred to as “operational plans” or “implementation plans,” action plans are maintained by the agency.

Whereas the Strategic Plan is an effective control mechanism for strategic management of an agency, action plans provide a basis for managing an agency's day-to-day operations. During the strategic planning process, there should be a clear distinction made between the different kinds of decisions (e.g., external vs. internal) and the different kinds internal management decisions based on performance data.

Performance measures included in the Strategic Plan should provide data that are consistent with the original purpose of the system, that is, an accountability and external decision-making tool (e.g., for system/program evaluation and appropriations/budget analysis by the Governor and legislative agencies). Governing bodies and executive directors/commissioners/senior management may use this information to “manage” strategically, track progress in implementing agency Strategic Plans, and for budget development. These measures are typically “higher order” outcome, output, explanatory, and, in some cases, efficiency measures.

Performance measures included in action plans should provide information that supports operational, day-to-day management purposes. This includes uses of information that, while it may overlap strategic and external uses, is really more related to measures developed and used in internal decision-making and control activities (e.g., those associated with the action plan elements in the Texas Strategic Planning template). These measures are typically “lower level” (i.e., disaggregated outcome, output, and efficiency measures).

Development Guides

GUIDE TO STRATEGIC PLAN DEVELOPMENT (Cont'd.)

The agency's action plans are input-oriented and include specific delineations of who does the required tasks for each strategy and when the tasks will be completed. They generally address a shorter time frame (two years or less) for action than the Strategic Plan. Action plans include a description of each task, the resource and fiscal requirements of each task, and an identification of the agency division responsible for implementation. They may also include a description of re-engineering or other programmatic changes resulting from an agency's benchmarking activities. Although this level of detail is not an element of the agency's Strategic Plan submitted to the Governor and the Legislature, it should be available for evaluation of the strategies proposed by the agency.

Action plans should be developed by the agency; however, no specific format is required.

Vision Texas

The Statewide Strategic Planning Elements for Texas State Government



“I want Texas to be a beacon state—a state so different, so unique that people will say that this is where they want to live, do business, and raise their families.”

***George W. Bush
February 2000***



February 2000

Fellow Public Officials:

Strategic planning provides an opportunity to ask difficult but necessary questions about what government should and should not be doing. I believe state government should streamline its mission, seeking to perform fewer functions but performing them well. The priority goals set forth in this document are based on the principles of responsibility, excellence and opportunity.

As you develop your agency strategic plans, use these goals and principles to focus on results for the people of this great state. I am confident that, working together, we can realize this vision for the Lone Star State:

Together, we can make Texas a beacon state:

a state where our children receive an excellent education so they have the knowledge and skills for the 21st century;

a state where people feel safe in their communities, have access to equal justice, and all people know the consequences of committing a crime are swift and sure;

a state where our institutions encourage jobs and economic opportunity;

a state where each resident accepts responsibility for his or her behavior; and

a state where our people—our greatest resource—are free to achieve their highest potential.

As I have said before, I envision a state where it continues to be true that what Texans can dream, Texans can do.

Thanks for all your efforts on behalf of Texas.

GEORGE W. BUSH

The Mission of Texas State Government

The mission of Texas state government is to support and promote individual and community efforts to achieve and sustain social and economic prosperity for its citizens.

State government should concentrate its energies on a few priority areas where it can make a difference, clearly define its functions within those areas, and perform those functions well. State government must look for innovative ways to accomplish its ends, including privatization and incentive-based approaches. Our imperative should be: “Government if necessary, but not necessarily government.”

The Philosophy of Texas State Government

State government will be ethical, accountable, and dedicated to serving the citizens of Texas well. State government will operate efficiently and spend the public's money wisely.

State government will be based on four core principles that will guide decision-making processes.

***Limited and
Efficient
Government***

Government cannot solve every problem or meet every need. State government should do a few things and do them well.

Local Control

The best form of government is one that is closest to the people. State government should respect the right and ability of local communities to resolve issues that affect them. The state must avoid imposing unfunded mandates.

***Personal
Responsibility***

It is up to each individual, not government, to make responsible decisions about his or her life. Personal responsibility is the key to a more decent and just society. State employees, too, must be accountable for their actions.

***Support for
Strong Families***

The family is the backbone of society and, accordingly, state government must pursue policies that nurture and strengthen Texas families.

Texas state government should serve the needs of our state but also be mindful of those who pay the bills. By providing the best service at the lowest cost and working in concert with other partners, state government can effectively direct the public's resources to create a positive impact on the lives of individual Texans. The people of Texas expect the best, and state government must give it to them.

Education

Public Schools

Priority Goal: To ensure that all students in the public education system learn to read at grade level by the end of the third grade, continue reading at grade level, demonstrate exemplary performance in foundation subjects, and acquire the knowledge and skills needed to be responsible and independent Texans.

Benchmarks

- \$ Percent of students from third grade forward who are able to read at or above grade level
- \$ Percent of students who achieve mastery of the foundation subjects of reading, English language arts, math, social studies, and science
- \$ High school graduation rate
- \$ Percent of students who demonstrate satisfactory performance on the Texas Assessment of Academic Skills (TAAS)
- \$ State share of public education costs
- \$ Violence rate in school setting
- \$ Percent of students who attend schools or districts rated as “recognized” or “exemplary”
- \$ Number of students served under local governance or choice options (e.g., charter schools, open-enrollment charters, home-rule districts, public education grant program, intradistrict transfers)
- \$ Percent of high school graduates employed, enrolled in postsecondary education, or enlisted in the military
- \$ Percent of higher education freshmen from Texas high schools needing remediation
- \$ Percent of eligible juniors and seniors taking Advanced Placement/International Baccalaureate exams

Education

Higher Education

Priority Goal: To provide an affordable, accessible, and quality system of higher education that prepares individuals for a changing economy and workforce and that furthers the development and application of knowledge through instruction and research.

Benchmarks

- \$ Percent of recent high school graduates enrolled in a Texas public college or university
- \$ Percentage of baccalaureate graduates who are first-generation college students
- \$ Percent of first-time, full-time freshmen returning after one academic year
- \$ Percent of first-time, full-time freshmen who graduate within six years
- \$ Percent of Texans with a bachelor's degree or higher
- \$ Percent of adult population with a vocational/technical certificate or degree
- \$ Texas public colleges' and universities' cost per student as a percent of the national average
- \$ Percent of total federal research and development expenditures received by Texas institutions of higher education
- \$ Percent of college graduates employed, enrolled in additional education, or enlisted in the military

Health and Human Services

Priority Goal: To reduce dependence on public assistance through an efficient and effective system that promotes the health, responsibility, and self-sufficiency of individuals and families.

Benchmarks

- \$ Percent of Texans receiving TANF cash assistance
- \$ Percent of parents awarded child support payments who receive them
- \$ Percent of adult welfare CHOICES participants who enter employment
- \$ Number of persons enrolled in Medicaid
- \$ Number of persons receiving food stamps
- \$ Infant mortality rate
- \$ Low birth-weight rate
- \$ Teen pregnancy rate
- \$ Out-of-wedlock births
- \$ Incidence of vaccine-preventable disease
- \$ Percent of people with functional limitations successfully rehabilitated with improved economic self-sufficiency
- \$ Percent of people with disabilities living independently
- \$ Incidence of confirmed cases of abuse, neglect, or death of children, the elderly, persons with disabilities, or spouses
- \$ Percent of children in foster care who are adopted or reunited with their families
- \$ Percent of adoptions completed within 18 months
- \$ Rate of substance abuse and alcoholism among Texans

Public Safety and Criminal Justice

Priority Goal: To aid communities in times of need, police public highways, and protect Texans from crime by holding individuals accountable for their unlawful actions through swift and sure punishment.

Benchmarks

- \$ Annual Texas Crime Index rate
- \$ Number of traffic deaths per thousand
- \$ Juvenile violent crime arrest rate
- \$ Average rate of juvenile reincarceration within three years of initial release
- \$ Adult violent crime arrest rate
- \$ Felony probation revocation rate
- \$ Texas' average annual incarceration cost per inmate
- \$ Parole rate
- \$ Revocation rate for those released from prison
- \$ Percent of Texas communities covered by current disaster prevention/recovery plans
- \$ Number of hours Texas Guard members spent in training and/or protecting and aiding Texans in times of need

Natural Resources

Priority Goal: To conserve and protect the state's natural resources through prudent stewardship.

Benchmarks

- \$ Percent reduction in priority air pollutants in counties not meeting air quality standards
- \$ Percent of Texans with drinking water meeting or exceeding safe drinking water standards
- \$ Percent of Texas surface waters meeting or exceeding water quality standards
- \$ Percent of Texas agricultural and ranch lands under soil and water conservation management
- \$ Percent of Texas land conserved as public or private natural and wildlife areas
- \$ Renewable energy as a percentage of total energy used
- \$ Municipal solid waste generated/disposed per capita
- \$ Percent of federal and state "Superfund" sites being or already cleaned up
- \$ Percent of state parks that are adequately maintained
- \$ Percent change in agricultural production
- \$ Number of acres of wetlands, including acres mitigated and created
- \$ Number of river miles for which water-availability modeling has been completed

Economic Development

Priority Goal: To foster economic opportunity, job generation, and capital investment by promoting a favorable business climate, preparing the workforce for productive employment, and supporting infrastructure development.

Benchmarks

- \$ Per capita gross state product
- \$ State taxes per capita as a percent of personal income
- \$ Texas employment rate
- \$ Median household income
- \$ Net number of new nongovernment, nonfarm jobs created
- \$ Number of new small businesses created
- \$ Highway system quality rating
- \$ Texas Housing Affordability Index

General Government

Priority Goal: To support effective, efficient, and accountable state government operations.

Benchmarks

- \$ Total state taxes per capita
- \$ Total state spending per capita
- \$ Percentage change in state spending, adjusted for population and inflation
- \$ State and local taxes per capita
- \$ Ratio of federal dollars received to federal tax dollars paid
- \$ Number of state employees per 10,000 population

Regulatory

Priority Goal: To ensure that Texas consumers are effectively and efficiently served by high-quality professionals and businesses by setting clear standards, maintaining compliance, and seeking market-based solutions.

Benchmarks

- \$ Home and auto insurance costs as a percentage of median household income
- \$ Percent of state professional licensee population without documented violations
- \$ Occupational injury rate
- \$ Average annual residential electric bill as a percent of the national average
- \$ Texas national ranking in automobile liability insurance costs
- \$ Percent of insurance consumers served by companies that are financially sound and that have low violation ratios
- \$ Percent of state financial institutions and credit providers rated "safe and sound" and/or in compliance with state requirements
- \$ Average annual residential telephone bill as a percent of the national average

APPENDIX B

Strategic Planning Statute

Chapter 2056. Strategic Plans for Operations

Sec.2056.001. Definition.

In this chapter, “state agency” means a department, board, commission, or other entity of state government, including a university system and an institution of higher education as defined by Section 61.003, Education Code, that:

- (1) has authority that is not limited to geographical portion of the state;
- (2) was created by the constitution or a state statute with an ongoing mission and responsibilities;
- (3) is not the office of the governor or lieutenant governor;
- (4) is not within the judicial or legislative branch of government;
- (5) is not a committee created under state law whose primary function is to advise an agency; and
- (6) is not a state-funded junior or community college.

Sec.2056.002. Strategic Plans.

(a) A state agency shall make a strategic plan for its operations. Each even-numbered year, the agency shall issue a plan covering five fiscal years beginning with the next odd numbered fiscal year.

(b) The Legislative Budget Board and the Governor's Office of Budget and Planning shall determine the elements required to be included in each agency's strategic plan. Unless modified by the Legislative Budget Board and the Governor's Office of Budget and Planning, and except as provided by Subsection (c), a plan must include:

- (1) a statement of the mission and goals of the state agency;
- (2) a description of the indicators developed under this chapter and used to measure the output and outcome of the agency;
- (3) identification of the groups of people served by the agency, including those having service priorities, or other service measures established by law, and estimates of changes in those groups expected during the term of the plan;
- (4) an analysis of the use of the agency's resources to meet the agency's needs, including future needs, and an estimate of additional resources that may be necessary to meet future needs;
- (5) an analysis of expected changes in the services provided by the agency because of changes in state or federal law;
- (6) a description of the means and strategies for meeting the agency's needs, including future needs, and achieving the goals established under Section

APPENDIX B

Strategic Planning Statute (Cont'd.)

2056.006 for each area of state government for which the agency provides services;

(7) a description of the capital improvement needs of the agency during the term of the plan and a statement, if appropriate, of the priority of those needs;

(8) identification of each geographic region of this state, including the Texas-Louisiana border region and the Texas-Mexico border region, served by the agency, and if appropriate the agency's means and strategies for serving each region; and

(9) other information that may be required.

(c) A state agency's plan that does not include an item described by Subsection (b) must include the reason the item does not apply to the agency.

(d) A state agency shall send two copies of each plan to both the Legislative Reference Library and the state publications clearinghouse of the Texas State Library and one copy each to;

(1) the governor;

(2) the lieutenant governor;

(3) the speaker of the house of representatives;

(4) the Legislative Budget Board;

(5) the Sunset Advisory Commission;

(6) the state auditor; and

(7) the comptroller

(e) In this section:

(1) "Capital improvement" means any building or infrastructure project that will be owned by the state and built with direct appropriations or with the proceeds of state-issued bonds or paid from revenue sources other than general revenue.

(2) "Texas-Louisiana border region" means the area consisting of the counties of Bowie, Camp, Cass, Delta, Franklin, Gregg, Harrison, Hopkins, Lamar, Marion, Morris, Panola, Red River, Rusk, Smith, Titus, Upshur, and Wood.

(3) "Texas-Mexico border region" means the area consisting of the counties of Atascosa, Bandera, Bexar, Brewster, Brooks, Cameron, Crockett, Culberson, Dimmit, Duval, Edwards, El Paso, Frio, Hildalgo, Hudspeth, Jeff Davis, Jim Hogg, Jim Wells, Kenedy, Kerr, Kimble, Kinney, Kleberg, La Salle, Live Oak, Maverick, McMullen, Medina, Nueces, Pecos, Presidio, Real, Reeves, San Patricio, Starr, Sutton, Terrell, Uvalde, Val Verde, Webb, Willacy, Zapata, and Zavala.

APPENDIX B

Strategic Planning Statute (Cont'd.)

Sec.2056.003. Forms And Instructions.

The Governor's Office of Budget and Planning and the Legislative Budget Board shall develop forms and instructions for a state agency to use in preparing the agency's strategic plan.

Sec.2056.004. Assistance For Agencies.

The Governor's Office of Budget and Planning and the Legislative Budget Board shall work with each state agency to determine acceptable measures of output, outcome, unit cost, and cost-effectiveness for use in the agency's plan.

Sec.2056.005. Information Provided to Agencies.

(a) Not later than March 1 of each even-numbered year, the comptroller shall provide a long-term forecast of the state's economy and population to each state agency for use in the agency's strategic planning.

(b) The comptroller, the Governor's Office of Budget and Planning, and the Legislative Budget Board jointly shall determine the information to be included in the forecast.

Sec.2056.006. Goals.

(a) The governor, in cooperation with the Legislative Budget Board, shall establish and adopt achievement goals for each functional area of state government. Unless modified by the Governor's Office of Budget and Planning and the Legislative Budget Board, the functional areas must include:

- (1) education;
- (2) regulation;
- (3) natural resources;
- (4) health;
- (5) human services;
- (6) transportation;
- (7) public safety and corrections;
- (8) general government; and
- (9) state government benefits.

(b) The governor shall provide to each state agency a statement of the goals for each area in which the agency provides services.

Sec.2056.007. Additional Information.

APPENDIX B

Strategic Planning Statute (Cont'd.)

After a state agency issues its strategic plan, the Governor's Office of Budget and Planning and the Legislative Budget Board may request additional information relating to the plan from the agency. The agency shall provide the information in a timely manner.

Sec. 2056.008. Hearing.

The Governor's Office of Budget and Planning and the Legislative Budget Board jointly may hold a hearing on any matter required by this chapter.

Sec. 2056.009. State Plan.

(a) The Governor's Office of Budget and Planning and the Legislative Budget Board jointly may compile a long-range strategic plan for state government using the state agency plans issued under Section 2056.002 and information obtained under Section 2056.007.

(b) The state plan shall be sent to the governor, lieutenant governor, comptroller, and each member of the legislature not later than the seventh working day of each regular session of the legislature.

(c) The state plan serves as the strategic plan for the governor.

Sec. 2056.010. Agency Conformance to Strategic Plan.

The comptroller, the Sunset Advisory Commission, the state auditor, the Legislative Budget Board, or another agency that conducts performance audits of a state agency shall consider in the evaluation of an agency the extent to which the agency conforms to the agency's strategic plan.

Sec. 2056.011. Consolidated Public Junior And Community College Plan.

The Texas Higher Education Coordinating Board, in conjunction with all state-funded junior and community colleges, shall develop a consolidated public junior and community college strategic plan under this chapter.

APPENDIX C

Economic and Population Forecast

Texas and the U.S. Fiscal Years 1996–2005 Fall 1999 Forecast

Texas	1996	1997	1998	1999*	2000*	2001*	2002*	2003*	2004*	2005*
Gross state product (\$ billion)**	504.5	536.0	576.1	603.8	628.0	651.6	679.7	706.8	732.7	760.8
Annual percentage change	3.9	6.3	7.5	4.8	4.0	3.8	4.3	4.0	3.7	3.8
Personal income (\$ billion)**	418.4	450.7	486.1	516.3	548.5	582.1	617.7	652.6	689.0	728.8
Annual percentage change	6.5	7.7	7.8	6.2	6.3	6.1	6.1	5.6	5.6	5.8
Nonfarm employment (thousands)	8,190.6	8,518.5	8,865.1	9,131.7	9,318.7	9,490.7	9,721.2	9,943.4	10,167.6	10,409.9
Annual percentage change	2.8	4.0	4.1	3.0	2.0	1.8	2.4	2.3	2.3	2.4
Unemployment rate (percent)	5.8	5.5	4.9	4.7	5.1	5.1	5.2	5.3	5.4	5.2
Texas exports (\$ billion)	72.3	81.0	87.4	86.8	93.8	103.2	114.5	126.7	139.5	152.9
Resident population (thousands)	18,991.0	19,342.3	19,712.1	20,083.3	20,452.8	20,818.1	21,188.8	21,567.5	21,951.3	22,343.8
Annual percentage change	1.8	1.9	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8
Resident population under 18 (thousands)	5,529.0	5,618.0	5,540.4	5,587.0	5,651.0	5,702.0	5,761.0	5,819.0	5,875.0	5,939.0
Annual percentage change	2.3	1.6	-1.4	0.8	1.1	0.9	1.0	1.0	1.0	1.1
Resident population over 65 (thousands)	1,936.0	1,956.7	1,973.0	1,998.0	2,031.0	2,063.0	2,091.0	2,124.0	2,159.0	2,201.0
Annual percentage change	1.8	1.0	0.9	1.3	1.7	1.6	1.4	1.6	1.6	1.9
U.S.										
Gross National Product (\$ billion)**	6,297.9	7,201.9	7,473.6	7,775.7	7,981.4	8,189.1	8,431.3	8,657.7	8,878.6	9,109.4
Annual percentage change	3.0	4.0	3.8	4.0	2.6	2.6	3.0	2.7	2.6	2.6
Consumer Price Index (1982–1984 = 100)	155.7	159.9	162.5	165.6	169.8	174.1	178.2	182.4	186.7	191.2
Annual percentage change	2.8	2.7	1.6	1.9	2.5	2.5	2.4	2.3	2.4	2.4
Prime Interest Rate (percent)	8.4	8.4	8.5	7.9	8.2	8.2	8.2	8.2	8.2	8.1

* Projected.

** Amounts shown are in 1992 dollars adjusted for inflation.

SOURCE: Texas Comptroller of Public Accounts; The WEFA Group; Texas State Data Center.

APPENDIX D

External/Internal Assessment Outline

The following outline is provided as a list of suggested elements that may be used to develop an agency's external/internal assessment. Agencies are not required to use this outline to organize an assessment, and the outline is not exhaustive of relevant and appropriate assessment topics. The outline, however, does include the elements, required in general law relating to strategic planning as well as other important topics.

- I. Overview of Agency Scope and Functions
 - A. Statutory basis (enabling state and federal statutes)
 - B. Historical perspective (date created, significant events)
 - C. Affected populations (key service populations)
 - D. Main functions
 - E. Who are we in the public's perception?

- II. Organizational Aspects
 - A. Size and composition of workforce (number of full-time-equivalent positions, Equal Employment Opportunity-related composition, professionals vs. technical vs. clerical, exempts vs. classified, etc.)
 - B. Organizational structure and process (divisions/departments, management style, key management policies/operating characteristics, etc.); size and makeup of governing board/commission
 - C. Geographical location of agency (main office, field offices, travel, out-of- state requirements, etc.)
 - D. Location of service populations, identification of each geographic region serviced by the agency, and, if appropriate, the means and strategies for serving each region (pursuant to Government Code, Section 2056.002[b][8])
 - E. Human resource strengths and weaknesses (training, experience, compensation/benefits, turnover rates)
 - F. Capital asset strengths and weaknesses; capital improvement needs, and a prioritization of those needs, if appropriate
 - G. Agency use of historically underutilized businesses
 - H. Key organizational events and areas of change and impact on organization

- III. Fiscal Aspects
 - A. Size of budget (trends in appropriations and expenditures, significant events, etc.)
 - B. Method of finance (role of federal funds, fees, etc.)

APPENDIX D

External/Internal Assessment Outline (Cont'd.)

- C. Per capita and other states' comparisons
 - D. Budgetary limitations (appropriations riders, statutory restrictions, federal restrictions, etc.) and plans to comply with or accommodate caps, including anticipated waiver requests
 - E. Degree to which current budget meets current and expected needs
- IV. Service Population Demographics (focus on indicators)
- A. Historical characteristics
 - B. Current characteristics (size, age, education, geographic, special needs, impact on state's economic/political/cultural climate, etc.)
 - C. Future trends and their impacts, including changes in rates and sources of population growth, aging of the population, increase in the minority population, and changes in household composition
 - 1. Short term (1–2 years)
 - 2. Medium term (2–5 years)
 - 3. Long term (more than 5 years)
- V. Technological Developments
- A. Impact of technology on current agency operations (products/services in the marketplace, management information systems, transaction devices, etc.), including use of Web sites, mail, and other Internet-related tools for communication and transactional purposes
 - B. Impact of anticipated technological advances
 - C. Degree of agency automation, telecommunications, etc.
- VI. Economic Variables
- A. Identification of key economic variables
 - B. Extent to which service populations are affected by economic conditions
 - C. Expected future economic conditions and impact on agency and service populations
 - D. Agency response to changing economic conditions
- VII. Impact of Federal Statutes/Regulations
- A. Historical role of federal involvement (key legislation, key events, etc.)

APPENDIX D

External/Internal Assessment Outline (Cont'd.)

- B. Description of current federal activities (identifying relevant federal entities, relationship to state entities, impact on state operations, etc.)
- C. Anticipated impact on service populations and agency operations of future federal actions (agency-specific federal mandates, court cases, federal budget, general mandates, etc.)

VIII. Other Legal Issues

- A. Impact of anticipated state statutory changes
- B. Impact of current and outstanding court cases
- C. Impact of local governmental requirements

IX. Self-evaluation and Opportunities for Improvement

- A. How effectively and efficiently has the agency met its legal requirements, served critical populations, and achieved accreditation and recognition, etc., through outcome measures, program evaluations, performance reviews, audit reports, and comparisons with other states and industry leaders? What specific insights have been gained and what specific programmatic changes have been implemented as a result of those comparisons?
- B. Agency characteristics requiring improvement
- C. Key obstacles (statutory, environmental, fiscal, human resource, geographic, technological, cultural, social, political, etc.)
- D. Opportunities (human resources, statutory changes, community/business resources, technology, social, political, etc.)
- E. How will we work with local, state, and federal entities to achieve success?
- F. What key technological, capital, human, and community resources are or might be available?
- G. What are our employees' attitudes with regard to our organization? What are the significant issues identified by our employees as internal weaknesses? How can we address those issues? How can we support our employees as they are called on to accept more responsibilities and meet more challenges?

APPENDIX E

Example: Historically Underutilized Business Goal

A. Goal: We will establish and implement policies governing purchasing and public works contracting that foster meaningful and substantive inclusion of historically underutilized businesses (HUBs).

A.1. Objective: To include historically underutilized businesses in at least ___ percent of the total value of contracts and subcontracts awarded annually by the agency in purchasing and public works contracting by fiscal year 1999.

Outcome Measure: Percentage of Total Dollar Value of Purchasing and Public Works Contracts and Subcontracts Awarded to HUBs

A.1.1. Strategy: Develop and implement a plan for increasing the use of historically underutilized businesses through purchasing and public works contracts and subcontracts.

Output Measures:

1. Number of HUB Contractors and Subcontractors Contacted for Bid Proposals
2. Number of HUB Contracts and Subcontracts Awarded
3. Dollar Value of HUB Contracts and Subcontracts Awarded

APPENDIX F

Example: Nonbudgetary Goal

- A. Goal: We will manage agency resources in the most effective and efficient manner possible in order to produce the highest possible level of service and benefit to the citizens of the state.
- A.1. Objective: To achieve at least a 98 percent customer satisfaction level by fiscal year 1999 through utilization of Total Quality Management concepts.
- Outcome Measure: Percentage of Agency Customers Indicating That the Agency Provides Services or Products That Meet Their Needs and Expectations
- A.1.1 Strategy: Develop and implement a Total Quality Management program by providing detailed training to executive and division management personnel.
- Output Measure: Number of Agency Employees Trained in TQM Concepts

APPENDIX G

Example: Projected Outcomes

Example of Projected Outcomes *
Fiscal Years 2001–05

Outcome	2001	2002	2003	2004	2005
Percentage of All Child Support Amounts Due That Are Collected	45.0	46.0	46.0	48.0	48.0
Vaccination Coverage Level among Children Aged 19–35 Months	77.0	79.0	81.0	85.0	85.0
Percentage of Students Reading at Grade Level (3 rd Grade Only)	91.0	93.0	95.0	95.0	95.0
Percentage of Family Practice Residency Program Completers Practicing in Medically Underserved Areas	6.5	6.5	6.5	7.0	7.0
Felon Parolee Annual Revocation Rate	13.2	13.0	13.0	12.8	12.6
Percentage of Texas Water Meeting or Exceeding Water Quality Standards	87.0	88.0	89.0	90.0	91.0
Percentage of Households/Individuals of Low Income Needing Affordable Housing Who Subsequently Receive Housing or Housing-related Assistance	1.7	1.9	2.0	2.1	2.3
Statewide Incidence Rate of Injuries and Illnesses Per 100 Full-time Employees	6.8	6.8	6.6	6.6	6.5

*Projections for Fiscal Year 2002–05 are fictitious and have been developed for illustrative purposes only.

APPENDIX H

Example: Performance Measure Definitions

Performance Measure Definitions

Following are three examples of outcome performance measure definitions prepared using the format discussed on page 22.

Example 1: Percentage of Consumers Whose Dependent Living Risk Was Diminished (Texas Commission for the Blind)

Short Definition: The percentage of persons provided independent living skills training whose dependence on others is decreased at the end of this training, expressed as a ratio of all persons provided training who were initially identified as being at risk of increased dependency.

Purpose/Importance: This measure addresses the extent to which services provided by the strategy enable individuals to minimize their dependency on others due to blindness or severe vision loss. Services provided depend on individual need and might include training in how to move about safely in the home, neighborhood, and community; counseling to help adjust to vision loss; provision of adaptive devices; and training in preparing meals, handling finances, and maintaining and recording information without vision.

Source/Collection of Data: Service personnel in field offices enter into the agency's database all data for the consumers they serve. A record of each consumer is begun at the point an application for services is taken or a referral is received. After assessing the consumer's situation, service personnel note in the consumer's database record whether the individual is at risk of increased dependency on others. At the time the consumer's case is closed, the staff enters a code noting whether or not the consumer's risk for dependent living is diminished as a result of services provided. Consumer coding is presented in a quarterly custom report that extracts information from this database.

Method of Calculation: A percentage is obtained by dividing the number of consumers coded as having a diminished dependent living risk at closure by the number of consumers coded as being at risk during the eligibility phase of their rehabilitation process.

Data Limitations: The determination of risk of dependence at application and the degree of dependence at closure is based on the judgment of professional staff. A degree of

APPENDIX H

Example: Performance Measure Definitions (Cont'd.)

subjectivity is inherent, but the measure is considered to offer reliable information on program results.

Calculation Type: *Noncumulative*

New Measure: *No*

Desired Performance: *Higher than target*

Example 2: Percentage of Child Protective Service Priority I Reports Initiated within One Day (Department of Protective and Regulatory Services)

Short Definition: The number of Child Protective Services (CPS) Priority I reports initiated during the day following the day in which the CPS Priority I report was received, expressed as a percentage of all CPS Priority I reports received during the reporting period. CPS Priority I reports, determined by the current-stage priority, are calls that have met the statutory definition of child abuse/neglect, allege that a child is in life-threatening circumstances, and are assigned for investigation.

Purpose/Importance: This measure provides an indication of the responsiveness of CPS staff to reports of child abuse/neglect that allege that a child is in life-threatening circumstances.

Source/Collection of Data: Count the total number of Priority I reports during the reporting period and count the number of reports that were designated as Priority I in the intake process and for which an investigation was initiated within one calendar day of being reported to PRS in the reporting period. Data is maintained within the Child and Adult Protective System. To select the universe, start date must be within the reporting period.

Method of Calculation: Divide the total number of CPS reports designated as Priority I for which an investigation was initiated within one calendar day by the total number of reports designated as Priority I during the reporting period. To determine the CPS Priority I reports that had an investigation initiated within one calendar day of the report, subtract the date the report was received from the date the investigation was

APPENDIX H

Example: Performance Measure Definitions (Cont'd.)

initiated. When calculating the second quarter, third quarter and fourth quarter, the year-to-date total is recalculated.

Data Limitations: Priority I reports have well-defined parameters, but identification of Priority I cases ultimately depends upon the experience and skill of intake personnel.

Calculation Type: Noncumulative

New Measure: No

Desired Performance: Higher than target

Example 3: Three-Year Recidivism Rate (Texas Department of Criminal Justice)

Short Definition: Recidivism rate is the percentage of offenders released from the Texas Department of Criminal Justice (TDCJ) Institutional Division (ID) to parole or mandatory supervision who are revoked and/or returned to ID within 36 months of release. The rate is derived from an analysis of a true random sample of releasees for the fiscal year being reported.

Purpose/Importance: This measure is intended to show the likelihood that offenders released from Texas prisons will return to criminal activity. It is important because successful offender rehabilitation and reintegration into society upon release is a primary agency goal.

Source/Collection of Data: Specialized statistical software (e.g., SPSS) is utilized to obtain a true random sample of 1,200 cases from consolidated data files of TDCJ-Institutional Division releases downloaded on a monthly basis from the mainframe computer system. Each case is then researched to determine whether the releasee was revoked and/or returned to ID within three years of release (the exact dates of the three-year follow-up are determined individually for each case in the sample).

Method of Calculation: Outcome data is coded and entered into a PC database. SPSS is utilized to analyze the data and determine the total number of releasees in the sample

APPENDIX H

Example: Performance Measure Definitions (Cont'd.)

revoked and/or returned to ID within three years of release. The total number is then divided by 1,200 to obtain the three-year recidivism rate.

Data Limitations: (1) Many societal and criminal justice factors beyond the agency's control affect the recidivism rate; (2) prison admissions data is the traditional basis for recidivism rate calculation, but is subject to influence by the backlogging of state prisoners in county jails; the present measure counts releasees revoked to prison by the Board of Pardons and Paroles as recidivists irrespective of readmission to ID; and (3) because no one source is sufficiently complete or accurate to be relied upon exclusively, five different computer system databases must be utilized to conduct the research associated with this measure (ID-IMF, PD-PSS, BPP-CAPS, BPP-HSDD, and DPS-CCH).

Calculation Type: *Noncumulative*

New Measure: *No*

Desired Performance: *Lower than target*

APPENDIX I

Performance Benchmarking Information

To benchmark refers to a process of comparing agencies' operations and performance against recognized standards and improving those operations to simulate or match the effectiveness of the standard bearers. A *benchmark* refers to the numerical target or reference point for future performance resulting from such comparisons and improvements. The Glossary of Terms (Appendix M) contains a more complete and formal definition of these terms.

Benchmarking falls into four categories, as described by McNair and Liebfried:¹

1. Internal benchmarking—*identifies cost drivers and non-value-added activities and is performed prior to comparing performance with external service providers.*²
2. Competitive benchmarking—*is a one-to-one comparison with other service providers or competitors that assesses relative performance.*
3. Industry benchmarking—*identifies trends in baseline performance among categories of similar service providers.*
4. Best-in-class benchmarking—*identifies breakthrough performance irrespective of the type of service/product, industry, or field of operations.*

Benchmarking offers substantive advantages for agency management as well as statewide decision-makers. With its integration into Texas' system of strategic planning and performance-based budgeting, benchmarking helps to

- refine the state's strategic planning and budgeting system by adding a basis for comparing the performance of Texas government and its component agencies and by establishing benchmarks that allow comparison with standards and best-of-class practices in other states or other entities;

¹McNair, C. J., and H. J. Liebfried, *Benchmarking: A Tool for Continuous Improvement* (1992).

²Agencies that have adopted and effectively used the total quality service improvement model—or a similar model—have in essence performed an internal benchmarking process.

APPENDIX I

Performance Benchmarking Information (Cont'd.)

- identify the critical issues and policy areas currently facing the state and to focus attention and effort on those issues in order to improve the overall well-being and health of the state; and
- provide a basis for aligning resources that will contribute to the prosperity of Texas today and the future and to enable policymakers to focus on budgetary decisions that will yield the highest or best return on the state's investment.

Agencies should use the benchmarking process to identify best practices around the country for potential adoption in Texas. Those best practices might include a simple re-engineering of a particular process, or could include significant or complex changes in a variety of operations and organizational units. Over time, benchmarking can ultimately improve agency operations, thereby positively affecting performance levels. Because of the linkage to performance levels, the benchmarking process will inevitably involve the use of performance measures. As previously noted, those measures will not be formally identified as agency benchmarks at this time.

The following criteria and suggestions have been developed to assist agencies in conducting benchmarking reviews:

- Look for regularly published data and information from nationally recognized sources (e.g., trade associations, associations of government administrators).
- Seek sources that include data and information from all 50 states, or as many states or jurisdictions as possible, and that identify and adjust for differences.
- Balance the costs of benchmarking with the benefits derived from it.
- Focus benchmarking efforts on major programs and strategies, including administration, and on major outcome and efficiency measures. Output and input measures are rarely appropriate candidates for benchmarking or as benchmarks. Identify those measures that are most reflective of major agency functions, of most value to management, and of most interest to the Legislature and the Governor.

APPENDIX I

Performance Benchmarking Information (Cont'd.)

- Consult with other governmental entities and review a variety of publications, not only in your particular area of responsibility but also in related fields. Seek information on benchmarking processes from the large and growing number of publications and governmental examples in this area.
- Organizations involved in benchmarking include:

American Society for Quality Control

<http://www.asq.org/>

Association for Quality and Participation

<http://www.aqp.org/home.html>

American Management Association

<http://www.amanet.org/>

American Quality and Productivity Center

<http://www.apqc.org/>

APPENDIX J

Senate Bill 1563 Questions and Answers

1. What information should be requested in agency surveys of customer satisfaction?

Surveys and other data collection instruments and methods should address each of the seven customer service quality elements specified in statute:

- *facilities;*
- *staff;*
- *communications;*
- *Internet sites;*
- *complaint-handling processes;*
- *service timeliness; and*
- *printed information.*

Agencies may exclude any of these elements if they are not relevant or applicable or if, in the agency's judgment, their inclusion doesn't provide cost-effective information or is otherwise problematic. Major deviations from these required elements should be explained in the Report on Customer Service. Of course, agencies may include additional, nonstatutory information as they see fit.

2. What consideration, if any, should be given to agencies/institutions that participated in customer satisfaction pilot projects required by Article IX of the General Appropriations Act during the 1998–99 biennium? To what extent can agencies use the results of surveys conducted during the 1998–99 biennium to meet Senate Bill 1563 requirements?

Agencies that participated in Customer Satisfaction Pilot Projects during the 1998–99 biennium may use those results in their Report on Customer Service. The data from such previous efforts should be no more than two years old and should include the elements specified in Question 1.

3. What cost considerations should be given to survey design, administration, and analysis?

Agencies should carefully weigh the costs of various information collection approaches with the benefits to be gained from them. Agencies should avoid costly approaches that reach small numbers of customer groups and/or provide marginal information in terms of providing an accurate profile of service quality and providing information for program

APPENDIX J

Senate Bill 1563 Questions and Answers (Cont'd.)

improvements. There are standard surveys and other instruments and approaches previously employed by state agencies that may be accessed to provide for a cost-effective approach. Agencies are encouraged to talk with agency peers who have developed and would be willing to share these tools and to consider pooling resources where multiple agencies might be serving similar customer groups.

4. Are agency/institutional employees (e.g., faculty) considered customers?

No. For purposes of Senate Bill 1563, agencies/institutions should not include employees, staff, or faculty as customers. Employees' opinions on a variety of agency operational issues may be surveyed through the Survey of Organizational Excellence. General government agencies, or agencies/institutions that serve other state agencies/institutions, may consider them as customers. In general, the Legislature would not be considered an agency customer.

5. What percentage of customers should be surveyed? Can just one customer group be surveyed? What is considered a good response rate?

The answers to these questions depend on a number of variables and should generally be considered in the context of good survey and statistical methodology in keeping with relevant cost-benefit considerations. Appropriate sample sizes and response rates can be determined by a review of relevant literature. The determination of the number of customer groups that should be surveyed is a threshold consideration that must also be weighed against costs and benefits. The approach taken should address, at least, the major customer groups in terms of the size of these groups relative to the agency's budget and workload, their overall importance to the agency's mission, and the importance of agency services to customers' well-being. The percentage surveyed, the response rate, and customer groups included (and excluded) should be detailed in the Report on Customer Service. For some agencies, it may be more appropriate not to take a sample of customers, but, rather, to reach each customer directly (e.g., through an agency newsletter or some sort of "point-of-sale" instrument).

APPENDIX J

Senate Bill 1563 Questions and Answers (Cont'd.)

6. Are there strategies for which customer groups do not have to be inventoried?

Yes. Senate Bill 1563 does require that agencies identify customers for “each budget strategy listed in the General Appropriations Act for that agency.” Agencies and institutions may, however, use their discretion in determining which strategies to include, as discussed above. Agencies may exclude Indirect Administration strategies, strategies that do not include customers, or strategies that are not relevant in assessing customer service quality. Institutions may consider excluding special item strategies for which customers are not easily identified or relevant in assessing customer service quality.

7. What information should the “Compact with Texans” contain? Should the Compact attempt to address each customer group?

Compacts should include the five required components specified on page 21. Agencies may use their discretion in determining exactly which informational items should be included, in what format, and in what style. An agency may customize its Compact to fit its public image and organizational culture. Agencies should, however, ensure that Compacts are helpful, readable, and, ultimately, “customer friendly.” The decision about which customer groups should be addressed in the Compact should be made in conjunction with the other threshold decisions addressed elsewhere.

8. How will Compacts be approved?

*Agencies should submit draft Compacts and any requested changes to budget and planning structures (including performance measures and measure definitions) to the Legislative Budget Board and Governor's Office of Budget and Planning by **March 17, 2000**. The two budget offices will review the Compacts and issue approval letters so that the approved Compacts can be included in agency Strategic Plans, which are due by **June 1, 2000**.*

9. What customer service–related performance measures should be contained in an agency’s Compact? What standard measures have been developed?

Agency-specific customer service–related performance measures should be included in agency Compacts. Agencies have some discretion in developing these measures, although Senate Bill 1563 does require that Compacts address customer waiting time for access and service delivery and responses to complaints. Standard customer service–related

APPENDIX J

Senate Bill 1563 Questions and Answers (Cont'd.)

performance measures have been developed by the Legislative Budget Board and will need to be included in each agency's Report on Customer Service (including estimated performance for fiscal year 2000). A list of these measures is found on pages 21–22.

10. What resources are available on the topic of customer service surveys?

There are numerous books, Web sites, and other resources devoted to the topic of customer service.

Two reports that lead to the implementation of customer service initiatives in Texas government include

- *“Benchmarking and Customer Satisfaction As Measures of Government Effectiveness,” which is available from the Governor's Executive Development Program at the University of Texas at Austin, which is available at <http://www.utexas.edu/lbj/profdev/gedp/xiii.pdf>; and*
- *“Set Customer Service Standards for Texas State Government,” which is contained in [Challenging the Status Quo: Toward Smaller, Smarter Government](http://www.window.state.tx.us/tpr/tpr5/3cg/cg02.html), which is available at <http://www.window.state.tx.us/tpr/tpr5/3cg/cg02.html>.*

The Urban Institute has recently published “Customer Surveys for Agency Managers: What Managers Need to Know,” which provides practical information, including an extensive bibliography, for public entities assessing customer satisfaction levels. It is available at <http://www.urban.org>.

Many colleges and universities offer technical assistance and other services regarding customer service surveys. Feel free to consult the following four sources:

- *The University of North Texas, Survey Research Center
<http://www.unt.edu/src>*
- *The University of Texas at Austin, Office of Survey Research
<http://www.utexas.edu/coc/osr>*

APPENDIX J

Senate Bill 1563 Questions and Answers (Cont'd.)

- *The University of Texas at Austin, Center for Social Work Research, which conducts the Survey of Organizational Excellence <http://www.survey.utexas.edu/customer>*
- *The University of Michigan Business School, which produces the American Customer Satisfaction Index <http://www.bus.umich.edu/research/nqrc/acsi.html>*

Information on “Citizen Charters,” which originated in the United Kingdom and serve as the conceptual basis for each agency's “Compact with Texans,” is available at <http://www.cabinet-office.gov.uk/servicefirst/index/list.htm>.

Agencies and institutions are strongly encouraged to contact their peers elsewhere in state government who have had experience with customer satisfaction assessments.

11. Is there a standard format for the reporting of survey results?

Yes. Please refer to the requirements on pages 19 and 20 of these instructions for the five required sections of the Report on Customer Service.

12. How should the survey results be submitted to the Legislative Budget Board and the Governor's Office of Budget and Planning?

Survey results should be included in the required Report on Customer Service in Appendix E of each agency's Strategic Plan.

APPENDIX K

Survey of Organizational Excellence

An important trend involves implementation of a method to determine how employees view their organization's cultural strengths and weaknesses. This is a trend that should be followed in state government. Securing such data is critical to ensuring continuous improvement and is especially valuable to management in assessing the relative quality and effectiveness of the organization. Achieving quality and excellence is an evolving process and can be facilitated by recognizing the strengths and weaknesses within an organization as perceived by the people who work there. A thorough self-examination can provide an agency the ability to benchmark against itself, as well as against similar agencies.

An employee satisfaction survey provides perspectives on how employees view their organization, work, and relationships within the organization's environment. Such a survey will contribute greatly to the external/internal assessment of an agency's Strategic Plan. Just as customer satisfaction surveys are increasingly viewed as being important in an agency's assessment, employee surveys are gaining the same level of importance. In these times of "doing more with less," employees are being called on to accept more responsibilities and meet more challenges, and their satisfaction is a direct correlate of their abilities to meet those new challenges.

Dr. Michael Lauderdale of The University of Texas at Austin School of Social Work has been assessing state agency employee satisfaction since 1979. The school's biennial Survey of Organizational Excellence has been used by many Texas state agencies as a useful tool in assessing employee satisfaction. Dr. Lauderdale and his staff are available to assist state agencies in conducting surveys of employee satisfaction. Further information may be obtained from The University of Texas at Austin Center for Social Work Research at (512) 471-9831 and/or at <http://www.survey.utexas.edu>.

Agencies that have participated in the Survey of Organizational Excellence are requested to provide a synopsis of the most recent survey results for their agency in Appendix F of their Strategic Plan and to explain how they will use the results in formulating human resource development goals and strategies to achieve those goals.

APPENDIX L

Strategic Plan Distribution List

- (1) The Honorable George W. Bush
Governor, State of Texas
State Capitol, Room 2S.1
P.O. Box 12428
Austin, Texas 78711 (One Copy)
- (2) The Honorable Rick Perry
Lieutenant Governor, State of Texas
State Capitol, Room 2E.13
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- (3) The Honorable James E. "Pete" Laney
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and Library Building
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- (12) House Appropriations Committee
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- (13) Senate Finance Committee
State Capitol Extension, Room E1.038
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Austin, Texas 78711 (One Copy)

APPENDIX M

Glossary of Terms

Action Plans are detailed methods of specifying how a strategy is implemented. Task specification includes staff assignments, material resource allocations, and schedules for completion. Action plans separate strategies into manageable parts for coordinated implementation of goals and objectives. Action plans specify detailed cost and expenditure information and are often referred to as “operational plans” or “implementation plans.”

Agency Goals are the general ends toward which agencies direct their efforts. A goal addresses issues by stating policy intention. Goals are both qualitative and quantifiable, but not quantified. In a strategic planning system, goals are ranked for priority. Goals stretch and challenge an agency, but they are realistic and achievable.

Agency Mission is the reason for an agency's existence. It succinctly identifies what the agency does, why, and for whom. A mission statement reminds everyone—the public, the Governor, legislators, the courts, and agency personnel—of the unique purposes promoted and served by the agency.

Agency Philosophy is the expression of core values and operating principles for the conduct of the agency in carrying out its mission. It describes how the agency conducts itself as it does its work.

Benchmark is the quantified standard against which achievement of a stated goal, objective, or strategy can be measured. It is a tool for gauging “added value” performance that benefits the customer/stakeholder or progress toward achieving increased productivity and strategic efficiency.

Benchmarking Process is an integral part of the external and internal assessment conducted during the strategic planning process. It is an iterative method of identifying, analyzing, and emulating the standards and best practices of external organizations that achieve a high degree of productivity or innovative success in program and service changes to internally managed processes. It helps define any needed improvements to individual subfunctions within an organization.

Capital Improvements are building or infrastructure projects that will be owned by the state and built with direct appropriations or with the proceeds of state-issued bonds.

APPENDIX M

Glossary of Terms (Cont'd.)

Customer Compact is an agreement made with the customers of an agency or institution to provide services that follow a predetermined set of guiding principles. It sets forth the rights of the customer and defines the standards that customers should expect.

Efficiency Measures are indicators of the input resources required to produce a given level of output. They measure resource cost in dollars, employee time, or equipment used per unit of product or service output. An efficiency measure relates agency efforts to agency outputs. Indicators of average cost and average time normally serve as efficiency measures for agency processes, but they may also serve as outcome measures when cost-per-unit-of-outcome is the focus and can be meaningfully captured.

Explanatory Measures provide information that can help users to assess the significance of performance reported on other types of measures. An agency may have limited or no control over factors addressed by explanatory measures, including environmental or demographic characteristics related to agency target populations. A major use of this type of measure is to describe the level of customer demand or public need for an agency's products and services. Explanatory measures also may focus on variables over which an agency has significant control, such as staffing patterns for specific functions.

External/Internal Assessment is an evaluation of key factors that influence an agency's success in achieving its mission and goals. Detailed evaluation of trends, conditions, opportunities, and obstacles directs the development of each element of the Strategic Plan. This type of assessment should be heavily quantitative. Key external factors may include economic conditions, population shifts, technological advances, geographical changes, and/or statutory changes. Key internal factors include management policies, resource constraints, organizational structure, automation, personnel, and operational procedures.

HUB refers to a historically underutilized business that is a corporation, sole proprietorship, partnership, joint venture, or supplier contract formed for the purpose of making a profit in which at least 51 percent of all classes of the shares of stock or other equitable securities are owned by one or more persons who (1) are socially disadvantaged because of their identification as members of certain groups, including African Americans, Hispanic Americans, women, Asian Pacific Americans, and Native Americans, and have suffered the effects of discriminatory practices or similar insidious circumstances over which they have no control; and (2) have a proportionate interest and demonstrate active participation in the control, operation, and management of the business entity's affairs.

APPENDIX M

Glossary of Terms (Cont'd.)

Indirect Administration refers to administrative and support costs or expenditure requirements not directly attributable to the implementation of specific goals, objectives, and strategies or the achievement of performance targets.

Inputs are the resources, including human, financial, facility, or material, that an agency uses to produce services.

Management Goals reflect agency or institution management approaches in its overall administration. They may encompass activities and management approaches such as Total Quality Management training, customer service initiatives, and other managerial techniques that support greater efficiency and effectiveness in short-term or long-term operations. A management goal and sub-elements frequently may be nonbudgetary in nature, that is, not included as a distinct and separate item in the appropriations request. It may have measures associated with successful implementation or accomplishments that remain internal to the agency and are not reported on a routine basis to oversight entities.

Nonbudgetary Elements are a strategic planning goal, objective, or strategy created to convey a tangible agency activity or service that is not separately and directly funded. They cannot be solely policy-related or philosophical statements. Nonbudgetary elements are not included as a distinct and separate item in the agency's appropriations request and may have measures that remain internal to the agency and are not routinely reported to oversight entities.

Objectives are clear targets for specific action. They mark interim steps toward achieving an agency's long-range mission and goals. Linked directly to agency goals, objectives are measurable, time-based statements of intent. They emphasize the results of agency actions at the end of a specific time.

Outcome Measures are indicators of the actual impact or effect on a stated condition or problem. They are tools to assess the effectiveness of an agency's performance and the public benefit derived therefrom. An outcome measure is typically expressed as a percentage, rate, or ratio.

Output Measures are tools, or indicators, to count the services and goods produced by an agency. The number of people receiving a service and the number of services delivered are often used as measures of output.

APPENDIX M

Glossary of Terms (Cont'd.)

State Agencies covered by strategic planning requirements are departments, commissions, boards, offices, or other agencies within the executive branch of state government. Such state agencies are created by statute or constitutional provision with statewide jurisdiction. They possess administrative authority and resources independently of other state agencies. Specifically included are university systems and institutions of higher education as defined in V.T.C.A., Education Code, Section 61.003. Entities created with the primary purpose of advising a state agency are specifically excluded from this definition.

Statewide Goals are the general ends toward which the state directs its efforts. Statewide goals address the primary issues facing the state within broad groupings of interrelated state concerns. Statewide goals are founded on the statewide vision and may involve coordination among several agencies with similar functions.

Strategic Planning is a long-term, future-oriented process of assessment, goal setting, and decision-making that maps an explicit path between the present and a vision of the future; that relies on careful consideration of an organization's capabilities and environment; and that leads to priority-based resource allocation and other decisions.

Strategic Planning and Budget Structure is the framework used by an agency in preparing its request for appropriations. An agency's strategic planning and budget structure consists of goals, objectives, and strategies and their related outcome, output, efficiency, and explanatory measures, derived from the agency Strategic Plan. Only those elements in an approved strategic planning and budget structure may be utilized by an agency as items in its request for appropriations.

Strategies are methods to achieve goals and objectives. Formulated from goals and objectives, a strategy is the means for transforming inputs into outputs and, ultimately, outcomes, with the best use of resources. A strategy reflects budgetary and other resources.

Survey of Organizational Excellence is a survey instrument developed by The University of Texas at Austin School of Social Work to assess how employees view their organization, work, and relationships within the organization's environment and their overall satisfaction in their workplace.

Vision is an inspiring picture of a preferred future. A vision is not bound by time, represents global and continuing purposes, and serves as a foundation for a system of strategic planning.

APPENDIX M
Glossary of Terms (Cont'd.)

A statewide vision depicts an ideal future for the people of Texas and the contributions that state government can make to that end.

APPENDIX N

Instructions for Preparing Information Resources Strategic Plans

Overview

The Information Resources Strategic Plan should support the Agency Strategic Plan in its adherence to the statewide vision, mission, and philosophy, and should also support the agency's mission and philosophy. Additionally, the Information Resources Strategic Plan should be consistent with the philosophy, goals, and objectives in the State Strategic Plan for Information Resources Management.

The Information Resources Management Act and Title 1, Part 1, Chapter 201 of the Texas Administrative Code require the following information to be contained in each agency's Information Resources Strategic Plan:

- a statement of the agency's goals, objectives, and programs as found in the agency's legislative appropriations request;
- a description of the agency's major databases and their applications;
- a description of the agency's information resources management organizations, policies, and practices;
- a plan for receiving any required forms or payments through the Internet or through other electronic means, including appropriate security measures that follow guidelines established by the Department of Information Resources; performance measures that will allow the department and the Legislature to evaluate the agency's progress in implementing the plan and specify the time during which the agency will fully implement the plan;
- a statement of the strategic objectives of the agency relating to information resources management for the next five fiscal years, with a description of how those objectives help achieve the agency's programs and goals and how those objectives support and promote the goals and policies of the State Strategic Plan for Information Resources Management; and
- other planning components prescribed by the Department of Information Resources and Legislative Budget Board.

The text of the Information Resources Management Act and Title 1, Chapter 201, Rule 201.5 of the Texas Administrative Code is provided on pages 106–111.

Please provide the following elements of information in table format in Appendix G of the Agency Strategic Plan for Fiscal Years 2001–05.

APPENDIX N

Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

Table 1: Goals, Objectives and Strategies

Using the guidelines established in the Agency Strategic Plan instructions, provide goals, objectives, strategies, and action items for the Information Resources function within the agency.

Item	Description
Goal	<i>Describe the Information Resources goal, relate the Information Resources goals to the agency's overall Strategic Plan, and indicate how these goals support the <u>1999 State Strategic Plan for Information Resources, Texas Connected Service at the Speed of Light</u>. This plan can be found at http://www.dir.state.tx.us/pubs/99ssp/index.html.</i>
Objective	<i>Provide clear targets for specific action and the quantified results or impacts of that action.</i>
Strategy	<i>Detail the methods to achieve goals and objectives and the quantified end products, proficiencies, and descriptive indicators of the agencies' efforts.</i>

Table 2: Information Resources Policies and Practices

Use this table to provide a high-level view of the agency's information resources policies and practices. If appropriate, include references to internal agency documentation and/or supplemental information available on the agency's Web site.

Category	Brief Summary/Overview
IR Priorities	<i>Describe agency policies and procedures for setting priorities for information resources activities and projects. Refer to any information resources steering committees.</i>

APPENDIX N

Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

Category	Brief Summary/Overview
IR Planning Methodology	<i>Indicate steps used to develop and implement planning for information resources. Indicate the level of executive involvement in the planning process.</i>
Operating System	<i>List operating system standards in place at the agency.</i>
Development Methodology	<i>Indicate the software development methodology in use at the agency, including CASE tools.</i>
Software Audit and Management	<i>Describe plans for software audits. Describe plans to manage software licenses within the agency.</i>
Quality-Assurance Practices	<p><i>Provide a high-level description of quality-assurance practices in the agency, including risk-management practices. Include a timeline for implementation of quality-assurance practices developed in accordance with DIR guidelines for internal quality assurance. Address each of the seven areas included in the Information Resources Management Act:</i></p> <ol style="list-style-type: none"> <i>(1) planning project development;</i> <i>(2) determining the projected benefits of a project;</i> <i>(3) developing and implementing management- control processes;</i> <i>(4) projecting the budget for a project;</i> <i>(5) analyzing the risks of a project;</i> <i>(6) establishing standards by which the effectiveness and efficiency of a project can be evaluated; and</i> <i>(7) evaluating and reporting on the project after implementation.</i> <p><i>Guidelines for internal quality assurance procedures are available at http://www.dir.state.tx.us/eod/qa/.</i></p>

Category	Brief Summary/Overview
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APPENDIX N

Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

E-Government	<p><i>Describe the agency's plan for receiving forms and/or payments through the Internet or other electronic means. Include security measures, following DIR guidelines, that will be in place. Include performance measures to be used to evaluate progress in implementing the plan. Specify the timeline for achieving this plan. Electronic commerce/business standards and initiatives can be located at http://www.state.tx.us/EC/.</i></p> <p><i>In addition, Internet security guidelines are available at http://www.dir.state.tx.us/eod/inet_sec/.</i></p>
Change Control	<p><i>Describe configuration-management and change-control policies.</i></p>
Security	<p><i>Comment on compliance with published information resources standards, including whether an Information Security Risk Analysis has been completed and documented. Asset protection standards and guidelines can be found at http://lanner.dir.state.tx.us/irapc/.</i></p>
Geographic Information Systems	<p><i>List agency policies or standards for development of GIS datasets and/or applications. Describe how GIS initiatives are coordinated within the agency. Indicate participation in the Texas Geographic Information Council (TGIC), and how the agency's GIS activities support key TGIC goals. The Geographic Information Framework for Texas is available at http://www.tgic.state.tx.us/tgic/documents/plans/gip.htm.</i></p>

APPENDIX N

Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

Category	Brief Summary/Overview
Disaster Recovery/Business Continuity Planning	<p><i>Describe how priorities for disaster recovery planning are set within the agency. Describe any contractual or interagency agreements planned or in place for disaster recovery planning and services, including the West Texas Disaster Recovery Operations Center (WTDROC) or Austin Disaster Recovery Operations Center.</i></p> <p><i>The 2000–01 General Appropriations Act, Section 9.623, states that it is the intent of the Legislature that all agencies use the WTDROC for testing disaster plans and for disaster recovery services or data center operations.</i></p> <p><i>Guidelines for business continuity planning are available at</i> <i>http://www.dir.state.tx.us/pubs/1999/bcpg.pdf.</i></p>
Resource Use	<p><i>Provide policies and procedures for the use of voice, data, and video resources. Comment on the agency's adherence to standards for video conferencing as adopted in TAC 201.16. These can be found at</i> <i>http://www.state.tx.us/standards/S201-16.htm.</i></p>
Contract/Consultant	<p><i>List agency policy procedures related to the use of consultant and contracted services for information resources. Include processes in place for monitoring contracts.</i></p>
Information Sharing	<p><i>Describe the agency policies and procedures for sharing data with other agencies or other external entities.</i></p>

APPENDIX N

Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

Category	Brief Summary/Overview
Training and Continuing Education	<i>Describe the agency policies for determining training and education that is necessary for any given information resources position. Describe procedures for tracking training and education received.</i>
Data Center Operations	<i>Describe any plans for migration to the West Texas Disaster Recovery and Operations Center for data center operations and/or provide status on any waivers for WTDROC services.</i>

Table 3: Agency Platforms, Systems, and Telecommunications

Category	Type	Operating System	Database Management System	Capacity/Size/Count	Comments/Descriptive Information
Mainframe	<i>Manufacturer</i>	<i>Primary O/S used</i>	<i>Primary DBMS used</i>	<i>Capacity (MIPS)</i>	
Minicomputer	<i>Manufacturer</i>	<i>Primary O/S used</i>	<i>Primary DBMS used</i>	<i>Capacity (MIPS)</i>	
Network					<i>Provide network topology map</i>
LAN Servers (Central)	<i>PC or Mac</i>	<i>Primary O/S used</i>	<i>Primary DBMS used</i>	<i>Number of servers</i>	
LAN Servers (Remote)	<i>PC or Mac</i>	<i>Primary O/S used</i>	<i>Primary DBMS used</i>	<i>Number of servers</i>	
LAN Client/Workstations (Central)	<i>PC or Mac</i>	<i>Primary O/S used</i>	<i>Primary DBMS used</i>	<i>Number (rounded)</i>	

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Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

Category	Type	Operating System	Database Management System	Capacity/ Size/Count	Comments/ Descriptive Information
LAN Client/Workstations (Remote)	<i>PC or Mac</i>	<i>Primary O/S used</i>	<i>Primary DBMS used</i>	<i>Number (rounded)</i>	
WAN Servers	<i>Mail, Web, DNS Servers, etc.</i>	<i>Primary O/S used</i>	<i>Primary DBMS used</i>	<i>Number of each type</i>	
Stand alone PC Workstations	<i>PC or Mac</i>	<i>Primary O/S used</i>	<i>Primary DBMS used</i>	<i>Number (rounded)</i>	
Internet Service Provider		<i>Vendor</i>		<i>N/A</i>	<i>Provide vendor name</i>
Shared Network		<i>General Services Commission, HHSCN, University (specify), Own, Other</i>		<i>N/A</i>	<i>Specify whether this is General Services Commission, the Health and Human Services Consolidated Network, a university-related network, or other shared arrangement</i>

Table 4: Agency Database

Identify major agency databases critical to the administration or service of the agency's mission and briefly describe their uses. This includes internal administrative databases, but excludes simple databases used in the support of administrative functions (for example, phone lists and address directories). Provide the following information for each database.

Database Name	<i>Name and acronym of the database</i>
Database Description	<i>Brief description of the database: purpose, primary user(s)</i>
Database System	<i>Database management software used for this database</i>
Estimated Physical Storage Requirements	<i>Size and projected growth of the database expressed in bytes as the unit of measurement, for example, 1.5GB</i>

APPENDIX N

Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

GIS Data Classification	<i>Indicate whether the database currently supports spatial (GIS) operations (such as map displays, spatial queries, or spatial analysis). If not, indicate whether the database contains geographic data (such as latitude-longitude, State Plane, or UTM coordinates) that could be of use to the state if properly formatted for GIS</i>
Sharing	<i>Indicate other organizations with which the agency shares this data. Include how the data sharing occurs: on-line, regular data transfers, etc. If the database is owned by another entity, indicate the owner. Include plans for future data sharing</i>
Future	<i>Indicate planned replacements, modifications, conversions, or discontinuance of use during this planning period. Include any plan to add or enhance GIS functionality or to link this database to a GIS. Relate to projects in Biennial Operating Plan</i>

Table 5: Agency Applications

Identify *major* software applications and provide a brief description of their uses. For this plan, *major* applications are those critical to the administration or service of the agency's mission. Provide the following information for each application.

Application Name	<i>Name and acronym of the application</i>
Application Type (choose from the listed types)	<i>Choose all applicable types: Client Server Financial System, Data Warehouse, Development, Disaster Recovery, Distance Learning, Document Management, Electronic Commerce, Geographical Information System (GIS), Human Resources, Imaging, Licensing, Lifecycle, Methodology, Outsourced function, Research, Web-enabled</i>

APPENDIX N

Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

Application Description	<i>Brief description of the application: purpose, primary user(s)</i>
Database System	<i>Database management system in use for this application</i>
Development Language	<i>Programming language(s) used in the application</i>
Sharing	<i>Indicate other organizations with which the agency shares this application. Include how the sharing occurs</i>
Future	<i>Indicate planned modifications, conversions, or discontinuance of use during this planning period. Relate to projects in Biennial Operating Plan</i>

Table 6: Interagency Data Needs

Describe the agency's plans for increased sharing of data with other state agencies. Indicate any obstacles in the way of further sharing.

List	<i>Description of data held by another agency that is unavailable to your agency but would be of benefit to your agency if shared</i>
Obstacles	<i>Indicate the reason the data is not available, such as technological, economic, or political considerations</i>
Needed Assistance	<i>Indicate statutory changes required and/or cooperation from other state agencies necessary to facilitate sharing</i>

Information Resources Management Act

Sec.2054.095. Preparation of Agency Strategic Plan.

(a) Each state agency shall prepare an agency strategic plan for information resources management.

(b) The agency strategic plan must be signed by the presiding officer of the governing body of the state agency if the agency is governed by one or more fully paid full-time state officials, and otherwise by the executive director of the agency.

APPENDIX N

Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

(c) The agency strategic plan shall be prepared in a format prescribed by the department.

(d) The department by rule shall adopt instructions, consistent with Section 2054.096, that guide state agencies in the preparation of their agency strategic plans. The instructions must include the general criteria under which the department will evaluate the plan. The department shall send the instructions to each state agency not later than the date prescribed by department rule.

Sec.2054.096. Content of Agency Strategic Plan.

(a) Each agency strategic plan must be consistent with the state strategic plan and include:

(1) a statement of the state agency's goals, objectives, and programs as found in the agency's legislative appropriations request;

(2) a description of the agency's major data bases and their applications;

(3) a description of the agency's information resources management organizations, policies, and practices;

(4) a description of interagency computer networks in which the agency participates;

(5) a statement of the strategic objectives of the agency relating to information resources management for the next five fiscal years, beginning with the fiscal year during which the plan is submitted, with a description of how those objectives help achieve the agency's programs and goals, and a description of how those objectives support and promote the goals and policies of the state strategic plan; and

(6) other planning components that the department may prescribe.

(b) Each state agency that receives information from members of the public or from regulated persons by means of a form or that receives payments of money from members of the public or from regulated persons must also include in its strategic plan a plan for receiving the forms or the payments through the Internet or through other electronic means.

APPENDIX N

Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

The department shall assist state agencies in developing this portion of the strategic plan. The plan must:

- (1) include appropriate security measures that follow guidelines established by the department;
- (2) include performance measures that will allow the department and the legislature to evaluate the agency's progress in implementing the plan; and
- (3) specify the time during which the agency will fully implement the plan.

Sec.2054.097. Review of Agency Strategic Plan.

(a) A state agency shall send its strategic plan to the department for review and approval not later than the date prescribed by department rule. The department shall prescribe the date so that it aligns with the date a state agency is required to submit its strategic plan under Chapter 2056.

(b) The department shall review and approve or disapprove each agency strategic plan not later than the 90th day after the date the department receives the plan.

(c) The department shall notify a state agency of plan approval in writing.

(d) The department may not disapprove an agency strategic plan or plan amendment on the ground that some aspect of the plan is not best suited to the state agency's execution of its own duty, but the department may make a finding to that effect and report that finding to the agency, the governor, the state auditor, the Legislative Budget Board, and the presiding officer of each house of the legislature. This subsection does not affect the powers of the governor, the Legislative Budget Board, or any other entity under other law.

Sec.2054.098. Approval or Disapproval of Agency Strategic Plan.

(a) If a plan is disapproved, the department shall provide to the state agency in writing notice of and the reasons for disapproval and the changes that are necessary for the plan's approval.

(b) If a state agency cannot resolve the problems that caused disapproval of a plan within 30 days after the date that the notice of disapproval is received, the information resources manager of the agency shall provide to the department in writing not later than the 30th day after the date that the notice of disapproval is received the reasons why the problems cannot be timely resolved.

APPENDIX N

Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

(c) An approved agency strategic plan shall be amended by a state agency to reflect any significant changes being proposed by the agency that relate to information resources. A plan amendment shall be submitted to the department for approval. The department shall notify an agency in writing of approval or disapproval of the amendment within 30 days after the date the amendment is received. If a plan amendment is disapproved, the department shall provide to the individual responsible for signing the agency's plan the reasons for disapproval in writing.

(d) A state agency that disagrees with the department's final disapproval of an agency strategic plan or amendment to the plan may, after complying with subsections (b) and (c), submit a written request to the executive director for special review. On receipt of a request, the executive director shall inform the board. The board shall consider the merits of the agency's position and make its decision on the matter at the next regularly scheduled board meeting. The state agency may appear and present its position at the meeting. The decision of the board is final.

Sec.2054.156. State Agency Duties.

(a) Each state agency shall develop its own quality assurance procedures based on the department's model guidelines. Each state agency shall use its internal quality assurance procedures to evaluate each of its projects that is not exempt under Section 2054.155.

(b) The agency's information resources manager shall develop and oversee the implementation of the agency's internal quality assurance procedures except to the extent that the agency contracts with another governmental entity or with a private entity to develop or implement all or part of the procedures.

(c) The agency's information resources manager shall demonstrate in the agency strategic plan the extent to which the agency uses its internal quality assurance procedures.

Texas Administrative Code, Title 1, Part 10, Chapter 201, Rule 201.5: Planning and Management of Information Resources Technologies

(a) Agency strategic plans.

(1) Submittal procedures.

(A) Each state agency shall prepare and submit to the department an agency strategic plan for information management.

(B) The governing officer or chairman of the governing body of the agency shall sign the plan if the agency is governed by fully paid, full-time state officials. Otherwise, the executive director of the agency shall sign the plan.

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Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

(C) The format and content of the agency strategic plan must comply with paragraph (2) of this subsection, and with instructions published by the department and distributed to each state agency at least 90 days before the date the plan is required to be submitted to the department. These instructions are adopted by reference. Copies may be obtained in person or in writing at the Department of Information Resources, P.O. Box 13564, Austin, Texas 78711. The instructions may also be obtained electronically via the department's Internet web page at <http://www.dir.state.tx.us/>.

(D) Each agency must submit the agency strategic plan to the department on the same date that the strategic plan for operations required by Texas Government Code Chapter 2056 is scheduled to be submitted to the Legislative Budget Board and the Governor's Office of Budget and Planning or by July 1 of each even-numbered year, whichever is earlier.

(2) Contents. Each agency strategic plan must be consistent with the State Strategic Plan for Information Resources Management and must include:

(A) A summary of the agency's goals, objectives, and current programs as found in the agency's legislative appropriations requests;

(B) a description of the agency's major data bases and applications;

(C) a description of the agency's current information resources management organizations, policies, and practices;

(D) a description of interagency computer networks in which the agency participates;

(E) a statement of the strategic objectives of the agency relating to information resources management for the next five fiscal years, beginning with the fiscal year in which the plan is submitted, with a description of how those objectives help achieve the agency's programs and goals and support the goals and policies of the state strategic plan; and

(F) other planning components as defined in the department's published instructions.

(3) Review procedures.

(A) The department will evaluate agency strategic plans:

(i) for consistency with the state strategic plan, including compliance with standards adopted by publication in the state strategic plan;

(ii) for assurance that agency goals and strategies for information resources are consistent with agency mission, goals, and objectives;

(iii) for the effective use of information resources technologies in support of the agency's mission and its information needs;

(iv) for the technical feasibility of the plan.

(B) The department will review and approve or disapprove each agency strategic plan in writing not later than the 90th calendar day after the date the department receives the plan. If the department disapproves an agency's plan, it shall notify the agency's

APPENDIX N

Instructions for Preparing Information Resources Strategic Plans (Cont'd.)

information resources manager and executive director in writing of the reasons for disapproval. The agency may appeal the department's disapproval at the next regularly scheduled board meeting.