Office of State Budget and Management

Strategic Plan

2019-2021

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Contents

1. Strategic Plan Executive Summary

Scope of Work

The North Carolina Office of State Budget and Management (OSBM) is tasked with delivering the highest quality statewide budgetary, management and information services to advise the Governor, state agencies, and legislature on the most effective use of public resources.

The services that OSBM provides reflect the needs of North Carolina's state budget cycle, including: budget development, budget certification, and budget execution. Additionally, OSBM offers tools to support decision-making by conducting management studies, strategic planning analyses, and internal audits. It also offers IT support for various state budgeting systems as well as collects and analyzes economic and demographic data. Finally, OSBM provides information and oversight on grants within the state.

OSBM recently underwent an organizational restructuring process to better align OSBM's sections by work processes rather than legislative subcommittees. This new structure allows OSBM analysts to focus more time on strategic issues and removes bottlenecks in current work processes. OSBM believes these changes provide state agencies and universities with the additional flexibility and efficiency required to manage business operations. Additionally, they allow OSBM to allocate consistent resources to program evaluation and to enhance the use of data and evidence-based information for targeting how state resources should be invested in the future.

Strategic Plan Drafting Process

The OSBM Strategic Plan drafting process followed several steps. These included: a review of the office's prior biennium strategic plan; a plenary meeting in which the OSBM Budget Director, Deputy Director, and Assistant State Budget Officers set their priorities for the year; and a series of both group and one-on-one working sessions to produce, refine, and finalize actionable Goals, Strategies, Initiatives, Tasks, and Performance Measures. Great care was taken to ensure that all efforts captured in the strategic plan were aspirational yet attainable and aligned the Governor and Budget Director's vision for North Carolina.

It should be noted that there was a consistent effort to produce a document that would serve as a practical guide in coordinating, resourcing, and managing the performance of seeming disparate efforts for both management as well as OSBM analysts. With that in mind, this document is and should remain "living" in the sense that many aspects of it are subject to revision as often as necessary. It should also be noted that this strategic plan does not provide a comprehensive account of every important activity of OSBM as the full scope of the organization's work is extensive. Nevertheless, this plan seeks to document the overarching strategic efforts that are realistically executable in Fiscal Year 2019 and that have been prioritized as key to OSBM's own efforts for continual excellence and effectiveness.

Summary of Plan

The OSBM Strategic Plan for 2019-2021 is tailored to best operationalize the reformed organization as well as to evaluate processes and policies that help state government run more efficiently and

effectively. To that end, OSBM leadership set four overarching Goals that will guide the organization to its future state vision. They are:

1. Provide objective, high-quality, and timely analysis to decision-makers;
2. Attract, develop, and retain a diverse and highly-skilled workforce committed to continuous improvement;
3. Work collaboratively with stakeholders to encourage innovative thinking and ensure responsible management of state resources;
4. Leverage data and technology to operate more effectively and efficiently.

These Goals will guide resource allocation and the focus of efforts for several years. To ensure the actionable and value-adding manifestation of these Goals in this fiscal year, OSBM assigned attainable Objectives to each Goal specific to Fiscal Year 2019. They are:

1.1. Reform Budget Execution by reducing the number of revisions to which OSBM does not provide value in FY2019;
1.2. Reform Budget Development, Planning, and Performance Management;
2. Effectively execute OSBM's reorganization officewide;
3. Foster a culture of organizational excellence statewide;
4.1. Implement the IT Strategic Plan;
4.2. Increase analytical capacity.

Each of these Objectives have associated Performance Measures crafted to clearly define the method and unit of measurement for a desired event. OSBM, like many organizations, has Performance Measures at varying levels of development; thus, output, milestone, efficiency, and outcome measures are all represented. The Performance Measures listed indicate whether the Strategies, or the efforts employed to accomplish the associated objective, affect the desired change. These Strategies are each supported by Initiatives and Tasks. Several Strategies have co-ownership by OSBM business operations, IT, and/or OSBM's Demographic and Economic Analysis (DEA) section.

2. Mission, Vision, and Values

Mission Statement

To professionally serve North Carolinians by providing objective information and analysis to ensure a balanced budget and effective stewardship of public resources.

Vision Statement

We are an innovative team committed to public service, responsible fiscal management, and insightful analysis.

Organizational Values

Integrity
- We hold ourselves to the highest professional and ethical standards.
- We perform our work with honesty, diligence, and responsibility.
- We are accountable for doing the right thing.

Teamwork
- We are a team of talented people, deriving expertise from all levels of the organization.
- We recognize that collaboration inside and outside the organization will maximize our shared knowledge, which is critical to achieving our goals.
- We respect and celebrate individual and collective difference and strengths in our teams.

Innovation
- We encourage resourcefulness, creativity, and adaptability to continually seek more efficient and effective ways to carry out our mission.
- We seek to create the ultimate workplace destination in state government.

Excellence
- We insist in giving our best effort in everything we undertake.
- We believe in the importance of continuous improvement as we constantly strive for a higher level of performance to deliver quality outcomes and exemplary customer service.

3. Goals, Objectives, and Performance Measures

Please Note:

- All Strategies and Strategies, Initiatives, and Tasks listed in **blue text** are captured in the Office of State Budget and Management IT Strategic Plan for 2019-2021, *in addition to* supporting their associated Goals and Objectives captured in this document.
- All Strategies, Initiatives, and Tasks listed in **green text** are co-led by OSBM IT *and* OSBM's DEA section.

Goal 1 - Provide objective, high-quality, and timely analysis to decision-makers		
Objective 1.1 - Reform Budget Execution by reducing the number of revisions to which OSBM does not provide value in FY2019		
Performance Measure (PM-1.1.1) - A 10% reduction in the number of budget revisions (Quarterly)	**Strategy**	(S-1.1.1) Draft and Implement Budget Execution Plan
	Draft updated Budget Execution Plan. Implement Budget Execution Plan (Phase 1 includes policy, IBIS, and organization structure).	
Performance Milestone (PM-1.1.2) - Complete OSBM Systems Analysis pilot (Annual)	**Strategy**	(S-1.1.2) Conduct OSBM Systems Analysis Pilot
	In FY 18-19, complete Systems Analysis pilot for OSBM	
Initiatives and Tasks associated with Objective 1.1 - Potential tasks include but are not limited to		
- Complete inventory of budget revisions and identify those non-value adding items - Convene focus groups to perform a 360-degree review of the budget revision process to identify best practices - Provide internal and/or external training to properly implement changes		
Objective 1.2 - Reform Budget Development, Planning, and Performance Management		
Performance Measure (PM-1.2.1) - Maintain a target of 75% of Cabinet or Council of State agencies/departments which completed Quarterly Reviews (Quarterly)	**Strategy**	(S-1.2.1) Update budget instructions
	Update and share budget instructions	
	Strategy	(S-1.2.2) Complete joint Quarterly Reviews with OSBM and agencies
	OSBM analysts will complete joint Quarterly Reviews with OSBM and agencies	
Performance Measure (PM-1.2.2) - Maintain a target of 75% of agencies/departments which received feedback on strategic plans (Annual)	**Strategy**	(S-1.2.3) Establish a strategic plan drafting and review process
	OSBM analysts will establish a strategic plan drafting and review process	

Performance Milestone (PM-1.2.3) - Complete Phase 1 of Recession Policy Plan (Annual)	Strategy	(S-1.2.4) Create Phase 1 of Recession Policy Plan
	OSBM analysts establish and commence Phase 1 of Recession Policy Plan	

Performance Milestone (PM-1.2.4) - Complete implementation of Open Data platform to address Access NC Anytime (ANCA) requirements (Annual)	Strategy	(S-1.2.5) Implement Open Data platform to address final phase of Access NC Anytime (ANCA) requirements (IT – Plan 1.3.1)
	Implement Open Data platform to address final phase of Access NC Anytime (ANCA) requirements	

Initiatives and Tasks associated with Objective 1.2 - Potential tasks include but are not limited to

- Draft updated Budget Cycle Guidance
- Technology and business partnership in developing creative/ innovative content and consistent updating of look and feel of agency website (IT Plan – 2.1)
- Move IBIS environment from on-premise hosting at Department of Information Technology (DIT) to cloud - Amazon Web Services (AWS) (IT Plan - 4.3)
- Create repeatable process for annual IBIS disaster recovery testing to meet statewide policy (IT Plan – 1.2)
- Transparency (Open Budget) – make available financial information related to budgets, expenditures, grants, etc. (IT Plan – 1.3.2)
- OSBM Data Migration to Government Data Analytics Center (GDAC) environment (IT Plan – 1.3.3)
- Publish reports on demographic trends
- Develop Website Maintenance Plan (IT Plan –1.1)
- Establish plan/process for annual test of IBIS disaster recovery per Statewide Disaster Recovery policies (IT Plan - 1.2)
- Migrate IBIS environments to AWS (IT Plan – 4.3)
- Improve SAS landscape to give management team more flexibility in utilizing Data Analytics (IT Plan – 1.3.3)

Goal 2 - Attract, develop, and retain a diverse and highly-skilled workforce committed to continuous improvement		
Objective 2.1 - Effectively execute OSBM's reorganization officewide		
Performance Measure (PM-2.1.1) - 90% of newly hired analysts complete the new analyst training curriculum (Annual)	**Strategy**	(S-2.1.1) Conduct an employee training needs assessment
	Conduct an employee training needs assessment	
	Strategy	(S-2.1.2) Implement new analyst training
	Implement new analyst training	
Performance Measure (PM-2.1.2) - 100% completion of the OSBM Human Resources Strategy, encompassing the weighted tasks (Quarterly)	**Strategy**	(S-2.1.3) Formalize an OSBM Human Resources Strategy
	(16%) Budget sections staffing workload review (16%) Employee Recognition Program (17%) Annual job description update (17%) Career Progression Plan (17%) Draft OSBM Human Resources Policy that includes enabling employees flexible work schedules and/or work from home options (17%) Outreach Strategy for attracting talented analysts and interns	
Performance Measure (PM-2.1.3) - The percentage (%) of employees that are employed at OSBM for: >2yrs, 2-6yrs, 6-10yrs, or 10+ (Annual)	**Strategy**	(S-2.1.4) Implement OSBM Human Resources Strategy
	OSBM management and analysts will pursue activities of OSBM Human Resources Strategy listed under Strategy (2.1.3)	
Performance Milestone (PM-2.1.4) - Conduct employee satisfaction focus group to identify areas for improvement (Semi-Annual)	**Strategy**	(S-2.1.5) Conduct employee satisfaction focus group
	OSBM HR will host an employee satisfaction focus group to identify areas for improvement	
Initiatives and Tasks associated with Objective 2.1 - Potential tasks include but are not limited to - Draft and finalize FY2019-21 OSBM Strategic Plan - Internal Procedures Update on 2-year cadence - Complete and utilize document management guidelines - Increase the effectiveness of technology training to OSBM (IT Plan – 2.2) - Establish an office/leadership communications plan that includes technology & cyber security updates (IT Plan – 2.2.1) - Establish technology customer service effectiveness evaluation survey (IT Plan – 2.2.3)		

Goal 3 - Work collaboratively with partners to encourage innovative thinking and ensure responsible management of state resources		
Objective 3.1 - Foster a culture of organizational excellence statewide		
Performance Measure (PM-3.1.1) - Provide eight or more trainings per year to agencies to better foster a culture of organizational excellence statewide (Quarterly)	**Strategy**	(S-3.1.1) Identify agency needs and build capacity by providing trainings to better foster a culture of organizational excellence
	Potential trainings include but are not limited to those listed under the initiatives and task section below	
Performance Milestone (PM-3.1.2) - Complete Results First effort and analysis in Child & Family Health policy area with Department of Health and Human Services (Annual)	**Strategy**	(S-3.1.2) Complete Results First effort and analysis in Child & Family Health policy area with the Department of Health and Human Services
	OSBM analysts will complete Results First effort and report on Child & Family Health policy area with the Department of Health and Human Services	
Performance Milestone (PM-3.1.3) - Launch Results First Juvenile Justice policy area with the Department of Public Safety (Annual)	**Strategy**	(S-3.1.3) Implement the Results First juvenile justice policy area with the Department of Public Safety
	OSBM analysts will implement the Results First juvenile justice policy area with the Department of Public Safety	
Performance Milestone (PM-3.1.4) - The enactment of 75% of procurement recommendations made to the Department of Administration (Annual)	**Strategy**	(S-3.1.4) Complete procurement collaboration and implementation with the Department of Administration
	OSBM Audit will complete procurement collaboration and implementation with the Department of Administration	

Performance Milestone (PM-3.1.5) - Complete Systems Analysis pilot at two state agencies (Annual)	**Strategy**	(S-3.1.5) Implement Systems Analysis pilot at two state agencies
	OSBM analysts will launch the Systems Analysis pilot at two state agencies and document best practices for future applicability	

Performance Milestone (PM-3.1.6) - Draft statutory change proposal for boundary information requirements (Annual)	**Strategy**	(S-3.1.6) Establish an Authoritative Boundary Resource
	OSBM analysts will work to Establish an Authoritative Boundary Resource	

Initiatives and Tasks associated with Objective 3.1 - Potential tasks include but are not limited to

- Facilitate agency "Best Practices" sharing sessions
- Complete Records Retention Annual Compliance Review
- Conduct three statewide training audits per year for agencies
- Launch Internal Audit Data Analytics Efficiency Project
- Ensure Commitment to Enterprise Resource Planning / Financial Backbone (IT Plan – 3.1)
- Project Sponsor & Executive Committee members to provide overall project executive support while Steering Committee members will oversee project scope (IT Plan – 3.1.1)
- Improving cross-functional team communication and goal setting (IT Plan – 2.2.1)
- Train local governments and other stakeholders on Census 2020 activities and advise preparations for Census 2020
- Increase the use of research and evidence in the regulatory process
- Develop and implement risk-based Audit Plan for client agencies
- Create a Lean-Six-Sigma pilot Program by partnering with agencies
- Draft Preparation Plan for Enterprise Resource Planning
- Ensure Commitment to Enterprise Resource Planning / Financial Backbone (IT Plan – 3.1)
- Support the establishment and work of the Census 2020 State Complete Count Committee
- Oversee the NC State University/Institute for Advanced Analytics Medicaid project to improve and refine Medicaid expenditure forecast analysis

Goal 4 - Leverage data and technology to operate more effectively and efficiently		
Objective 4.1 - Implement OSBM's IT Strategic Plan		
Performance Measure (PM-4.1.1) - A percentage (%) reduction in total data storage costs (Annual: Baseline and Target percent need to be finalized)	**Strategy**	(S-4.1.1) Reduce document storage costs (IT Plan – 4.1.1)
	OSBM IT will work to reduce document storage costs via several internal efficiency-gaining strategies	
	Strategy	(S-4.1.2) Stabilize IT overhead cost to OSBM (IT Plan – 4.2)
	OSBM IT will work to reduce overhead costs to OSBM via several internal efficiency-gaining strategies	
Performance Milestone (PM-4.1.2) - Complete document management guidelines (Annual)	**Strategy**	(S-4.1.3) Establish document management guidelines (IT Plan – 4.1.1)
	OSBM will complete the strategy to establish document management guidelines	
Performance Milestone (PM-4.1.3) - Complete Website Maintenance Plan (Annual)	**Strategy**	(S-4.1.4) Develop Website Maintenance Plan (IT Plan – 1.1)
	OSBM IT and OSBM DEA will develop Website Maintenance Plan	

Initiatives and Tasks associated with Objective-4.1 - Potential tasks include but are not limited to

- Increase the effectiveness of technology training to OSBM (IT Plan – 2.2)
- Improve SAS landscape to give management team more flexibility in utilizing Data Analytics (IT Plan – 1.3.3)
- Increase, improve, and capitalize on use of Power BI and other analytical tools (IT Plan - 2.2.1)
- Technology and business partnership in developing creative/ innovative content and consistent updating of look and feel of agency intranet site. (IT Plan – 2.1)
- Develop technology training needs assessment and annual training plan (IT Plan – 2.2.1)
- Build on existing relationships between OSBM & Department of Information Technology to assure the proper unit/resources are cost effective and accountable to agency ongoing success (IT Plan – 4.2.1)
- Continuous monitoring of Department of Information Technology billing for efficiencies and cost reduction opportunities without jeopardizing agency technical capabilities (IT Plan – 4.2.2)

Objective 4.2 - Increase analytical capacity		
Performance Milestone (PM-4.2.1) - Produce proposal of action plan to streamline management and	**Strategy**	(S-4.2.1) Establish an Authoritative Boundary Resource
	Produce proposal of action plan to streamline management and exchange of boundary information between units of government	
	Strategy	(S-4.2.2) Improve SAS landscape to give management team more flexibility in utilizing Data Analytics. (IT Plan – 1.3.3)

exchange of boundary information (Annual)	OSBM IT will work across office functions to Improve SAS landscape

Performance Milestone (PM-4.2.2) - Complete the 2016 data transfer for the income tax model (Annual)	**Strategy**	(S-4.2.3) Update the income tax model in collaboration with Fiscal Research Division and Department of Revenue to improve tax policy analysis
	OSBM DEA analysts will collaborate with appropriate state stakeholders to update the income tax model	
	Strategy	(S-4.2.4) Collaborate with the Urban Institute to refine the individual income tax microsimulation model
	OSBM DEA analysts will collaborate with the Urban Institute to refine the individual income tax microsimulation model	
Performance Milestone (PM-4.2.3) - Complete UNC Charlotte project (Annual)	**Strategy**	(S-4.2.5) Complete the UNC Charlotte economic modeling project
	OSBM DEA analysts will complete the UNC Charlotte economic modeling project to improve and refine economic analysis	
Performance Milestone (PM-4.2.4) - Complete NC State University/Institute for Advanced Analytics Medicaid project (Annual)	**Strategy**	(S-4.2.6) Complete NC State University/Institute for Advanced Analytics Medicaid project
	OSBM DEA analysts will oversee the NC State University/Institute for Advanced Analytics Medicaid project to improve and refine Medicaid expenditure forecast analysis	

Initiatives and Tasks associated with Objective 4.2 - Potential tasks include but are not limited to

- Increase, improve, and capitalize on use of Power BI and other analytical tools
- Identify and implement measures to streamline the boundary information sharing process
- Draft statutory change proposal to improve the boundary information sharing process
- Technology and business partnership in developing creative/innovative content and consistent updating of look and feel of agency intranet site (IT Plan – 2.1)
- Create Power BI dashboards for revenue monitoring
- Improve performance of revenue and expenditure forecast models
- Streamline revenue and expenditure analysis by developing and maintaining new models and creating new processes to reduce the time for analysis
- Interact with NC State University/Institute for Advanced Analytics students to ensure their understanding of project objectives

4. Highlights and Opportunities

Agency Highlights and Best Practices

OSBM personnel facilitated strategic plan trainings for state agencies based on best practices. These trainings maintain an emphasis on thoughtful and practical performance management. Producing these materials, hosting these sessions, and collaborating with state budget partners provided OSBM with invaluable insight and proved essential to OSBM forging our own path to an actionable plan and performance measures.

In drafting our strategic plan, OSBM conducted large group meetings in addition to one-on-one interviews to accurately capture ongoing efforts. Group settings allowed for collaboration and brainstorming, while one-on-one sessions led to nuanced and thoughtful solutions. This document was subject to multiple rounds of feedback, which resulted in a well-rounded and comprehensive action plan.

Potential Initiatives

OSBM identified several efforts which may be pursued in the coming fiscal years. These include:

- Developing a certificate-driven curriculum for budget trainings delivered on a continuous basis;
- Implementing a plan to transform budget execution from a reactive, transactional work environment to one in which OSBM and agencies use enhanced data analysis and new technology to approach problems proactively and strategically;
- Expanding our Human Resources strategy to include better recruitment strategies and metrics;
- Development of a performance management 'toolbox' that will provide state agencies various program evaluation tools to guarantee an effective and efficient use of state resources;
- Increasing the use of the future Open Data platform internally and externally; and
- Promoting best practices related to data collection and measurement for regulatory impact analysis.

Collaborative Opportunities

OSBM continues to discover ways to better partner with state agencies and to add value in the interconnected arenas of strategic planning, performance management, and budget development. We plan to continue hosting relevant trainings (i.e., Strategic Planning, Leadership, and Evidence-based Budgeting) and will seek out other forums to facilitate agency best practice sharing. In addition, OSBM is sponsoring a process improvement pilot known as "Systems Analysis," which aims to help agencies identify areas of improvement and to provide recommendations for tested, best practice solutions.