

Colorado Performance Planning Guidelines



An Act

Photo courtesy of the Colorado Tourism Office



COLORADO
Office of State Planning
& Budgeting

Colorado Performance Planning Guidelines

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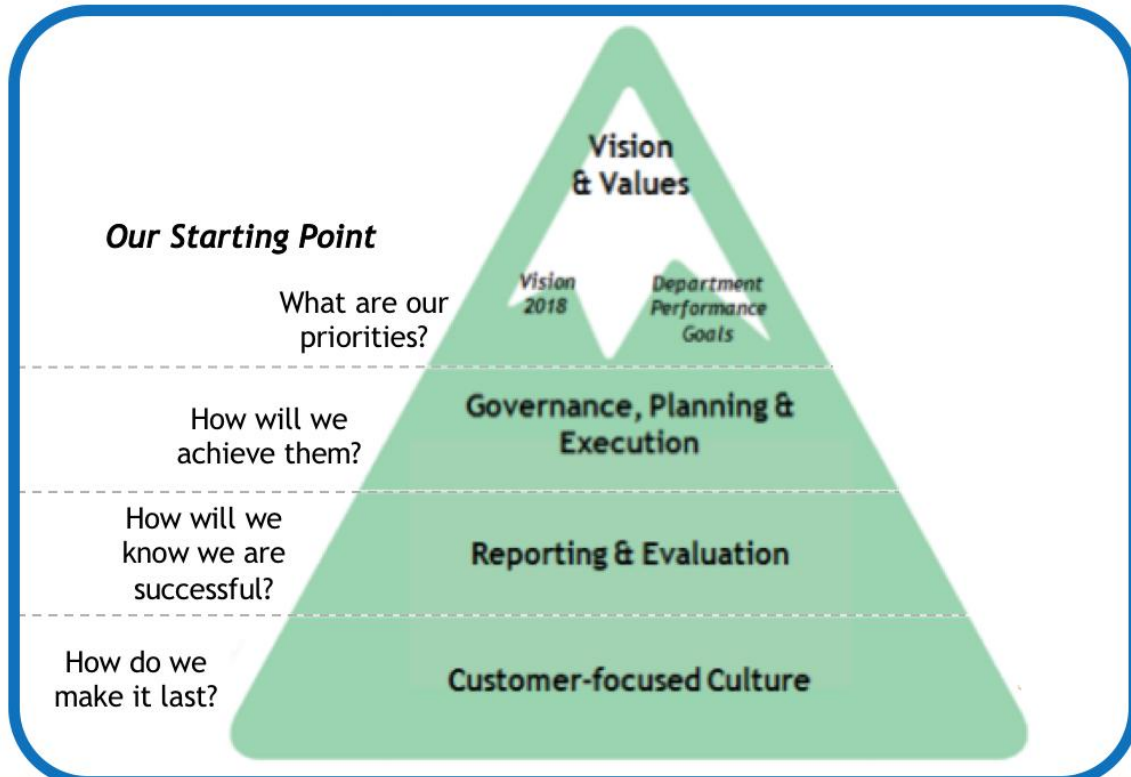
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The State Measurement for Accountable, Responsive, and Transparent Government (SMART) Act requires the Governor to establish a performance management system in Colorado.

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Introduction - Read this first

The foundation of Colorado's approach to performance management and continuous process improvement is centered around treating Coloradans as our customers. With this as our starting point, the state's performance management system is focused on supporting a culture of customer-focused operational excellence across all state government. The graphic below details how the different elements of the performance management system fit together:



Deliver results that matter to all Coloradans by promoting a culture of customer-focused performance & operational excellence

Each Department has a statutory obligation under the [SMART Act](#) to publish a Performance Plan on July 1st of every year. These guidelines provide a framework for creating high quality plans that comply with the SMART Act. In addition to these guidelines, the Performance Management Team (PMT) can provide specific feedback and guidance during plan development to ensure that it meets SMART Act requirements and serves as an effective roadmap to achieving department goals.

Department performance plans are due to the Performance Management Team approximately 3 weeks before the statutory publish date of July 1st.

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FY19 Plan Priorities

1. New This Year - Ambitious Customer Service Goal for Every Department

In the final performance planning season for the Hickenlooper Administration, the Governor through the Chief Operating Officer (COO) has set a goal to have 100% of departments establish an **ambitious** customer service goal in their FY19 Executive Director goals and performance plans. Approximately 70% of Departments had a customer-related goal in their FY18 plans, with varying degrees of challenge.

The goal for FY19 plans is to have 100% of Departments set **ambitious** targets for this year and beyond, to deliver on results before the end of the term that can be built upon in future years. Department's current efforts can be leveraged to support the ambitious goals, including key strategies such as:

- Employee engagement action plans
- Process improvement/Lean
- Technology goals/strategies to improve the customer experience

Please contact the Performance Management Team (PMT) for support in developing an ambitious customer service goal.

2. Executive Director Goals Process - Connecting to Department Plan

Each year, Executive Directors (EDs) set goals with the Chief of Staff to the Governor (COS) and the Chief Operating Officer (COO). These goals should be incorporated into the Department performance plan as top goals for the department.

FY 19 ED goals are due with the April 15th monthly report and will be discussed with the COO and COS in the end of April/beginning of May one-on-one meetings. While ED goals are being finalized, Department performance planning should engage employees on the strategies, programs, and processes that will drive toward achieving those goals.

3. Incorporating the Governor's Dashboard

The [Governor's Dashboard](#) provides a summary of how we are doing across our five priority areas that fulfill the vision of a truly Healthy Colorado across our people, our economy, our communities, and our environment. These goals map to one of five priority areas: [Economic & Infrastructure Development](#), [Environment & Energy](#), [Health](#), [Quality Government Services](#), and [Workforce & Education](#). Every Department supports one of these priority areas either by tracking outcome and/or lead measures or through programs/operations that support a goal.

It is important that Department Performance Plans incorporate the Dashboard goals. This may take the form of a performance plan goal or may be incorporated into the description of a Department's work. Where a Department has a lead role in delivering on a goal, the Governor's Dashboard metrics are expected to be included in the Department's measures of performance. These elements are also reported on through Executive Director goals. For a list of all current goals, see Appendix A.

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Planning Timeline & Compliance Check

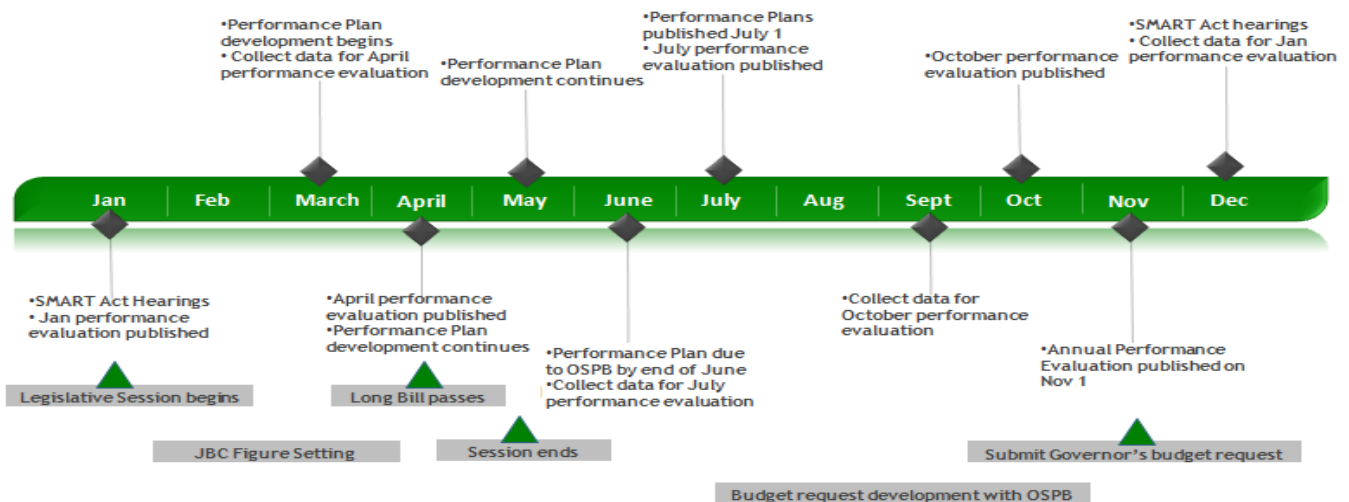
1. Performance Planning Process and Key Dates

The publication of the Performance Plan is the final step in what should be a collaborative process that includes the engagement of work units, divisions, senior leaders, and the Executive Director team to determine priorities and to identify effective strategies to accomplish goals.

A suggested work plan for the development of the Performance Plan is as follows:

- Dec-Jan** SMART Act hearings with General Assembly Committees of Reference
- Feb:** PMT and departments identify areas to strengthen prior year plan, kick-off meeting held with department planning leads
- Mar-May:** Executive Directors set goals, engage with Departments on planning. Departments hold strategic planning workshops, engaging leadership and teams. PMT available to support the planning process
- May:** Departments update plans, create new plans, and report on previous plan goals. PMT available to support new plan development
- June:** Submit new plans to PMT for SMART Act compliance check
- 1 July:** Performance Plans published on Performance Management and Department websites

Performance Plan development has improved greatly over the past several years! The Performance Management Team (PMT) can consult on a strategic planning workshop, provide feedback on a department plan, help with goal setting, advise on an ambitious customer service goal, or any additional performance planning needs. A complete timeline can be seen below:



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2. SMART Act Checklist

The table below describes the key elements to include in a high-quality performance plan. More detail and examples on each of these elements can be found in the following section.

By checking off each element in this table, a Department will have met the basic requirements of the SMART Act with regard to the Performance Plan as well as additional recommendations for a high-quality performance plan.

SMART Act Checklist

✓	Element	Description	Required or recommended*
<input type="checkbox"/>	Mission/Vision statement	Mission: Why department exists & identify customers served Vision: Desired future state	SMART ACT 2-7-204(3)(c)(I)
<input type="checkbox"/>	Department description	Description of the major functions of the department. Often includes division descriptions as well.	SMART ACT 2-7-204(3)(c)(II)
<input type="checkbox"/>	Org chart	Organizational chart of department and division leadership including FTE and budget breakdown. (template provided in Appendix B)	Recommended
<input type="checkbox"/>	Environment	World outside the department, often beyond our control	Recommended
<input type="checkbox"/>	Goals/SPIs	3-5 priorities expressed as outcome measures in the form of from X to Y by when for whom. Must include 3 year targets.	SMART ACT 2-7-204(3)(c)(IV)
<input type="checkbox"/>	Metrics	Quantitative performance measures used to track progress toward goals, support decision making (lead measures)	SMART ACT 2-7-204(3)(c)(III)
<input type="checkbox"/>	Strategies	Handful of efforts to achieve goals. Narrative description of strategies necessary to meet performance goals	SMART ACT 2-7-204(3)(c)(V)
<input type="checkbox"/>	Program/Operation	Program, initiative, or functional activity that put strategies into action	Recommended
<input type="checkbox"/>	Processes	Specific activities conducted by an individual or group	Recommended
<input type="checkbox"/>	Performance evaluation	Summary of most recent performance evaluation (will be Q3 for most Departments).	SMART ACT 2-7-204(3)(c)(VI)
<input type="checkbox"/>	Incorporate ED Goals	Executive Director (ED) goals should be represented in department performance plans (in most instances, ED goals and Department goals are the same)	Recommended
<input type="checkbox"/>	Governor's Dashboard	Make note of department measures, activities, and support of the Governor's Dashboard	Recommended
<input type="checkbox"/>	Process Improvement	A performance plan must incorporate the impact of management strategies and continuous process improvement activities on the costs and efficiency of delivering goods and services to customers.	SMART ACT 2-7-202(19)
<input type="checkbox"/>	Employee Engagement	If reasonable and appropriate, should be developed with the input of department employees	SMART ACT 2-7-204(d)

*Note: Pursuant to the SMART Act 2-7-204(III)(c) additional plan components may be further refined in the performance management system published by the governor. For example, the SMART Act requires a description of the major functions of the department; OSPB has expanded the definition to include major program areas or major functions. Additionally, OSPB added one-year goals to provide a more near-term perspective and usability of the plans.

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Developing Plan Content

1. Detailed Elements of a High-Quality Performance Plan

Mission & Vision

Elements of Mission and Vision Statements are often combined to provide a statement of the Department’s purposes, goals, and values.

Definition	Key questions to ask during development	Example
Mission: why the Department exists, and who it serves (customer identification)	<ul style="list-style-type: none"> • What do we do that no other organization does? • Who are our customers? Stakeholders? Beneficiaries? What implications does this have on how we do what we do? See Appendix C for helpful customer ID tool and customer descriptions. 	Exceptional service for an exceptional community. (City of Fort Collins)
Vision: desired future state, inspirational	<ul style="list-style-type: none"> • What major activities or outcomes are we responsible or accountable for? What is our ideal situation? 	To provide world-class municipal services through operational excellence and a culture of innovation. (City of Fort Collins)

Environment

The world outside the department, often beyond our control.

Definition	Key questions to ask during development	Examples
<p>What is the outside situation for the department?</p> <p>What surrounds the department? Includes both what can and cannot be controlled.</p> <p>Can be thought of as constraints and enablers</p>	<ul style="list-style-type: none"> • Who are my direct customers, stakeholders, and beneficiaries? • What resources do I have? (People, funding streams, assets) • What data-based factors drive my customer base (e.g. population growth)? How do we account for these in our planning? • What are the different needs or priorities (including pure “interest based”) of my customer base, beneficiaries, stakeholders, political leaders? • What can we control or not control in the environment? Does this matter? If so, how do we incorporate into our planning? • What input metrics are important to track to support decision making and progress towards goal achievement? 	<p>Pavement conditions for Colorado highways are aging.</p> <p>Employment rate in CO impacted by national economy</p> <p>Available resources - total appropriations and associated terms of use</p> <p>Federal data tracking standards have shifted, limiting department’s ability to collect key data points.</p>

Goals/SPIs

Department goals should reflect the goals set by the Executive Director. They should ideally be within the scope of what a Department can control and focus on customer impact. A great performance plan will include an ambitious customer service goal. If the department is a key driver of a Governor’s Dashboard goal, that should be included as a Department goal. Include both 1 and 3-year targets to accompany each goal.

Definition	Key questions to ask during development	Example
3-5 major goals measured in from X to Y by when, for whom	<ul style="list-style-type: none"> • What are the most important efforts we can undertake to pursue our mission? • How do we support key statewide goals, (e.g. Governor’s Dashboard) and incorporate them into our planning? 	We will put a man on the moon and return him safely to earth in 10 years
Major goal, which the Department can	<ul style="list-style-type: none"> • How many customers will be impacted? • How much control do we have over the outcome? 	Reduce the number of fatal and injury crashes for highway users under the CSP’s jurisdiction from



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<p>significantly affect, and which will have a high impact on Department customers</p> <p>See Appendix E for additional information on types of goals</p>	<ul style="list-style-type: none"> • Is the goal “SMART”: Specific, Measurable, Achievable, Relevant, Time-bound? • For goals which require new operations (programs, initiatives, resources), do we have a reasonable expectation of funding? 	<p>3,725 to 3,166 by CY 2016.</p>
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Strategies

A great performance plan takes the goals set at the Executive level and engages all level of employees in determining the strategies that will best support the achievement of that goal. Strategies tell us about the efforts and resources necessary to achieve a goal.

Definition	Key questions to ask during development	Example
<p>Handful of high impact efforts to achieve a goal</p> <p>Identifies how resources will be deployed</p>	<ul style="list-style-type: none"> • What must we do differently to achieve our goal? What new efforts must be undertaken? • What resources are required to deliver the outcome? • How can resources be optimized to achieve the strategic goal in the most efficient, effective way? • What is the evidence of success for this strategy, which gives us confidence of being successful? • Is there alignment between the mission, the goal, and the strategy? 	<p>Netflix has a goal to grow its subscriber base in new regions. Strategies include partnering with hotel chains, creating original content, buying streaming rights to locally produced shows, and hiring local content teams within targeted new regions.</p>

Programs/Operations

Not all programs and operations that exist are necessary to include in a performance plan, only the ones that most directly impact the goal. These can also build into lead measures that indicate the progress toward a goal.

Definition	Key questions to ask during development	Example
<p>Programs, initiatives, or functional activities that put the strategy into action</p> <p>The operations may include a description of the major functions or program areas that directly contribute to a goal</p>	<ul style="list-style-type: none"> • What specific initiatives, programs, or functional activities support the achievement of the goal? • What product or service is being delivered in support of the goal? Can we measure the effectiveness of this delivery? • Are there new programs, initiatives, or functional activities needed? 	<p>The US Passport Division has a goal of no missed trips as a result of expired passports. The outreach program to inform customers of the new ID requirements to renew a passport measures media impressions per week to determine if the new information is reaching enough customers (lead measure).</p>

Processes

Again, a great performance plan will engage employees at all levels—especially the front line—to determine the key processes that affect a goal. This is where the actual work is being done.

Definition	Key questions to ask during development	Example
<p>Specific activities conducted by an individual or group</p> <p>Note: critical to get to the level of “process”, because this is where</p>	<ul style="list-style-type: none"> • What are the handfuls of processes that link most closely to goal achievement? • Do we have a clear, shared, simple articulation (i.e. on paper) of these processes? • Do we understand all the customer interactions in these processes? What are the customer’s pain points? 	<p>The DMV has a goal to reduce the time it takes to renew a driver’s license in a driver’s license office. One strategy is to offer the option to make an appointment online prior to entering an office. There is a</p>



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most performance improvements are made	<ul style="list-style-type: none"> Do we have lead metrics that let us know if we're on the path to achieving our goal? 	program to inform customers of this option and the process of preparing an office to manage walk-ins and appointments has been created.
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Process Improvement (PI)

A performance plan must incorporate the impact of management strategies and continuous process improvement activities on the costs and efficiency of delivering goods and services to customers. Examples of incorporating Process Improvement into Department Performance Plans can be found in Appendix D.

Definition	Key questions to ask during development	Plan examples
Proactive task of identifying, analyzing, and improving upon existing work processes. The State of Colorado primarily uses Lean as a world-recognized process improvement tool. Lean is also identified in the SMART Act.	<ul style="list-style-type: none"> Do I have the right data to analyze the improvements of this process? Who have I engaged to make improvements on this process? Have I engaged the right employees and stakeholders involved in the process (i.e. frontline employees, middle managers, etc.)? What tools and strategies were used to drive this improvement? 	Process Improvement activities can be listed as: -A Lead measure to help achieve an SPI (i.e. a customer service goal) -Overall Department priority -Tool to increase employee engagement

Metrics

Metrics are based on data and help define goals and indicate progress toward achieving that goal. Meaningful metrics measure how departments/programs determine success (outcome/lag measures) and show where programs and departments are attempting to make improvements (lead measures). A good performance plan distinguishes between outcome and lead measures and identifies strategies to support both. Additional information on metrics can be found in Appendix F.

Definition	Key questions to ask during development	Description and types of metrics
<u>Input:</u> Measure of resources used by an activity or process. <u>Output/Lead:</u> Measure of units of a service delivered or product produced (measured more frequently). <u>Outcome/Lag:</u> Measure of ultimate result or benefit associated with an activity, process, program, or service.	<ul style="list-style-type: none"> What is the single measure of success for this goal? What data is needed to understand if we are on track to achieve the goal? Do lead measures capture outputs which we have influence over? Are lead and outcome measures used appropriately? Will collecting this data lead to actionable insights? What will we do differently in response to observed trends? Do we have the infrastructure to collect and analyze data? Have we allowed an appropriate amount of time and resources here? Are we trying to measure too much? Too little? 	# FTEs, budget \$, road miles, labor hours, federal support Processing time, error rate, % resolution on first call, % patients screened, # of contacts by State Troopers, funds raised Job placement rate, highway fatality reduction, immunization rate, miles of trails maintained

2. Linking Goals/SPIs to Processes

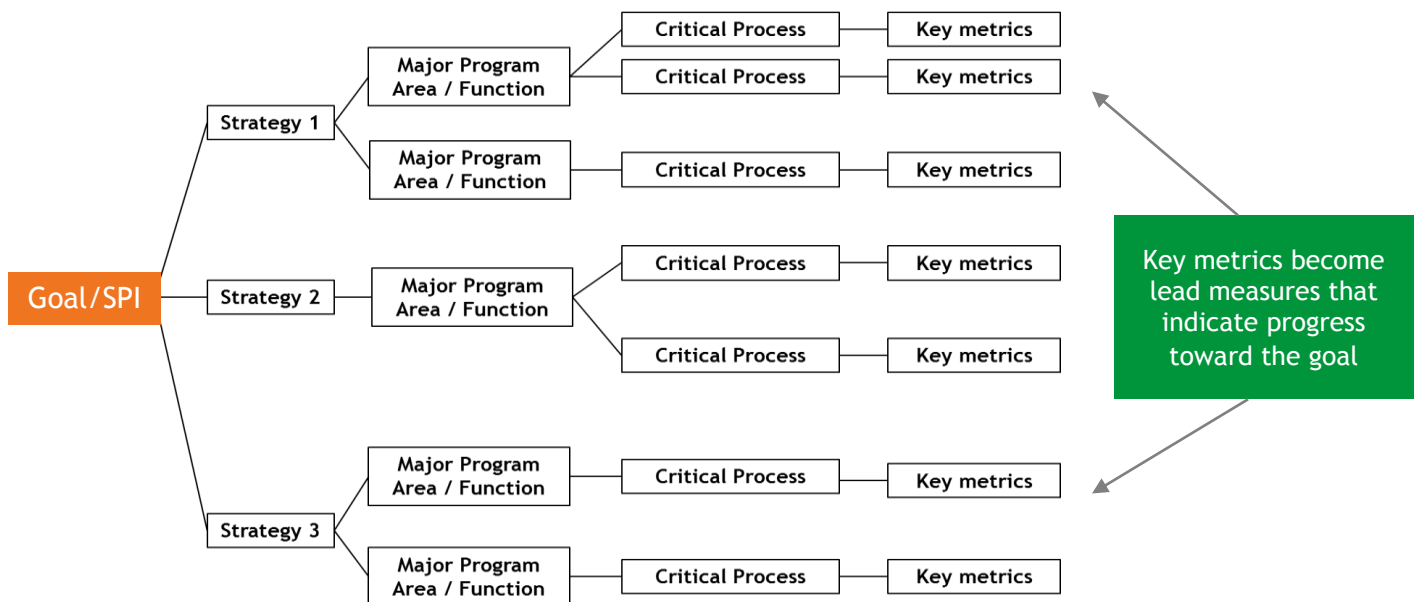
A logic tree can be a valuable tool in helping to define and link the strategies, programs, and processes that comprise a performance plan. The logic tree below illustrates a sample causal flow of the factors that influence the accomplishment of Department priorities. Not all

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elements will connect this directly, but the outline provides a thought-starter to use during planning.

It is important to get the first step right: a common mistake is to frame the goal/SPI as a solution, rather than a customer-focused problem to be resolved. For example, “Our goal is to install a modern IT system for handling customer data.” This assumes successful implementation of a new system is the desired outcome, which overlooks customer value. A better goal might be, “Ensure all customers are connected to the services they need within one business day.” With this framing, an IT solution might be the preferred strategy, but it will be one of several options considered along the tree branches. For an example of a completed logic tree see Appendix F.

Logic tree model



One way to check the accuracy of a completed logic tree is to start from the right of the tree and use the statement “so that” after each metric to ensure that the metrics, processes, functions, and strategies align to impact the SPI. The following example comes from the State of Washington’s Performance Measure Guide:

“We want to increase the number of people who complete their application correctly the first time (metric - input) so that we can reduce the time it takes to process the application (process) so that we can increase the number of permits issued (metric - output) so that we can reduce toxins entering the water table (outcome) so that we can increase the number of salmon that successfully spawn in the stream (outcome) so that salmon populations recover and are no longer endangered (outcome).”

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Performance Evaluations

1. Required Content

The SMART Act requires Departments to provide at least two performance evaluations each year (2-7-204(4)), which are defined as a review of the Department's outcomes as compared to the published performance goals. More regular reporting is valuable for management and teams, enabling Program, Division, and Department managers to gain insight into the many processes and activities managed, which translates into a quicker resolution of process challenges. We operate on a quarterly performance evaluation schedule. The due dates for these reports are noted below.

The evaluations may contain quarterly updates of data for all the measures in your Performance Plan or a prioritized list, for example, the 10-15 most critical performance metrics identified in the Performance Plan. This should include every outcome measure, the most influential lead measures, and may include other critical operational measures.

2. Key Dates

- July 12, 2018 - FY 2018 Q4 Performance Evaluation, the final evaluation of FY 2018 performance measures
- October 11, 2018 - FY 2019 Q1 Performance Evaluation, reporting on the strategies and measures in the FY 2017 plan, covering July-September data
- October 29, 2018 - FY 2018 Annual Performance Evaluation (same as July report, with any updates where data was incomplete)
- January 11, 2019 - FY 2019 Q2 Performance Evaluation which covers October-December data
- April 11, 2019 - FY 2019 Q3 Performance Evaluation which covers January-March data
- July 11, 2019 - FY 2019 Q4 Performance Evaluation which covers April-June data

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Appendix A: Incorporating the Governor's Dashboard

ECONOMIC & INFRASTRUCTURE DEVELOPMENT *Make Colorado the best place to start and grow a business*

Goal: Increase access to reliable, cost-effective broadband internet

- ⬇ Rural households with access to basic broadband
- Statewide households with access to basic broadband
- Schools with access to basic broadband

Goal: Cut the burden of government regulations

- Early stakeholder engagement on rules
- Compliance burden reduced

Goal: Increase travel time reliability in two corridors: I-25 and I-70

- ⊕ Average travel time for northbound I-25
- Average travel time for southbound I-25
- Average travel time for eastbound I-70
- Average travel time for westbound I-70

ENVIRONMENT & ENERGY *Drive conservation with a purpose and ensure smart resource mgmt.*

Goal: Improve air quality

- ⬇ Nitrogen dioxide emissions
- ⬇ Volatile organic compound emissions
- Carbon dioxide emissions
- ⬇ Market share of electric vehicles

Goal: Protect Colorado drinking water and waterways

- ⬇ Rivers/streams meeting standards
- ⬇ Lakes/reservoirs meeting standards
- Waterborne disease outbreaks
- ⊕ Public drinking water systems meeting standards

Goal: Enhance land stewardship through increased conservation

- ⊕ Funding for trails
- Acres of wetland restored, maintained, or enhanced
- Acres of prairie grassland habitat restored, maintained, or enhanced
- Stream miles occupied by native Greenback Cutthroat Trout

Goal: Increase recreational usage

- State Park visits
- Hunting and fishing participants

Goal: Support responsible energy development

- Complaints resolved or subject to regulatory action
- High-priority issues reported and addressed
- Hard-rock mine inspections

Goal: Ensure a sustainable water future

- Acre-feet created with state financial support
- Acre-feet conserved as reported through conservation plans

HEALTH *Become the healthiest state in the country*

Goal: Support healthy weight of kids and adults

- Healthy weight kids
- ⊕ Healthy weight adults

Goal: Reduce substance use disorder

- ⬇ Non-medical prescription drug use
- ⬇ High school student marijuana use

HEALTH (...continued)

Goal: Reduce impact on daily life of mental illness

- ⊕ Suicide rate
- ⬇ Integrated services for behavioral health and primary care

Goal: Increase immunization rate

- ⬇ Kindergarten vaccination rate - DTaP
- ⬇ Kindergarten vaccination rate - MMR
- Kindergarten vaccine exemption rate

Goal: Improve health care coverage

- Coloradans with health insurance

Goal: Improve value in health care service delivery

- Medicaid per capita total cost of care
- ⬇ Unhealthy days per month per patient

QUALITY GOVERNMENT SERVICES *Providing efficient, effective and elegant government services*

Goal: Improve the DMV customer experience

- DMV office wait times for appointments
- Online driver's license renewals
- ⬇ Total customer experience time

Goal: Reduce fatal and serious injury highway crashes

- ⊕ Fatal and serious injury crashes on state highways
- ⊕ Fatalities on all Colorado highways

Goal: House veterans experiencing homelessness

- ⊕ Days to place veterans experiencing homelessness in housing

Goal: Reduce the recidivism rate

- ⊕ Recidivism rate in state prisons
- Parole revocations for technical violations

WORKFORCE DEVELOPMENT & EDUCATION *Grow the middle class by helping people connect to careers*

Goal: Improve access to resources in the talent development system

- Employer satisfaction per survey
- Job seeker satisfaction per survey
- ⊕ User satisfaction with talentFOUND

Goal: Increase job placement rate, retention and wage growth in state programs

- Employment rate 2nd qtr. after exit
- Employment rate 4th qtr. after exit
- ⊕ Median earnings 2nd qtr. after exit
- ⊕ Job placement for people with disabilities
- ⬇ Successful employment outcomes for people with disabilities

Goal: Erase the equity gap

- Increase attainment for underserved students
- ⬇ Increase postsecondary credentials for underserved students
- ⬇ Increase retention rates for underserved students

Goal: Every student graduates high school ready for college and careers

- Third grade English language arts proficiency
- ⬇ Math, science and language arts proficiency in all grades
- ⬇ High school graduation rates

Note: V3 of Governor's Dashboard updated February 2018



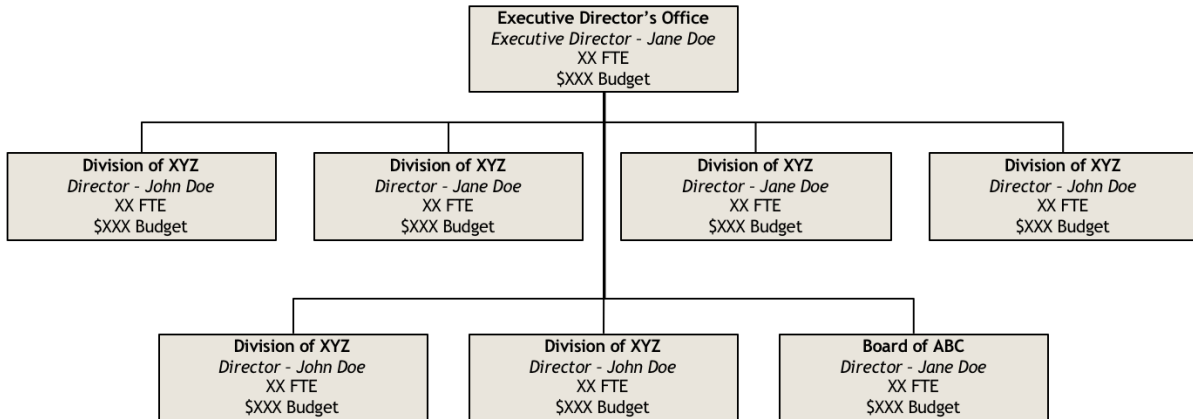
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Appendix B: Organizational Chart Template

It's important that every Department include an organizational chart in this format so that our Customers have a clear visual of how the Department is structured.

Colorado Department of ABC

Total Department FTE & budget breakdown (based on FY 2016-17 appropriations)	
ABC	Total FTEs
XXX,XXX,XXX	Total funds
XX	General funds
XX	Cash funds
XX	Re-appropriated funds
XX	Federal funds



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Appendix C: Customer Identification Tool

The Customer Identification Bullseye provides a visual representation of the relationship between the customer and the service delivery. It is a helpful tool to hone in on direct customers, versus stakeholders and beneficiaries who are important populations to the service/product, but not the direct recipients. The chart in Figure C.2 provides definitions for the different types of customers.

Figure C.1: Customer Identification Bullseye

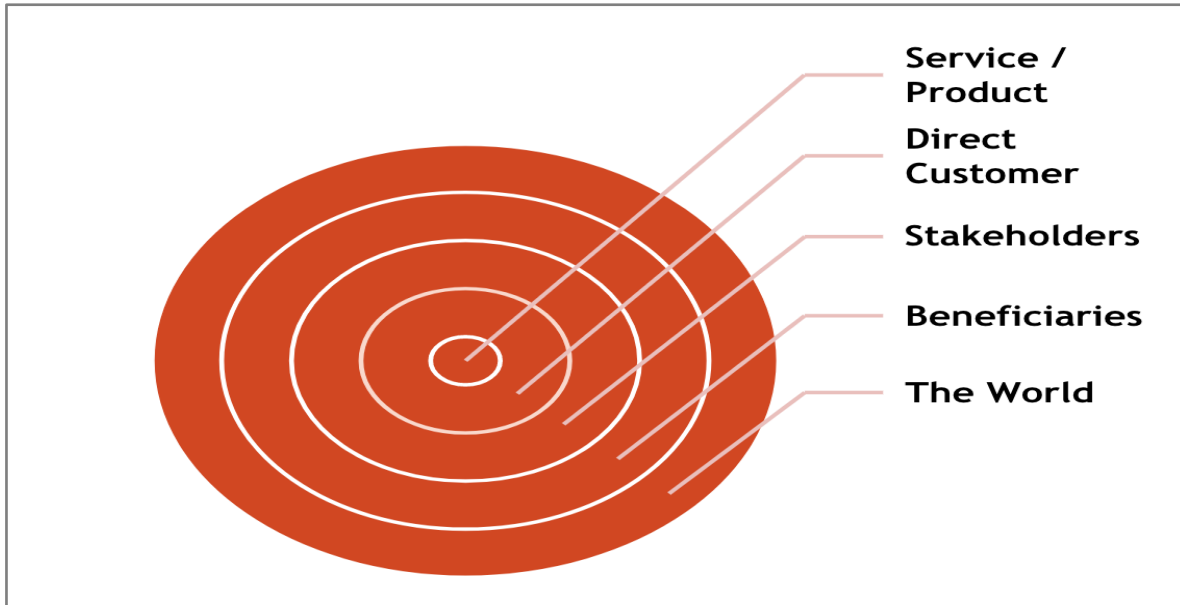


Figure C.2: Customer Identification Descriptions

Type	Descriptive statements
Direct or primary customer	I provide a direct service or product to these people
	I see these people every day
	My work makes an impact on these people
Stakeholder	These people or groups don't receive my product or service directly, but are impacted by how well it is delivered
	These people or groups have a strong interest in whether or not my team does our job well
	These people or groups have a legitimate say in the manner in which my team delivers our products or services
Beneficiary	I don't see these people or groups regularly, but my work matters to them
	We wouldn't do this job if not for these people

Always consider: Who does your mission statement say you serve? Who do colleagues or the public think you serve?



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Appendix D: Incorporating Process Improvement Initiatives

Utilizing process improvement methodologies to make Government more efficient and effective is a priority in Colorado State Government. The SMART Act requires that Departments incorporate how process improvement is used to deliver more value to our customers, employees, and taxpayers. To display how process improvement is used to improve operations, a Lean project or Customer Service Initiative can be listed as a strategy to achieve a goal or a priority area in a Department or Division description. For an example of how Process Improvement initiatives can be incorporated into a plan, see the figure below.

Figure D: Lean as a strategy to achieve an SPI - CDPS Performance Plan FY18

SPI #2a: Reduce forensic analysis turnaround time

Metric: Average turnaround time, in days	June 1, 2017 Actual	June 30, 2018 Goal (One-year goal)	June 30, 2020 Goal (Three-year goal)
Continue to reduce the average turnaround time of forensic analysis from 110 days to 90 days by June 30, 2018, and to 80 days by June 30, 2020, for submitting law enforcement agencies.	110	90	80

Strategies/processes to drive achievement of SPI

- Develop partnerships with local law enforcement for collecting proper evidence.
- Communicate with prosecutors and law enforcement.
- Train all staff in the latest technologies and efficiencies.
- Develop LEAN processes in all disciplines of the laboratory.

State of CO Process Improvement Resources

The State of Colorado has a variety of process improvement resources to assist Departments in promoting and sustaining a Lean and customer-focused culture. You can find the following information and tools on the [Performance Management website](#):

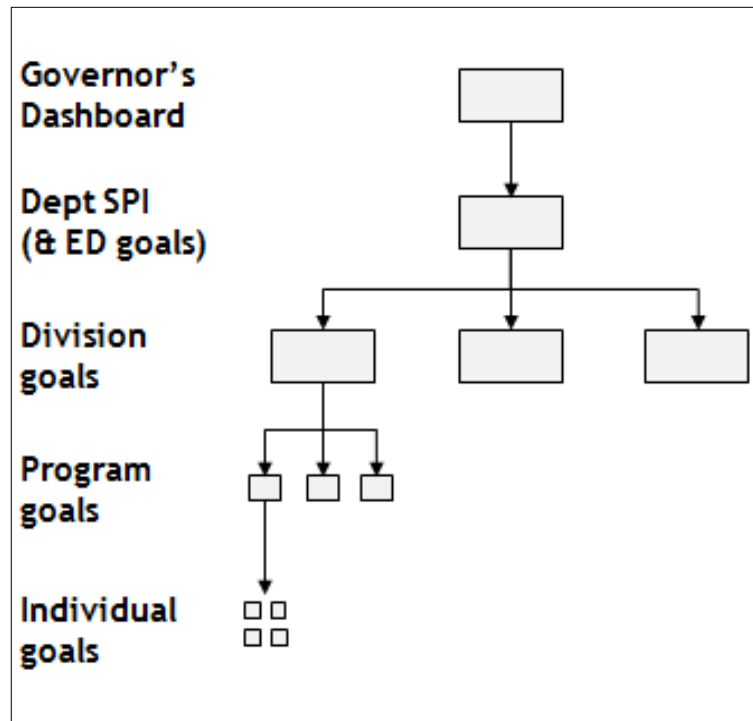
- [Colorado Lean Champions](#): Each Department has a Lean Champion that serves as a resource for State employees who are interested in Lean or are looking for project assistance. We strongly recommend that you contact your Lean Champion to learn more about Lean initiatives in your Department.
- [Colorado SOLVE Guide](#): SOLVE is Colorado's method of Lean problem solving that helps Colorado employees streamline work processes that have become inefficient. Regardless of your role and experience with Lean, SOLVE is a great place to get started.
- [Colorado Lean Videos](#): Have a Lean idea? These videos are a great resource to share with your Department to get staff excited about starting their Lean journey.

We encourage you to explore all of the State's Lean resources listed on the [Performance Management website](#) while developing your Performance Plan to help familiarize yourself with Process Improvement in your Department and across the State.

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Appendix E: Types of Goals

Each Department should identify 3-5 goals or strategic priorities. Narrowing the scope to a handful of priorities is required to focus great effort on the 3-5 goals that will make a significant impact for your customers, instead of giving moderate support to many goals. In most instances, Department plans will reflect goals that have cascaded down from Executive Director Goals, which reflect any pertinent goals on the Governor's Dashboard. The goal cascade below provides a visual representation of how these goals relate to one another. Goals can cascade as far down as work units and demonstrates how an individual's goals tie into the overall Department's goals.



Each goal should be measured in a “from X to Y by when, for whom” format. Departments can incorporate a variety of goals to capture Department-wide priorities, specific goals, and division- and program-level goals in their SPIs. Each goal should be directly linked to a major Department process or program.

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Appendix F: Types of Metrics

Measures serve two main purposes: data points to understand performance (lead and input measures); and measures that let us know that we have been successful (outcome measures). The table below describes the different types of metrics that should be used in performance plans.

OSPB does not have a specific number of metrics that it recommends recording; we encourage Departments to develop metrics with the intent to regularly report on them in order to inform decision making and management understanding of operations. Fewer and more focused metrics make reporting and evaluation more manageable.

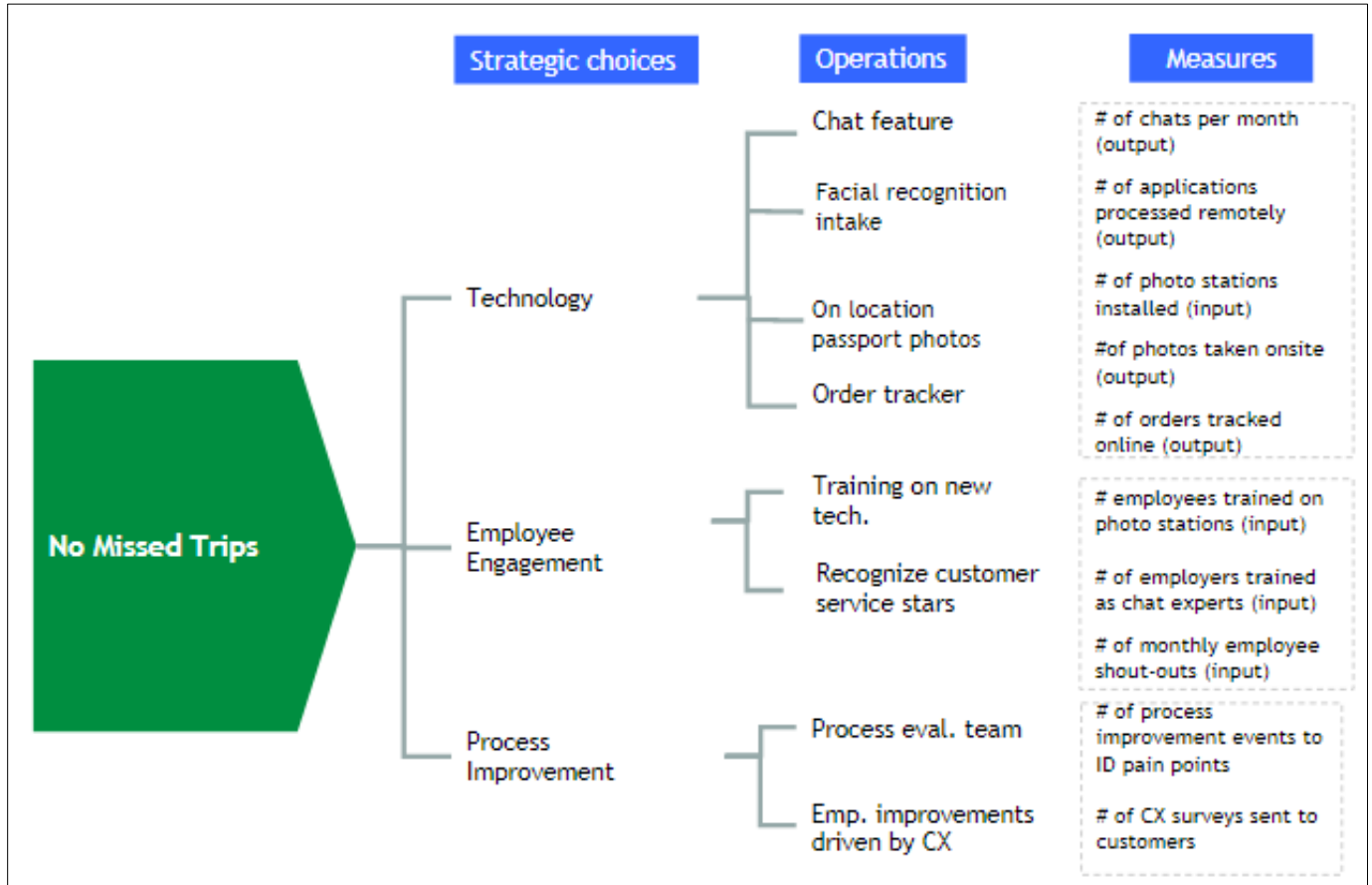
Purpose of Metric	Type of Metric	Description & Use
Important factors to understand performance	Input	<ul style="list-style-type: none"> • Measure of resources used by an activity or process, or other critical environmental/contextual factors • Why helpful: Required to analyze efficiency and effectiveness • Examples: # FTEs, budget \$, road miles, # students, labor hours, population served
Data points to understand progress towards goal	Output/ Lead	<p><u>Output</u></p> <ul style="list-style-type: none"> • Measure of units of a service delivered or product produced. Output measures may combine with an input measure to show a speed, a rate, or a percent for a critical activity or process. • Why helpful: Required to analyze efficiency and effectiveness • Examples: # licenses issued, # claims processed, avg. processing time <p><u>Lead measure</u></p> <ul style="list-style-type: none"> • A measure which shows progress towards a goal, these interim measures can be thought of as indicators of success for the goal. Lead measures must be “influenceable” - within the control of influence of a Department - and measurable on a frequent (e.g. monthly) basis • Why helpful: allows Department to measure progress in real time, and make course corrections • Examples: % resolution on 1st call, % patients screened, # contacts by State Troopers
Ultimate measure of success	Outcome/ Lag	<p><u>Outcome/Lag measure</u></p> <ul style="list-style-type: none"> • Measures of the ultimate result or benefit associated with an activity, process, program, or service. A lag measure is an outcome measure which cannot be measured right away and is often not totally influenceable by a Department • Why helpful: demonstrates you have achieved a goal or desired result • Examples: job placement rate, highway fatalities reduction, % households with access to broadband, % children vaccinated, % increase in Employee Engagement

Each goal/SPI should clearly state the single (or, in a few cases, the handful of) outcome measure(s) that will determine if the goal has been accomplished. Other measures should be labeled as lead or input measures.

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Appendix G: Linking Goals to Processes

Logic Tree Example: US Passport Office No Missed Trips



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Appendix H: Key Questions & SMART Act Overview

1. Key Overview Questions

What is the difference between a strategic plan and a performance plan?

A performance plan is a type of strategic plan, but one that explicitly connects organizational objectives to a system for managing the achievement of identified priorities.

The SMART Act defines a Performance Plan as a document prepared by a Department as part of a Performance Management System which incorporates the impact of management strategies and continuous process improvement activities on the costs and efficiency of delivering goods and services to taxpayers and customers of state government.

What is a Performance Management System?

The term “Performance Management” used in the context of performance planning refers to the management of organizational objectives. The SMART Act’s definition of a Performance Management System refers to a system that drives continuous performance improvement for an entire Department, based on strategic priorities developed by department leadership and staff.

Performance Management System: the continuous, regular process of developing organizational goals, strategies to achieve those goals, measuring and reporting on progress towards goals, and evaluating progress.

Visually, the ‘system’ looks like leaders and managers meeting regularly to review progress against goals using some form of a dashboard of key performance goals and metrics, and identifying and implementing strategies to address challenges. Terms like “regular” and “dashboard” may be interpreted by each Department in order to reflect its unique culture. The SMART Act does not prescribe a specific Performance Management System model, but encourages the use of some form of regular performance evaluation to support a broader culture of continuous improvement. See page 2 for a visual explanation of the Governor’s Office Performance Management System, as required by the SMART Act. The SMART Act states that a performance management system also should incorporate a continuous process improvement system such as Lean (2-7-204(2)(a)) and elements to ensure that a Department’s employees are appropriately trained to implement the system (2-7-204(2)(b)).

Who is the customer of the Performance Plan?

The primary customer for the Performance Plan is the Department. The Performance Plan is, first and foremost, the Department’s tool for communicating its priorities, how it will achieve those priorities, and the metrics to determine success. As the SMART Act recommends, performance measures and goals should be developed with input from department employees and certified employee organizations (2-7-204 (3)(a)(III), CRS).

OSPB and the legislature are stakeholders of the plan in that OSPB ensures that the Performance Plans meet the basic requirements of the SMART Act, and the legislature uses the plans as an additional lever of accountability. Departments may seek to use the Performance Plan as a communication tool to interested third parties and writing the plan with a non-department reader in mind will increase the concise and readable nature of the document. However, the primary customer is the employee at each level within the Department.

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What should a Performance Plan look like?

OSBP does not supply a specific Performance Plan template or form for the reason that the Performance Plan should reflect the creativity and culture of each unique department and communicate priorities and strategies to the employees in a meaningful way. See the Elements of a High-Quality Performance Plan on page 5 for a framework of the recommended elements that should be included in a Performance Plan.

While a common language is important for consistency, OSPB does not want definitions to inhibit the planning and management process. Departments should use terms that will be most effective for communicating their priorities within their organization.

How much operational detail should be included in the Performance Plan?

The SMART Act requires a description of the major functions of the Department; OSPB has expanded the definition to include major program areas or major functions. All major program areas or functions should be included in the Department description, and any associated measures of performance (which may be unrelated to the SPIs) may be included to provide additional detail on a Department's key areas of performance beyond its immediate priorities.

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2. SMART Act Overview

The SMART Act provides the framework for a customer-focused approach to the delivery of government goods and services through the requirements outlined below. The Act was revised in 2013 to formalize a performance management system in Colorado by providing broad parameters for the key elements of performance management: planning, management, data collection and reporting, and evaluation.

SMART Act requirement	Details of the deliverable	Responsible for deliverable	Due
Department Performance Plans (2-7-204 (3)(a)(III)(c), CRS)	<ul style="list-style-type: none"> • Mission/Vision • Major function description* • Performance measures for major functions • Performance goals that extend to at least three years* • Strategies to meet goals • Summary of department's most recent performance evaluation* 	Executive branch	July 1 every fiscal year Internal OSPB deadline for FY 2019: June 18, 2018
Performance Management System (2-7-204 (2)(a), CRS)	<ul style="list-style-type: none"> • The Governor must establish a performance management system for managing departments. • OSPB, Judicial Branch, and various departments and offices shall publish performance management system instructions on performance plans • Focus on productivity, efficiency, cost reduction and waste elimination • Incorporate Lean (or another accepted continuous improvement approach), and employee training in performance management 	The Governor, OSPB, Judicial Branch, Depts. of State, Treasury, Law, Office of State Public Defender, Office of Alternative Defense Counsel, Colorado Energy Office, Office of Economic Development and Office of Child's Representative [#]	No later than August 1 each year
Annual Performance Report (2-7-205(1)(a)(1), CRS)	<ul style="list-style-type: none"> • OSPB must publish a report for each Department, except Depts. of State, Treasury, Law, Judicial Dept, Office of State Public Defender, Office of Alternative Defense Counsel, Colorado Energy Office, Office of Economic Development and International Trade, and Office of Child's Representative • Include a summary of each Department's performance plan and most recent performance evaluation • Clearly written, limited to four pages 	OSPB, Executive Branch; Depts. of State, Treasury, Law, Office of State Public Defender, Office of Alternative Defense Counsel, Colorado Energy Office, Office of Economic Development and Office of Child's Representative [#]	No later than November 1 each year
Performance evaluation (2-7-204 (3)(a)(III)(d)(4), CRS)	<ul style="list-style-type: none"> • Departments conduct performance evaluations and distribute to the JBC and General Assembly at least twice each calendar year 	Executive branch	At least twice each calendar year
Regulatory Agenda (2-7-203 (4), CRS)	<ul style="list-style-type: none"> • List of new rules or revisions to existing rules Departments will propose in the next calendar year and statutory basis • Purpose of proposed rules; estimated schedule for adoption • Identification, listing of stakeholders that may be affected by the rules (positively and negatively) 	Executive branch	November 1 every fiscal year
SMART Act hearings (2-7-203(2)(a), CRS)	<ul style="list-style-type: none"> • Departments present to Joint Committees of Reference their performance plans, Lean and customer service initiatives, regulatory and legislative agendas, and budget requests 	Executive branch	November - January

*Note: The Table above is a summary of the SMART Act requirements; OSPB and Departments use these requirements to build Performance Plan instructions, but OSPB guidance and SMART Act requirements are not synonymous. See the checklist on page 5 for examples of recommended vs. required plan elements.



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