



Priorities of Government

Result Team Process Guide Summer/Fall 2008 Tasks

This Guide Includes:

Tollgate III

Task Instructions

Tollgate III: Recommend a Purchase Plan for this Statewide Result

What is a purchase plan

A purchase plan is a list of activities (and new proposals) most important to procure those strategies most important to achieving the result.

Teams may “purchase”:

- Activities from the existing Activity Inventory
- Modified forms of current activities (spending more or less than is spent today)
- Completely new activities

The team has only two basic constraints:

1. The team must stay within the dollar allocation it is assigned.
2. Use your total allocation to purchase activities most essential to achieving the best possible results. Your decision should be based on the best available evidence about what works.

The POG purchase plan is not the same thing as the final budget proposal for the result area. For the plan, we ask you to ignore most of the constraints that we face in building the real budget. The POG teams need only to stay within their dollar allocation and purchase the activities that are most important for achieving results. This ensures that the POG process gives us perspective on the budget and helps identify the constraints that may unnecessarily impede our ability to deliver results to citizens.

It is more important (and helpful to the budget process) that your team has wrestled with the right questions than it is to get one “right” answer. What are the key contributors to results? Where’s the leverage? What’s core? What are the strategic trade-offs? If we’re buying a lot of existing services, are there new expectations for results? What innovations do you recommend?

Product Due Date - 10/03/2008

Due to Garry Austin by 5:00 p.m., October 3, 2008.

Tollgate III – Guidance Team Presentation

Teams will present their Tollgate III recommendations to the Guidance Team on October 7, and 8, 2008. (*Tentative*)

What products are due for Tollgate III?

A purchase plan for 90 percent of your allocation representing the highest priority purchases to maximize results (Product A)

A prioritized list of purchases for the remaining 10 percent of your allocation (Product B)

A prioritized list of purchases you would recommend next if more money were available (Product C)

A list of current activities you would not recommend be purchased (Product D)

A one-page summary of the strategic choices that define the plan (Product E)

POG Data Template

Each POG team will be provided with a data template to assist in the management of your purchase plan.

Each Template will come “pre-loaded” with the activity inventory based on 2009-11 maintenance level (ML) budget submittals and policy level (PL) decision package information affecting each result area.

Specific instructions and training in the use of the POG data template will be provided at a later date.

More about Tollgate III product A

Purchase Plan for 1st 90% of the allocation

Use 90 percent of the team’s dollar allocation to purchase the activities and proposals most important to maximize results in each area. The plan should make sense in the context of the indicators and strategies you identified in Tollgate I. You should be able to defend these recommendations with evidence about how these purchases will contribute to results and the desired performance progress.

- Within the POG data template:
 - List the activities and proposals purchased
 - Indicate the proposed cost of each activity or proposal - If the activity amount differs significantly from the activity inventory, explain why.
 - Note any caveats or clarifications.
 - Provide a subtotal of purchase plan expenditures for the strategy

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Purchase Plan for the remaining 10% of the allocation

It will be most helpful in the budget process to understand the relative contributions to results of the lower priority purchases in the purchase plan. For the remaining 10 percent of your allocation:

- Within the POG data template:

- List the purchases in priority order with the first item being the most important to purchase next.
- Indicate the proposed cost of each activity or proposal (If the activity amount differs significantly from the activity inventory, explain why)
- Note any caveats or clarifications.
- Indicate the strategy that each item on the list supports

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The dollar allocation teams receive will not be enough to buy all of the activities and proposals that could improve results. Please provide a prioritized “buy-next” list of the next purchases you would recommend if more money were available.

The Buy Next List

- Within the POG data template:
 - List the purchases in priority order with the first item being the most important to purchase next.
 - Indicate the proposed cost of each activity or proposal (If the activity amount differs significantly from the activity inventory, explain why)
 - Note any caveats or clarifications.
 - Indicate the strategy that each item on the list supports

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Identify any current activities, or portion of activities, considered to be a primary contributor to this result area that the team did not include in the purchase plan or the buy-next list.

List items not recommended

Note if any of these activities were included in the purchase plan of another team or, that you would recommend be purchased by another team.

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Provide a one-page discussion about the strategic choices that define your purchase plan. If these choices differ from the planned emphasis you presented in Tollgate 1, explain what changed in your thinking. Also note:

A one-page summary of the strategic choices that define the plan

- Identify key activity changes, innovations, savings, and new activities assumed in your purchase plan.
- The type of capital investments that would contribute most to achieving the results in this result area. Describe other possible affects on the capital budget implied by your purchase plan.
- Any significant changes in fund sources assumptions in your purchase plan.

Purchase Plan Ground Rules

The basic constraints

- Each team will receive a dollar allocation for this exercise. This is the maximum amount of state dollars a team can spend to purchase activities. (However you can note additional desired purchases on the “buy next” list.)
- Use your total allocation to purchase activities most essential to achieving results. Your decision should be based on the best available evidence about what works.

Normal constraints to ignore for the purchase plan

Ignore fund source restrictions—we know this is difficult, but it is important to the success of the effort. All money is green in POG. If using your allocation to buy the most effective strategies means you would be required to use certain funds for purposes prohibited today, just note this in the purchase plan. But it is okay to do this.

Statutory requirements—Just because an agency is required to do something by law, doesn’t mean that it’s the best thing to do to achieve results. In POG, we want you to ignore these restrictions and focus on what really works.

Federal and private/local funds

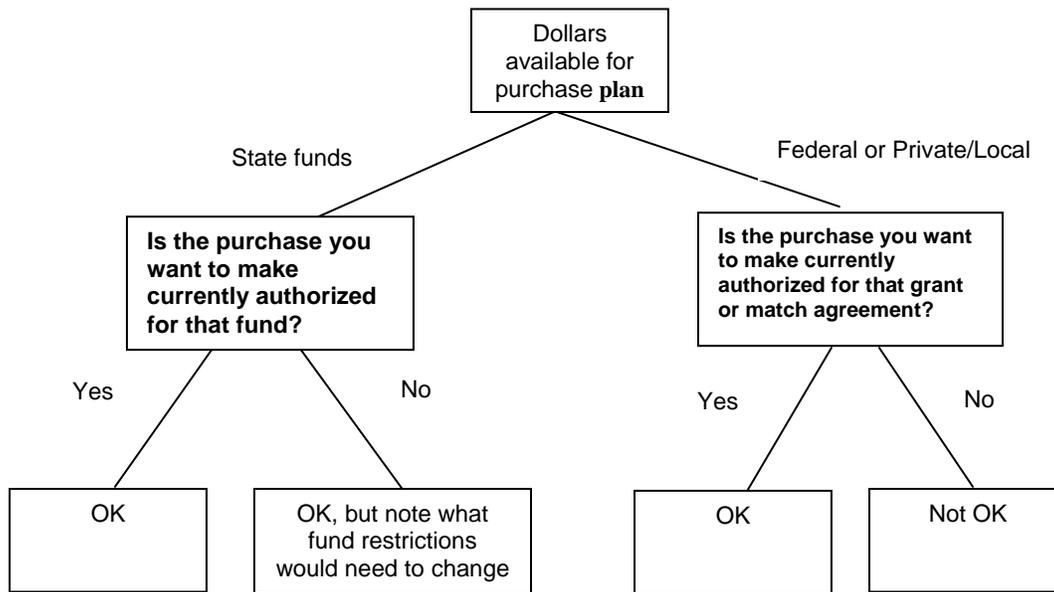
Only state funds are used in the actual purchase plan, but we will ask you to note federal and private/local fund sources associated with the activities you purchase to provide a more complete picture of the intended investments. Information about federal and private/local funds will be provided for each activity and proposal.

Federal grants and federal match

Federal grants and match funds can only be used for authorized purchases in the spending plan. You don’t have to purchase the activity that is supported by federal funds if your team finds it doesn’t contribute enough to results. However you can’t then use that federal money for other purchases in the spending plan.

When prioritizing the use of state funds, do think about whether they can be leveraged to attract federal funding to the state in order to produce the intended results.

How Allocation Dollars May be Spent in the Purchase Plan



Local Government Allocations

Allocations of state funds to local units of government will be included, locally generated funds will not. However, teams should consider the impact of local resources on the achievement of their results. Teams should look for overlaps/duplication of services between and among state and local units. If a team opts to pay local government or sub-recipients to deliver results, the team must identify the conditions and expectations around these results. Note if statute changes would be needed to make this possible.

You are not restricted to the Activity Inventory or Budget Proposals

The Activity Inventory information provided to the team is meant to show you the current state-funded activities related to your Result Area. You are not in any way restricted to this list of activities in developing your purchase plan.

The team will also receive agency budget proposals related to the result area. The team is not restricted to this list of new proposals in the purchase plan.

Showing costs in the plan

The costs shown for the activities will be at the agency proposed maintenance level cost. If you intend to purchase an activity at the same level it is provided today, please use the dollar amounts noted in the Activity Inventory unless you are proposing some change in service delivery that would change costs. Do not try to factor in inflation.

Collaboration with other teams is encouraged

Conversations and agreements across Results Teams are encouraged. It may be necessary to collaborate with other teams to ensure results are maximized.