

Performance Based Budgeting & Evidence Based Initiatives: Overview & Program Inventory Guide

Kansas Performance Based Budgeting Steering Committee



Contents

Why Performance Based Budgeting.....	2
What is Performance Based Budgeting.....	2
Implementing Performance Based Budgeting in Kansas	3
Key Dates	3
Evidence Based Initiatives & Results First	6
Levels of Evidence Ratings	7
Phase I Overview	9
Program Inventory Template: Step-by-Step.....	12
Resources	19
Questions & Assistance.....	20

Why Performance Based Budgeting

The Legislature retained the services of **Alvarez and Marsal (A&M)** to examine several areas of state operations and spending, including a review of the state budget process. A&M issued fifteen recommendations relating to fiscal stability, improved accountability, and budget transparency. Among the fifteen recommendations, A&M specifically recommended that Kansas conduct a program service inventory (*Kansas Statewide Efficiency Review—Budget Process and Review—Recommendation #9*), include evidence of program effectiveness in budget decisions (*Kansas Statewide Efficiency Review—Budget Process and Review—Recommendation #11*) and implement performance budgeting (*Kansas Statewide Efficiency Review—Budget Process and Review—Recommendation #12*). These three recommendations were part of legislation passed by the 2016 Legislature (2016 **HB 2739**) requiring the state to begin the implementation of Performance Based Budgeting (PBB).

Agencies currently submit a wealth of information in their budget narratives relating to outputs, outcomes and performance. However, this information is not used effectively or emphasized in our budget process. The premise of PBB is to bring agency results and outcomes to the forefront of budget decisions and appropriating resources.

What is Performance Based Budgeting

Performance Based Budgeting (PBB) “is a budget preparation and adoption process that emphasizes performance management, allowing allocations decisions to be made in part on the efficiency and effectiveness of service delivery.”¹ Programs that demonstrate positive outcomes and results while also spending resources efficiently provide clear signals to budget decision-makers how to best appropriate funding. Negative performance measures do not indicate a program should necessarily be defunded. PBB is not a tool primarily intended to reduce government spending. However, negative performance measures may indicate that the state should evaluate alternative programs to achieve the same objectives.

Performance Based Budgeting (PBB) differs from the current budget process in Kansas by emphasizing performance measures and, to the extent possible, creating correlations between dollars, outcomes and objectives. Many current performance measures are output measures which reflect agency activity but do not indicate whether an agency is achieving its goals and objectives relative to committed resources. In addition, current performance measures are not effectively used by Legislators to evaluate agency performance. Using PBB will create an opportunity to change the effectiveness of performance measures and how the measures are used by decision-makers.

¹ Kelly, Janet M., and Rivenbark, William C. Performance Budgeting for State and Local Government. Florence, GB: Routledge, 2014. ProQuest ebrary. Web. 8 June 2016.

PBB best succeeds if there is a commitment by state leadership to the principles of PBB. All participants in the budget process must ensure agency and program service goals align with performance measures. It is also important to note that the PBB process requires continuous training and education.

PBB has shown to be less successful if there is:

- No purpose or direction in the implementation;
- No link to organization wide objectives – performance measures should stem from agency goals, objectives and mission statements;
- No training or support for agency personnel;
- No performance measures reflected in agency budgets;
- No support from the budget office;
- Unrealistic expectations that performance measures will make budget decisions easy and allow reductions without affecting agency core missions; and,
- No monitoring – Any performance measure system requires constant upkeep and monitoring to insure that the selected measures are correctly evaluating performances.

Implementing Performance Based Budgeting

Exhibit 1 on the following page depicts the broad timeline for implementing PBB in Kansas. **Some of the dates in the timeline will be adjusted throughout the process to accommodate workload capacity of state fiscal staff.** However, the “hard” deadlines will be the dates the Governor is required to submit information to the Legislature. These dates are specified in HB 2739.

Key Dates & Deadlines

- **October 17, 2016** – Agencies submit drafts of **program inventories** to respective Division of the Budget and Kansas Legislative Research Department analysts.
- **December 1, 2016 (not in time line below)** – Agencies submit **program inventories** and **materials supporting evidence ratings** to Division of the Budget analysts.

IMPORTANT: the total budget entered into your program inventories should match your total September budget submissions for FY 2017, FY 2018 and FY 2019.

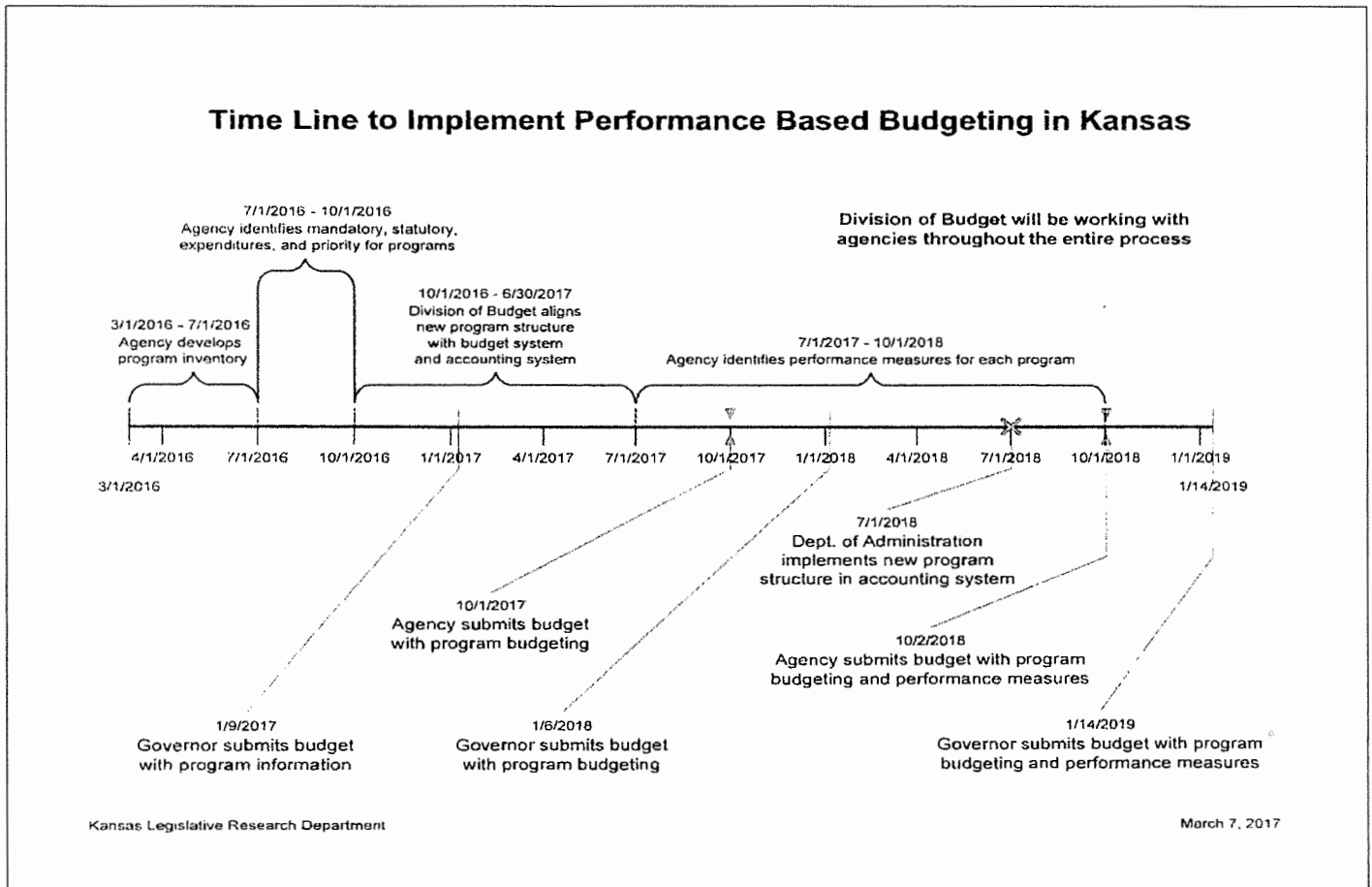
- **January 9, 2017** – Governor submits program inventories to Legislature.

IMPORTANT: the budget figures in the program inventories submitted to the 2017 Legislature will be as of the Agency Request, not the Governor’s Recommendation. The Division of the Budget will be

unable to effectively manipulate Agency Requests until IBARS is updated with new program structures from the program inventories.

- **September 15, 2017** – Agencies submit budgets with new program structure to Division of the Budget.
- **January 6, 2018** – Governor submits budget with new program structure to Legislature.
- **September 15, 2018** – Agencies submit budgets with new program structure and revised performance measures to Division of the Budget.
- **January 14, 2018** – Governor submits budget with new program structure and revised performance measures to Legislature.

Exhibit 1



The implementation of PBB will be done in three phases:

Phase 1

This phase includes creating program inventories for submission to the Legislature on **January 9, 2017**. Per HB 2739, the program inventories should include:

- Identification of agency programs and subprograms by objective, function and purpose;
- The state or federal statutory citation authorizing those programs, if any;
- Identification of programs that are mandatory versus discretionary;
- A history of the programs, including interaction with other agency programs and objectives;
- State matching or other federal financial requirements;
- Prioritization of the level of all programs and subprograms; and,
- The consequence of not funding the program or subprogram.

A PBB template has been developed for agencies to use in compiling and reporting the required information. Please see the Division of the Budget website to download the template. Instructions for filling out the PBB template can be found in **PBB Program Inventory Template: Step-by-Step** in this document.

Phase 2

On or before January 6, 2018: An integrated budget fiscal process, such process will institute common accounting procedures consistent with budget development, budget approval, budget submission, through actual expenditures by fund. This phase will include the alignment of IBARS and SMART with new program structures.

Phase 3

On or before January 14, 2019: A Performance Based Budgeting System; including:

- Incorporation of various outcome based performance measures, for state programs; and
- Enhanced capability to compare program effectiveness across multiple state and political boundaries.

Evidence Based Initiatives & Results First

PBB will be linked to external Evidence Based Initiatives such as the Pew-MacArthur Results First Initiative (Results First) when possible. The Pew-MacArthur Results First Initiative, a project of The Pew Charitable Trusts and the John D. and Catherine T. MacArthur Foundation, works with states and localities to develop the tools policymakers need to identify and fund effective programs that yield high returns on investment. Using innovative and customizable methods, Results First partners learn to:

- Create an inventory of currently funded programs.
- Review which programs work.
- Conduct benefit-cost analysis to compare programs' likely return on investment.
- Use evidence to inform spending and policy decisions.

Taken together, these efforts have helped agencies and government leaders improve public outcomes, reduce costs, and increase accountability by ensuring that resources are directed toward effective, cost-beneficial approaches.

For purposes of this first phase of PBB rollout, agencies will focus only on the program inventory component of the Results First approach (bullets 1 and 2 above). Phase 1 of the PBB implementation will involve one pilot agency ("**Results First pilot agency**") that will use the Results First approach to create a Results First program inventory, using the Results First template. The Results First program inventory template is separate and distinct from the PBB template. While all agencies are required to submit the PBB template, the Results First template does not need to be submitted – however it is required for **Results First pilot agency** to complete in order to fill out certain information in the PBB template (namely the 'evidence level' column in the PBB inventory template). Results First works within a limited area of policy areas including adult criminal justice, juvenile justice, education, child welfare, general prevention, substance abuse, and mental health. The Steering Committee recommends one of the following agencies use the Results First approach as a **Results First pilot agency**:

- **Department for Children and Families; or,**
- **Department of Corrections**

Other agencies that may eventually use Results First are:

- Department for Aging & Disability Services;
- Department of Health and Environment;
- Department of Education;
- State Library; and,
- Kansas State Historical Society.

While only the **Results First pilot agency** will have access to the Results First inventory template, guidelines, and technical assistance from Pew staff during phase 1, the remaining above agencies will have the opportunity to develop a Results First inventory over the course of time, as the capacity is built to take on additional agencies.

All agencies, **except the Results First pilot agency**, will follow a similar but alternative approach to assigning levels of evidence to their subprograms.

Levels of Evidence Ratings

As part of the PBB template submission process, *all agencies* will be required to categorize the subprograms they operate according to their evidence level (column H in the 'program overview' tabs of the PBB template.)

Results First pilot agency must categorize their subprograms' evidence level using the Results First approach. This requires agencies to fill out key portions of the Results First inventory template (Required/Highly Recommended columns in the RF program inventory templates) in order to properly match their subprograms' to the Results First Clearinghouse and determine the subprograms' level of evidence. *Results First pilot agencies must still submit the PBB template* – and are not required to submit their Results First program inventory template. Rather, the Results First template is used to collect the necessary data points to determine a given subprogram's *evidence level*, which does need to be reported in the PBB template. That said, the Results First program inventory template serves as a powerful tool to help the pilot agencies inform their programmatic decision making and it is strongly encouraged that pilot agencies use the tool not only to populate required information in the PBB template, but also to use for internal policy making.

Technical assistance from Pew staff will only be provided to those who are using the Results First approach and template.

Results First pilot agency will assign the following ratings to their programs using the Results First Clearinghouse:

- **Highest rated/Model (green)** — The clearinghouse assigned the intervention its highest rating. In general, this requires one to two evaluations that: a) use the strongest research designs, including randomized control trials or high-quality quasi-experimental designs; and b) show that the intervention had a statistically significant positive impact.
- **Second-highest rated/Promising (yellow)** – The clearinghouse assigned the intervention its second-highest rating. This generally requires an evaluation that used a quasi-experimental design and showed that the intervention had a positive impact.

- **No evidence of effects (gray)** – The clearinghouse found the intervention to have no statistically significant effects based on at least one evaluation that used a randomized control trial or a quasiexperimental design.
- **Mixed effects (blue)** –This category is only used for interventions reviewed by What Works Clearinghouse. It is applied when two or more evaluations using randomized control trials or quasiexperimental designs found inconsistent effects of a given intervention. That is, one study showed a positive effect and either another showed a negative effect or at least two others showed indeterminate effects.
- **Negative effects (red)**—The clearinghouse determined that the intervention had negative effects, which could be statistically significant or not, based on at least one evaluation that used a randomized control trial or a quasi-experimental design.
- **No rating**—Agencies can use this rating when a subprogram is not listed in the Results First Clearinghouse or otherwise cannot find any research outside the clearinghouse that meets any of the above rating criteria. This designation does not mean the program is inefficient or ineffective. Rather, some programs are niche programs and relevant research may be sparse or nonexistent. The designation means that more research is needed to measure a program’s effectiveness.

All other agencies should assign their programs the following ratings. The “KS” designation means they are Kansas-specific ratings criteria. Sources may include academic research, federal studies, national organizations, non-profit foundations, national trade group standards, market studies or any reputable research group.

- **Evidence Based (KS)** – A program that has been evaluated, proven effective, and determined to have a positive impact through **more than two** sources.
- **Promising Practice (KS)** – A program that has been evaluated, proven effective, and determined to have a positive impact through **up to two** sources.
- **Mixed (KS)** -- A program that has been evaluated and determined by at least **one** source to have a positive impact but also determined by at least **one** other source to have a negative impact.
- **Negative (KS)** -- A program that has been evaluated and determined to have a negative impact through **two or more sources**.

- **No Evidence (KS)** – A program that has not been evaluated and proven effective by any sources. This designation does not mean the program is inefficient or ineffective. Rather, some programs are niche programs and relevant research may be sparse or nonexistent. The designation means that more research is needed to measure a program’s effectiveness.

Agencies should submit materials or references supporting their level of evidence ratings along with their PBB program inventories.

Phase 1 Overview

The main goal of Phase 1 is to re-examine agency programs and subprograms by objective, function and purpose. The information below is provided to help agencies take a fresh look at what they do and how they do it. The information found under the **Strategic Planning** section of the *Budget Instructions* is also useful for this exercise.

Agency Function or Mission

Agency functions encompass the total purpose for an agencies existence. If an agency is engaged in an activity that does not fit within the agency function, an analysis should be engaged as to whether that activity is a better fit within another agency.

Program Mission Statement

The program mission statement conveys the purpose for which a program exists. A mission statement does not include specific goals but rather describes what outcome the program is attempting to achieve.

Program Definition

The Government Accountability Office defines a program as, “Generally, an organized set of activities directed toward a common purpose or goal that an agency undertakes or proposes to carry out its responsibilities.”² Using this definition, we can define subprogram to mean a single activity or focus within a program that is tied to specific outcome. For agencies using **Results First**, the term “program” or “intervention” is used rather than subprogram. When completing the program inventory, programs should be seen as “families” of like subprograms (activities) or programs.

When developing a performance budgeting system, programs should be based on either outcomes or clients whenever possible. Outcomes are the specific end result the program is trying to achieve. A client focus will be on a specific entity or consumer group. When considering how to identify programs and subprograms, the following questions should be considered:

² United States Government Accountability Office, “Glossary of Terms Used in the Federal Budget Process”; September 2005; www.gao.gov/assets/80/76911.pdf

- What statutory or regulatory requirements are required of my agency?
- Who are my clients? For regulatory agencies, think both in terms of Kansas citizens who operate within a regulated environment and those individuals or entities which are regulated. For human services agencies, clients are those persons who avail themselves of your services.
- What is the outcome my agency is attempting to achieve?

Programs should be, among other things:

Externally recognizable. Agencies should use programs that are or relate to programs or objectives used in appropriations bills, statute, are recognized by stakeholders, or are already publicly known; agencies should use program names that are known outside the agency, and generally not create new names.

Operationally Meaningful. Agencies should use programs that are operationally meaningful to agency senior leadership and components of the agency. Programs should represent how the agency is managed and delivers on its mission.

Linked to an organizational component(s), such as headquarters, bureau or office. Programs should be operationally meaningful to the agency and agency senior leadership.

Persistent. Generally, programs that persist over time should be included. However, agencies have the flexibility to identify short-term efforts as programs.

Practically speaking, some current program designations in state budgeting are program “themes” and include several programs that have different functions, clients or outcomes. One of the purposes of PBB is to disaggregate some of these large groupings into discrete programs for statewide budgeting and reporting. Many agencies are already organized and budgeting at these lower program levels. In these cases, the information required for PBB will not be much different than the information that is already submitted under the current budget process.

One example is from the Department of Agriculture. Certain state reporting uses the program Agri-Business Services. However, this program is actually made up of several programs including Meat and Poultry Inspection, Dairy, Agricultural Commodities Assurance, Weights and Measures, Grain Warehouse, Agricultural Laboratories, Food Safety, and Plant Protection. While all of these programs are related to the Agri-Business Services program theme, they could be viewed as separate programs in the program inventory because of different program goals, performance measures, functions and sets of activities.

Another illustration can be found in the Department of Corrections. Currently, budget information is reported using the program Reentry & Offender Programs. However, this program is made up of several programs including sex offender treatment, substance abuse, academic and vocational education, employment, cognitive skills-building, family services, transitional housing, mentoring, and reentry and release

planning. All of these could be listed as separate programs in the program inventories each with their own, specific subprograms or prevention programs.

During Phase 1 of implementation, expenditures associated with programs that provide centralized services for an agency, such as administration, IT, legal or other, should be allocated to the various direct service programs. Please see **Program Inventory Template: Step-by-Step** for additional comments on how overhead costs are to be allocated.

Mandatory versus Discretionary

Discretionary programs are programs that are within the scope of an agency's grant of authority but not directed by a specific statute or federal regulation. Administrative or overhead programs are usually discretionary.

State or Federal Statutory Citation

For mandatory programs include the state or federal statute requiring that program. Please **do not** rely on the general authorizing statute for the agency but only specific statutes for identifiable programs.

History of the Programs

This should include:

- A description of the program;
- When the program was authorized,
- Anytime the program was moved between agencies;
- History of legislation impacting the program; and
- Other significant program events.

State Matching or Other Federal Financial Requirements

If your program has either a state match or maintenance of effort requirement, please indicate that fact. The agency is not required to indicate the amount of the maintenance of effort requirement or the specifics of the match.

Prioritization of the Level of All Programs and Subprograms

Indicate from 1 to X the level of priority for the program based on the following considerations:

- Statutory requirement for the program;
- The relationship between the program and the agency function and mission statement;
- Impact on the public if program if not funded;
- The program's performance measures; and,

AGENCY OVERVIEW							
Program	Subprogram	FY 2017		FY 2018		FY 2019	
		SGF	All Funds	SGF	All Funds	SGF	All Funds
Office of the Secretary of Administration		502,708	691,434	497,061	683,108	503,125	690,328
	<i>Operations</i>	370,918	559,644	367,172	553,219	371,681	558,884
	<i>Finance Council</i>	2,000	2,000	2,000	2,000	2,000	2,000
	<i>Public Information</i>	129,790	129,790	127,889	127,889	129,444	129,444
Office of Chief Council		330,694	877,319	325,889	865,527	329,329	873,938
	<i>Legal Services</i>	214,610	761,235	211,525	751,163	213,284	757,893
	<i>Labor Relations</i>	116,084	116,084	114,364	114,364	116,045	116,045
Office of Financial Management		127,338	1,074,531	125,492	1,061,293	127,373	1,077,213
	<i>D of A Accounting/Budget Special Use (?)</i>	127,338	1,074,531	125,492	1,061,293	127,373	1,077,213
		-	-	-	-	-	-
Office of Facilities & Property Management		-	32,957,013	-	34,377,855	-	35,112,041
	<i>Management</i>	-	5,422,870	-	5,493,473	-	5,583,634
	<i>Grounds</i>	-	-	-	-	-	-
	<i>Maintenance</i>	-	11,317,240	-	11,727,040	-	12,221,842
	<i>Building Services</i>	-	2,983,570	-	2,935,572	-	2,989,665
	<i>Parking</i>	-	93,551	-	92,783	-	94,121
	<i>Design & Compliance</i>	-	2,562,425	-	2,040,272	-	2,070,447
	<i>Asset Management</i>	-	-	-	983,344	-	995,543
	<i>Surplus</i>	-	1,624,464	-	1,831,203	-	1,846,431
	<i>Central Mail</i>	-	4,936,418	-	5,319,913	-	5,546,381
	<i>Printing</i>	-	4,016,475	-	3,954,255	-	3,763,977
Office of Procurement & Contracts		-	1,356,239	-	1,344,388	-	1,365,073
	<i>Procurement & Contracts</i>	-	1,356,239	-	1,344,388	-	1,365,073
Office of Personnel Services		1,482,456	2,053,976	1,463,995	2,054,718	1,476,747	2,076,148
	<i>State Agency HR Management</i>	1,285,118	1,489,067	1,269,227	1,665,070	1,278,752	1,680,916
	<i>HR Information Services</i>	197,338	564,909	194,768	389,648	197,995	395,232
Office of Chief Financial Officer		2,187,378	6,511,717	2,165,447	6,498,289	2,191,822	6,563,891
	<i>Chief Financial Officer</i>	-	28,000	-	29,000	-	30,000
	<i>Delegated Audit</i>	425,129	735,977	420,111	727,694	426,878	739,198
	<i>Financial Integrity Team</i>	692,733	853,733	689,333	851,333	692,950	855,950
	<i>Revolving Fund</i>	-	177,994	-	220,733	-	223,247
	<i>Internal Controls</i>	171,249	301,031	168,847	297,039	171,422	301,235
	<i>Federal Reporting</i>	53,873	176,796	53,265	174,566	53,990	177,061
	<i>Municipal Services</i>	32,347	156,536	32,104	156,278	32,602	159,316
	<i>Statewide Payroll</i>	131,208	1,313,538	129,392	1,301,993	131,391	1,310,521
	<i>Statewide Accounting</i>	497,248	1,945,848	490,679	1,923,084	498,553	1,941,373
	<i>Setoff</i>	183,591	822,264	181,716	816,569	184,036	825,990
Office of Systems Management		1,070,716	8,198,011	1,070,013	7,666,715	1,071,258	7,685,571
	<i>Systems Management</i>	1,000,000	7,902,440	1,000,000	7,373,991	1,000,000	7,388,838
	<i>State Service Desk</i>	70,716	295,571	70,013	292,724	71,258	296,733
Long Term Care Ombudsman		239,115	673,865	241,026	674,539	243,775	681,704
	<i>Long Term Care Ombudsman</i>	239,115	673,865	241,026	674,539	243,775	681,704
Division of Budget		1,597,548	1,597,548	1,472,720	1,472,720	1,632,629	1,632,629
	<i>Budget</i>	1,597,548	1,597,548	1,472,720	1,472,720	1,632,629	1,632,629
Office of Financial Management		-	244,141	-	240,662	-	243,441
	<i>Small Agency Service Center</i>	-	244,141	-	240,662	-	243,441
Debt Service		112,278,706	166,962,458	175,991,434	179,512,591	171,073,485	174,580,267
	<i>Debt Service</i>	112,278,706	166,962,458	175,991,434	179,512,591	171,073,485	174,580,267
Capital Improvements		3,450,000	3,875,000	22,850,000	23,275,000	8,775,000	9,225,000
	<i>Capital Improvements</i>	3,450,000	3,875,000	22,850,000	23,275,000	8,775,000	9,225,000

Office of Chief Financial Officer

Program Priority: 2

History: The Director of Accounts and Reports was established in 1953. The Office of Chief Financial Officer was established July 1, 2013 and has the overall responsibilities granted to the Director of Accounts and Reports.

Program Goals: To maintain integrated systems that meet statewide payroll and central accounting processing and reporting requirements in an efficient and cost-effective manner. To identify and implement solutions that support transparency to taxpayers and other interested groups. To ensure completion of the Comprehensive Annual Financial Report (CAFR), with an unqualified opinion. To develop and implement procedures for the State of Kansas to comply with the new federal SuperCircular. To provide quality customer service to agencies, taxpayers and other groups and individuals served and supported by the Office of the Chief Financial Officer, Setoff Team.

Sub-Program Name	Priority	Required by Statute?	Statutory Basis	MOE Requirement	Purpose	Consequences of not Funding	Level of Evidence Rating	FY 2017 SGF	FY 2017 AF	FY 2018 SGF	FY 2018 AF	FY 2019 SGF	FY 2019 AF
Chief Financial Officer	4	Yes	75-3727 et seq Director of Accounts and Reports, 75-4228	No	Oversee all the responsibilities of the Office of Chief Financial Officer	CFO is the driving force behind all required by Statute or law of the OCFO Team. This position also works with other officials/agency heads, fiscal teams to ensure success of statewide efforts.		Direct \$ Indirect \$520 Total \$520	Direct \$28,000 Indirect \$1,429 Total \$29,429	Direct \$ Indirect \$532 Total \$532	Direct \$29,000 Indirect \$1,465 Total \$30,465	Direct \$ Indirect \$548 Total \$548	Direct \$30,000 Indirect \$1,508 Total \$31,508
Delegated Audit	5	Yes	75-3727 et seq., 75-3052 et seq., 75-3201 et seq., 74-72,122 et seq., 75-6401 et seq., 46-903 et seq., 75-3080, 75-3081, 75-3516, 75-3707, 75-4228, 75-5278	No	Performs annual agency audits of expenditures, local funds, assets, accounts receivable, examination of bills, claims, refunds. Performs pre-audits on non-delegated transactions statewide for compliance with statutes, regulation, policies, and accepted accounting principles, develops and maintains statewide accounting policy. Maintains and develops enhancements to KanView per the Kansas Taxpayer Transparency Act.	No audit oversight of agency accounting transactions and accounting policy adherence. No maintenance of statewide accounting policy. No assistance to agencies interpreting statutes, regulations regarding accounting transactions. Failure to comply with taxpayer transparency website statutory requirements.		Direct \$425,129 Indirect \$13,651 Total \$438,780	Direct \$735,977 Indirect \$37,559 Total \$773,536	Direct \$420,111 Indirect \$13,356 Total \$433,467	Direct \$727,694 Indirect \$36,755 Total \$764,449	Direct \$426,878 Indirect \$13,508 Total \$440,386	Direct \$739,198 Indirect \$37,174 Total \$776,372
Financial Integrity Team	3	Yes	75-3735, 46-1106-75-3707, 75-3727 et seq., 75-4228	No	Responsible for the coordination and preparation of the Kansas CAFR. Reviews data in the State accounting system throughout the year to verify the appropriate account code classification is used on payment and revenue transactions.	No CAFR and no audit of CAFR would result in questions of the financial management of the State government; failure to comply with bond disclosure requirements; potential bond rating downgrade; increased future borrowing rates.		Direct \$692,733 Indirect \$15,836 Total \$708,569	Direct \$853,733 Indirect \$43,568 Total \$897,301	Direct \$689,333 Indirect \$15,626 Total \$704,959	Direct \$851,333 Indirect \$43,000 Total \$894,333	Direct \$692,950 Indirect \$15,642 Total \$708,592	Direct \$855,950 Indirect \$43,044 Total \$898,994
Revolving Fund	8	Yes	KDHE's 65-163d - 65-163u & 65-3321 et seq., EPA Federal Clean Water Act & Federal Water Quality Act of 1987, 75-3737, 75-4228	No	The Kansas Water Pollution Control Revolving Fund and the Kansas Public Water Supply Loan Fund provide financial assistance to Kansas municipalities in the form of loans for the construction of publicly owned wastewater treatment facilities and for the construction of public water supply system infrastructure. OCFO provides accounting services under contract with KDHE and KDFA.	Failure to provide accounting and reporting expertise and services for the State Revolving Fund under contract with KDHE and KDFA. Failure to produce SRF financial statements which are audited and integral to the statewide CAFR. Failure to provide bond disclosure services for SRF bond issuances.		Direct \$ Indirect \$3,302 Total \$3,302	Direct \$177,994 Indirect \$9,084 Total \$187,078	Direct \$ Indirect \$4,051 Total \$4,051	Direct \$220,733 Indirect \$11,149 Total \$231,882	Direct \$ Indirect \$4,079 Total \$4,079	Direct \$223,247 Indirect \$11,226 Total \$234,473
Internal Controls	5	Yes	75-3707, 75-3727 et seq., 75-4203, 75-4228	No	The Internal controls Team has begun a multi-phase project to develop an internal control framework for Kansas based on the Federal GAO Green Book	No Internal Controls direction would create the perception of a lack of financial integrity; could lead to increased numbers of material weakness and significant deficiency audit findings.		Direct \$171,249 Indirect \$5,584 Total \$176,833	Direct \$301,031 Indirect \$15,362 Total \$316,393	Direct \$168,847 Indirect \$5,451 Total \$174,298	Direct \$297,039 Indirect \$15,003 Total \$312,042	Direct \$171,422 Indirect \$5,504 Total \$176,926	Direct \$301,235 Indirect \$15,149 Total \$316,384
Federal Reporting	3	Yes	75-3082, 75-3083, 75-3727 et seq., 75-4228	No	Responsible for the Cash Management Improvement Act (CMIA), Schedule of Expenditures of Federal Awards (SEFA), Section 218 Agreement Administration and Uniform Grant Guidance (Super Circular)	Not performing responsibilities related to the federal requirements of the CMIA, SEFA, and UGG could result in loss of future federal funding and the potential for repayment of previously drawn federal grants by the State and its agencies. Without the administration of the Section 218 Agreements local units of government may not accurately cover their employees for retirement benefits and/or Social Security and Medicare.		Direct \$53,873 Indirect \$3,280 Total \$57,153	Direct \$176,796 Indirect \$9,023 Total \$185,819	Direct \$53,265 Indirect \$3,204 Total \$56,469	Direct \$174,566 Indirect \$8,817 Total \$183,383	Direct \$53,990 Indirect \$3,235 Total \$57,225	Direct \$177,061 Indirect \$8,904 Total \$185,965

Municipal Services	6	Yes	79-2925 et seq., 10-701 et seq., 10-801 et seq., 10-1101 et seq., 75-1117 et seq.	No	Develops and prescribes budgeted forms to be used by taxing subdivision & municipalities of the State of Kansas; receives budget and audits from same; provides information to local governments on the Budget Law, Cash Basis Law & municipal audit guide.	No maintenance of budget forms used by the local units of government across Kansas. Discontinuance of providing guidance to local units of government in the areas of budget preparation and cash basis law. No maintenance of the statutorily required repository of independent audits of municipalities. Discontinuance of annual training workshops across Kansas to assist municipalities in budget preparation and other statutory requirements.	Direct \$32,347 Indirect \$2,903 Total \$35,250	Direct \$156,536 Indirect \$7,988 Total \$164,524	Direct \$32,104 Indirect \$2,869 Total \$34,973	Direct \$156,278 Indirect \$7,894 Total \$164,172	Direct \$32,602 Indirect \$2,911 Total \$35,513	Direct \$159,316 Indirect \$8,012 Total \$167,328
Statewide Payroll	1	Yes	75-5501 et seq., 75-3228, 75-3707	No	Responsible for administering the statewide Payroll, including Regents institutions, ensuring compliance with all applicable state and federal laws, and meeting reporting requirements such as the issuance of annual W-2 and 1042-5 forms.	Failure to maintain and administer statewide payroll will result in failure of the State to pay its wage obligations pursuant to Federal and State labor laws, remit required withholdings, and complete Federal and State reporting requirements for employees and non-resident aliens.	Direct \$131,208 Indirect \$24,363 Total \$155,571	Direct \$1,313,538 Indirect \$67,033 Total \$1,380,571	Direct \$129,392 Indirect \$23,897 Total \$153,289	Direct \$1,301,993 Indirect \$65,762 Total \$1,367,755	Direct \$131,391 Indirect \$23,948 Total \$155,339	Direct \$1,310,521 Indirect \$65,905 Total \$1,376,426
Statewide Accounting	2	Yes	75-3707, 75-3727 et seq.	No	Responsible for the processing and systems maintenance of SMART and other statewide central business processes, ensuring system compliance with federal and state laws and regulations as well as statewide policies, procedures and internal controls.	Failure to maintain and administer statewide central accounting will result in the inability of state agencies to execute and document the financial transactions required to fulfill their mission including the receipt and expenditure of all funds in accordance with existing laws, regulations, and reporting obligations.	Direct \$497,248 Indirect \$36,092 Total \$533,340	Direct \$1,945,848 Indirect \$99,300 Total \$2,045,148	Direct \$490,679 Indirect \$35,298 Total \$525,977	Direct \$1,923,084 Indirect \$97,133 Total \$2,020,217	Direct \$498,553 Indirect \$35,476 Total \$534,029	Direct \$1,941,373 Indirect \$97,630 Total \$2,039,003
Setoff	7	Yes - Setoff Yes - KTOP	75-6201 et seq 75-6216, 75-3707, 75-3727 et seq.	No	The Setoff Program "sets off" monies the State of Kansas owes vendors and individuals against debts those entities owe to the State of Kansas. This benefit is also available to municipalities and the district courts.	Without the Setoff Program the State would not efficiently collect delinquent accounts owed to the State, municipalities, or courts resulting in a reduction in revenues. Using external collection agency efforts to collect delinquent accounts would increase the cost of collections. The KTOP Program has not been as successful in collection of debts as the Setoff Program and may continue to generate more expense than collection revenues for other than the Kansas Department of Revenue.	Direct \$183,591 Indirect \$15,251 Total \$198,842	Direct \$822,264 Indirect \$41,961 Total \$864,225	Direct \$181,716 Indirect \$14,988 Total \$196,704	Direct \$816,569 Indirect \$41,244 Total \$857,813	Direct \$184,036 Indirect \$15,094 Total \$199,130	Direct \$825,990 Indirect \$41,539 Total \$867,529

Office of Chief Financial Officer

Subprogram	Performance Measure	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Est.	FY 2018 Est.	FY 2019 Est.
Chief Financial Officer	Number of transparency subject areas available on KanView	n/a	15	16	16	17	18
Chief Financial Officer	Public Interest Research Group Scorecarding - letter grade/points possible	n/a	B/84	B/85	B/86	B/86	B/86
Delegated Audit	Perform Agency Audits per three year audit plan cycle initiated in FY 2016	n/a	n/a	100% - • Delegated Audit transaction audit sampling • Capital Assets desk audit • Accounts Receivable	100% - • Delegated Audit transaction audit sampling • Local Funds Audit - nine different types statewide	100% - • Delegated Audit transaction audit sampling • Capital Assets desk audit & Physical Verification • Local Funds Physical Verification	100% - • Delegated Audit transaction audit sampling • Capital Assets desk audit • Accounts Receivable
Financial Integrity Team	Receive an unqualified opinion from independent auditors concerning the State's financial position by December 31	12/20/2013	12/15/2014	12/1/2015	12/1/2016	12/1/2017	12/1/2018
Revolving Fund	Receive an unqualified opinion from independent auditors concerning SRF's financial position by September 30	n/a	n/a	n/a	9/30/2016	9/30/2017	9/30/2018
Internal Controls	Number of internal control areas reviewed with outcomes documented in Internal Control Issue Papers	n/a	n/a	n/a	5	5	5
Federal Reporting	Prepare SEFA reports and provide preliminary to independent auditors by October 1 and final by October 15	n/a	n/a	n/a	10/15/2016	10/15/2017	10/15/2018
Municipal Services	Percentage of Municipal Audit Reports posted to the Municipal Services website	n/a	94%	100%	100%	100%	100%
Statewide Payroll	Percentage of employees consenting to receive electronic W-2's - SHARP	n/a	48.40%	61.20%	68%	75%	78%
	Percentage of employees consenting to receive electronic W-2's - Regents	n/a	22.10%	27.20%	30%	33%	35%
	Percentage of employees consenting to receive electronic W-2's - Statewide Total	n/a	31.50%	39.10%	43%	47%	50%
Statewide Accounting	Percentage of SMART Accounting system payments generated to suppliers paid by ACH	n/a	39%	41%	43%	45%	47%
Set-Off Program	Number of Municipalities Enrolled in Kansas Debt Recovery System	n/a	726	748	750	755	755
Statewide Accounting	Number of Tax Jurisdictions for which withholding is required/Number of tax penalties incurred	n/a	71/0	77/0	82/0	87/0	90/0