DEPARTMENT OF BUDGET & MANAGEMENT
OFFICE OF BUDGET ANALYSIS

Section C:
MANAGING FOR RESULTS

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JULY 2021

C.1   MANAGING FOR RESULTS SUBMISSION REQUIREMENTS

Important Notes for FY 2023:
- The Managing for Results (MFR) template for FY 2023 will be distributed by July 16, 2021. This template will have prior year data (FY 2017 to FY 2021) locked for editing, to protect the integrity of what was published as "actual" data in prior years. If you have a substantial number of metrics that require "actual" data to be revised, please contact your OBA analyst to determine the most efficient way to get that information into the locked template. The data entry columns for performance discussion, endnotes and data definitions should NOT be locked – please contact your OBA analyst if they, are so DBM can unlock them for editing.
- All agencies will submit the MFR on one combined due date of September 3, 2021. This is NOT the same as the due date for your budget request, which is different for each agency.
- DBM asked agencies to submit MFR template changes by June 4, 2021. This allows DBM to update the Excel-based templates and distribute them by July.
- Data submitted by agencies in the template fall into two categories: "MFR" (or "M") and "DBM/DLS only" (or "D.") DBM will only publish the "MFR" data in the agency's official MFR plan.
- Data Definitions and Controls Procedures columns in the MFR Excel template must be completed for all "MFR" published measures. While not required, DBM highly recommends completing this data for the "DBM/DLS" metrics as well.
- The Performance Discussion column only needs to be completed for those metrics that have a notable trend worth explaining.

MFR Submission Files: Each agency must submit the following two electronic files - Section C.2 and Section C.3 provide more guidance for each component. Note that performance discussions and data definitions and control procedures are included within the MFR Excel template.

- MFR Excel template (**mandatory**): DBM will e-mail each agency an MFR template to complete no later than July 16, 2021. Each agency must use this revised electronic file to create the FY 2023 MFR submission – **do not use a prior year MFR template or you will be required to resubmit**. Agencies should review the template to check for any errors (including verifying past year actual data), but should not change the format or insert new measures or objectives. DBM will ask agencies to resubmit if the files contain alterations.
    - Performance discussions (**mandatory**): See Section C.3 for guidance.
    - Data definitions and control procedures (**mandatory**): See Section C.3 for guidance.
- Signed data certification statement (**mandatory**): Submit as a PDF file.

Submitting MFR Files: Agencies should e-mail MFR documents to **oba.mfr@maryland.gov** and their DBM budget analyst by **September 3, 2021.** The subject line of the e-mail must list the applicable budget code for the agency and the acronym for each file attached, for example "H00 ET, C." This example indicates that the Excel template (with the performance discussion and data definitions and control procedures) and the data certification are attached. **Hard copies are not needed**. The file name for each document must include the budget code, the acronym that identifies the subject of the file, and the fiscal year. When agencies submit revised files after the initial file submission, they should include the date of revision in the file name, for example "H00 ET 23 revised 11-20-21."

The acronyms and examples of file names are shown below:

Acronym: Examples of file names:
ET = Excel template (*now includes Performance Discussion
and Definition and Controls*)   **H00 ET 23**
C = Certification statement   **H00 C 23**

Excel Template: Please reach out to your DBM budget analyst or Carissa Ralbovsky (Carissa.ralbovsky@maryland.gov) if you have any questions or concerns about the Excel template that DBM created for your agency. Some important notes for completing the Excel template:

- "MFR Do Not Edit" and "All Data" Tabs: The Excel template has three tabs. The "All Data" tab is the only tab the agency needs to update. Data entered in the "All Data" tab will automatically populate the "MFR Do Not Edit" tab. The "DC Section Key" tab provides descriptions of what information to include in the Data Definitions and Control Procedures section of the "All Data" tab.

- Few changes to the MFR may occur in the fall: Discussions about changes to the MFR should occur during the spring, as DBM has encouraged in the past. Agencies desiring to change goals, objectives, and measures after June 4 will be considered on a case-by-case basis.

- Explanatory endnotes in the Excel template are only required in the following circumstances:
  o Actual data is not yet available or was revised from a prior year actual.
  o "Actual" data is an estimate rather than final.
  o Actual data was not collected for a specific year or is collected in alternate years.
  o Definition or calculation method for a measure changed.
  o Reporting period for data changed (for example, from state to federal fiscal year).
  o Technical or unusual term is used (for example, "walk-off").
  Endnotes should be concise - lengthy performance explanations should be included in the performance discussion column instead.

- Revisions after submission: Agencies expecting changes to data or that have measures for which data are not available by the MFR due date, must include an explanation in the transmittal e-mail when submitting the initial files including: (a) which data will change and (b) when the final data will be available. When agencies submit the final files, the subject of the transmittal e-mail should include the language "**Final files** including all data" and the e-mail message should state what has been revised, with files that have changes highlighted.

- Proofreading: Agencies must proofread the Excel template before submitting to DBM to ensure:
  o All requested data is accurate and complete, and
  o Endnote text is concise, grammatically correct, and free of spelling errors.

C.2 SUMMARY OF MFR SUBMISSION REQUIREMENTS FOR FY 2023

MFR COMPONENT		GUIDANCE
Excel Template (ET)	Mandatory	Goals, objectives, and performance measures must remain the same in the DBM template. Requested changes will be considered on a case-by-case basis by the DBM budget analyst.
Mission	Mandatory	http://www.dbm.maryland.gov/Documents/MFR_documents/MFRGuidebook.pdf (Page 28)
Vision	Optional	http://www.dbm.maryland.gov/Documents/MFR_documents/MFRGuidebook.pdf (Page 41)
Key Goals	Mandatory	Agencies only need to submit agency-level goals, and program-level objectives and measures to support those goals.
Key Objectives	Mandatory	Objectives should be "SMART" – Specific, Measureable, Attainable, Results-Oriented and Time-bound. The Excel template will "roll-up" objectives under each goal. Include an explanatory endnote in the Excel template if a performance target in an objective has changed. Work with DBM to update the objective if the timeframe for an objective has passed (i.e. references to FY 2020 or prior). References to FY 2021 are OK to publish in the FY 2023 MFR, as it demonstrates whether the agency met its stated objective in the actual year.
Key Performance Measures	Mandatory	The performance measures included in the "MFR" data group have been determined with agency input as requested. Any later changes will be considered on a case-by-case basis by the DBM budget analyst. Agencies should update actual data for FY 2021, include estimates for FY 2022 and FY 2023, **and** double-check to ensure that data from past years is accurate. Include explanatory endnotes in the Excel template if actual data for a measure changed, estimated data is reported rather than actual data, or if a substantial change took place.
Performance Discussion (PD)	Mandatory	The agency may discuss overall performance or focus on specific programs or initiatives. Describe what performance data reveal about agency performance. Agencies must provide performance discussion on a per measure basis in the Excel template, but only for those measures that have a notable trend to explain. Further guidance is provided in Section C.3.
Data Definitions and Control Procedures (DC)	Mandatory	Data definitions and control procedures are the first step toward ensuring data integrity. Agencies must provide data definitions and control procedures for all "M" measures within the Excel Template. As a best practice, DBM recommends also recording this information for "D" measures. Further guidance is provided in Section C.3.

Certification of the Integrity of the MFR Data (C)	Mandatory	Each agency must submit an electronic, PDF certification signed by the agency head or designee that certifies the integrity of the MFR data. The certification letter should include the agency name and budget code. DBM requires only one signed certification to certify the integrity of all of the agency's data.

C.3 MFR COMPONENT GUIDANCE

Performance Discussion (PD)

The Performance Discussion section is an opportunity for agencies to describe what performance data reveals about agency performance during the past year. Agencies should utilize the "Performance Discussion" column in the "All Data" tab of the Excel template to discuss performance on a per measure basis. **Agencies are NOT required to complete the performance discussion section for every metric, only metrics with a notable trend to explain.**

If an agency is responsible for reporting data for measures included in the MFR State Comprehensive Plan, the agency must submit performance discussions regarding the goals and objectives that support the State Plan measures.

A typical performance discussion includes:

1) A concise statement of overall performance including what reported outcome and efficiency measures and other indicators show about the effectiveness and efficiency of the agency;

2) Outcomes attained and explanations for performance that surpasses, meets, or fails to achieve targets within the objectives;

3) When applicable, a comparison of program performance to similar programs in other jurisdictions using information from national standards, benchmarking, the experience of other similar states, or published articles, research, audits, or management evaluations.

If you need any assistance or have questions about the format for the performance discussion, please contact Carissa Ralbovsky at Carissa.ralbovsky@maryland.gov.

Data Certification (C)

The Data Certification submission should be a letter written on the agency's letterhead, signed by the agency head or designee, certifying that the entire content of the MFR submission is accurate. For example, the letter can state, "I have fully reviewed the Managing for Results submission for FY 2023 and hereby certify, to the best of my ability, the information to be reliable and accurate."

Data Definitions and Control Procedures (DC)

Agencies should use the "Data Definition and Control Procedures" section in the "All Data" tab of the Excel template to provide data definition and control procedures for each MFR metric.

Section 3-1002 (d) of the Maryland State Finance and Procurement Article requires agencies to maintain documentation of internal controls. When establishing performance measurement systems, agencies should ensure that:

- Documentation of data definitions and control procedures is complete, accurate, and consistent;
- Data collection, maintenance, and processing systems are designed to avoid significant error and bias;
- Sufficient information on verification and validation procedures are provided to allow a third party to assess whether those procedures and the reported data are credible; and
- Control procedures include:
    - Periodic review of data collection, maintenance, and processing procedures;
    - Periodic sampling and review of data;
    - Independent audits; or
    - Other established procedures for verifying and validating data.

In addition, agencies that report data for measures included in the State Comprehensive Plan are encouraged to conduct biennial internal audits of the reported data for those measures.

Data from an external source should be indicated and verified where possible. Verification of third party data may include obtaining from each data source the specific procedures used to ensure data integrity. **Agencies should update definitions and control procedures as necessary.**

Data Definitions: A data definition should include both conceptual and operational components that clearly explain the measure with a detailed description of its calculation to allow for replication. Agencies should specify formulas used to calculate measures in the data definitions. Additionally, a complete data definition should fulfill the following criteria:

- Describes the primary source(s) of information, its method of collection and storage;
- Identifies any data limitations, including factors beyond the agency's control; and
- Identifies whether the data is cumulative or non-cumulative.

The reported measure must be consistent with what is being measured in the objective. For example, if the objective measures the <u>percent</u> of Maryland children fully immunized, it would be incorrect to state the measure as the <u>number</u> of children fully immunized.

Control Procedures: Control procedures create a system to ensure that the collection and reporting of performance measures are reliable and accurate. A statement of control procedures should include detailed information regarding data collection and review, and list responsible parties.
There are three types of control procedures: input, process, and review:

Input controls are processes developed by an agency to provide reasonable assurance that data collection is accurate. Examples include:

- Data-entry training, including how information will be used and the importance of accuracy;
- Written and established guidelines and procedures for data entry that are used consistently;
- Information received via mail or telephone that is date stamped or logged when received;
- Supervisory review for accuracy of information entered into the computer system;
- Written documentation of the control structure from providers of third-party data; and
- Documentation of the third-party provider's operations to ensure that the information received is accurate.

Process controls are mechanisms that provide reasonable assurance that performance measurement systems use the appropriate information and follow procedures established for data gathering and calculation of each measure. Examples include:

- Review of computer programs used to calculate or store performance data to ensure the correct information is being captured and the desired functions are being performed;
- Databases have all of the basic computer controls such as edit checks, logic checks, edit totals, and access controls;
- Personnel understand the origin of the information and stay current with any changes in its form; and
- Written procedures exist for collecting and calculating measures, and personnel are trained in this area.

Review controls are procedures to verify that an activity occurred and was correctly calculated to provide reasonable assurance that accurate data is reported. Examples include:

- Communication with executive management to ensure that the desired information is being measured or is capable of being measured;
- Reviewing the calculation of the performance data to ensure that the calculation is consistent with the measure definition and to check for mathematical errors;
- Internal audits of performance measures; and
- Review of MFR submissions for accuracy and typographical errors.

DBM requires agencies to use the Excel template to include Data Definitions and Control Procedures in the corresponding sections on the "All Data" tab. Agencies should review the Excel template to ensure all required information is included in their submission.

If you need any assistance or have questions about the format for the Data Definitions and Control Procedures, please contact Carissa Ralbovsky at Carissa.ralbovsky@maryland.gov.

Section Title in "All Data" tab	Column Title in "All Data" tab of	Description of Information to Provide in "All Data" tab
IDENTIFIERS	Goal Number	Provide the MFR goal number for this performance measure.
	Objective Number	Provide the objective number for this performance measure.
DATA DEFINITION AND CONTROL PROCEDURES	Type (Input, output, outcome, quality, efficiency)	Indicate the performance measure type as input, output, outcome, quality, or efficiency. Refer to the MFR Guidebook Section A.3 (page 84) for additional guidance.
	Description and Definitions of Terms	Provide complete written description of exactly what is being measured in plain lanaguage. Define all terms from written description that need further explanation to ensure consistent interpretation and calculation.
	Data Source/Provider of Data	Provide name of the program/unit if internal source, or the name of the external source/third party provider of data.
	Document or Database Source	Provide the document or database name, file location, and name of organization that collects and maintains data and name of the document. If the document is on a personal computer, specify which drive and file folder(s). Indicate if data comes from a paper record, in house electronic file, or third party database. Provide the Web address if applicable.
	Contact Information	What entity or person owns and maintains the database? Specify whom to contract to learn more about the sources of data.
	Method of data collection	Describe the method of data collection and storage.
	Frequency of data collection	Specify how often the data is collected (monthly, annually, etc.)
	Report Timeframe	Specify whether data represent state fiscal year, federal fiscal year, calendar year or academic year.
	Calculation method(s) or formula(s)	Provide the calculation method or formula used to arrive at this performance measure. The formula will include the specific data elements referenced under "Data Source/Provider of Data" above.
	Data Accuracy and Reliability	How is accuracy and reliability of the data ensured? Describe what steps are taken to ensure data is not duplicated (audits, mgmt review, provider processes, etc.).
	Qualifications, limitations, or areas needing improvement`	Describe any qualifications for use of the data. Indicate any outstanding issues or action items that need to be addressed. Identify improvements in terms of data collection, reporting, etc. that are needed to make this performance measure more useful.
	Benchmarks (if applicable)	For comparision purposes, cite performance information for similar internal programs or programs in other jurisdictions or other states, national standards, or other sources such as published articles, research, audits, or management evaluations.