

NC Office of State Budget and Management

Strategic Plan

2023 – 2025

Updated July 25, 2023



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1. Strategic Plan Executive Summary

About OSBM

The North Carolina Office of State Budget & Management (OSBM) delivers the highest quality budget development and management services for the state. As part of this work, our team:

- Provides budget and policy analysis counsel to the Governor, state agencies, and General Assembly.
- Works closely with agencies to manage the budget enacted by the General Assembly and ensure a balanced budget.
- Assimilates and analyzes economic and demographic data to help inform decisions and maintain a balanced budget.
- Provides government agencies with services to support stewardship of public resources and prudent decision-making. These include tools to improve operational excellence through the generation and use of evidence, such as strategic planning, performance management, and impact analysis for proposed rules.
- Supports financial control structures such as grants management, internal audits, and the oversight committee for retired state employees' health benefits.
- Serves as a home for the state fraud hotline, where any citizen or employee of the state can report suspected misuse of public resources.

2023-25 Strategic Plan Summary

As part of Governor Cooper's priority to ensure an effective, accountable, and well-run state, OSBM's strategic plan:

- Demonstrates how our office meets the needs of North Carolinians and stakeholders.
- Charts a long-term direction for our organization and the allocation of resources.
- Aligns office goals, program objectives, and individual expectations and results.
- Establishes mechanisms for evaluating progress and continuous improvement.

With input from staff, OSBM leadership set five overarching goals to guide the organization to its future-state vision. They are:

1. Generate and use evidence that informs operations and decision-making.
2. Design our resources, including technology, to increase the accuracy of information and efficiency of operations.
3. Recruit and retain a diverse, inclusive, and highly skilled workforce.
4. Embody a positive and healthy culture that reflects our values.
5. Build and maintain collaborative relationships across state government.

These goals will guide resource allocation and the focus of efforts for several years. To ensure these goals are realized this biennium, OSBM assigned attainable objectives to each goal. Each objective has associated performance measures to clearly define the method and unit of measurement for a desired event. Several objectives have co-ownership by more than one section to indicate shared responsibility and accountability.

This document is and should remain “living” as many aspects are subject to revision. Indeed, we are currently undergoing a closer review of Objectives and Performance Measures and will update those details in the coming months.

This strategic plan also does not provide a comprehensive account of every important activity of OSBM as the full scope of the organization’s work is extensive. Nevertheless, OSBM’s plan seeks to document the overarching strategic efforts that are realistically executable in the 2023-2025 Biennium and that have been prioritized as key to OSBM’s own efforts for continuous excellence and effectiveness.

2. Mission, Vision, and Values

Agency Mission Statement

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

Agency Vision Statement

To be a national leader in sound policymaking by providing innovative ideas and robust analysis to decisionmakers statewide.

Agency Values

Integrity

- We hold ourselves to the highest professional and ethical standards.
- We perform our work with honesty, diligence, and responsibility.
- We are accountable for our work and seek to learn from our mistakes.

Teamwork

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

Innovation

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

Excellence

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

Curiosity

- We ask questions and try to understand competing perspectives and opinions.
- We push ourselves to learn new content and methods.

3. Goals, Objectives, and Performance Measures

Note: Additional Objectives and Performance Measures will be added in the coming months, as Goal Champions convene working groups to tackle the Goals.

Goal 1 – Generate and use evidence that informs operations and decision-making. (Goal Champions: Ed McLenaghan & Darryl Childers)	
Objective 1.1. Develop, recommend, and implement policies based on evidence.	<p>Measure 1.1.1 Percent of agency budget change proposals that provide a justification of supporting evidence and/or a plan to generate needed evidence.</p> <p>Measure 1.1.2. Percent of agencies submitting Priority Questions.</p> <p>Measure 1.1.3. Leadership accepts 85% of internal audit recommendations.</p>
Objective 1.2. Use evidence to improve Budget Execution processes.	Measure 1.2.1 Develop and implement a model for how to best use evidence in budget execution.
Objective 1.3. Administer NC Evaluation Fund	<p>Measure 1.3.1. Percent of projects with registered pre-analysis plans.</p> <p>Measure 1.3.2. Percent of projects publishing results by December 2025.</p> <p>Measure 1.3.3 Percent of agency grantees who report the research learnings informed operations and decision-making.</p>
Objective 1.4. Administer NC Project Portal	<p>Measure 1.4.1. Number of new partnership opportunities posted each year.</p> <p>Measure 1.4.2. Percent of projects with pre-analysis plans.</p> <p>Measure 1.4.3. Percent of projects with published deliverables after one, three, and five years of initiation.</p>
Objective 1.5. Increase the use of demographic data among state agencies, local governments, and other stakeholders	Measure 1.5.1. Number of LINC trainings to external stakeholders.
Objective 1.6. Improve budgetary planning and rule development by producing forecasts for revenues and expenditures and refining agency regulatory impact analyses	Measure 1.6.1. Explore and assess methodological options for forecasting General Fund revenues ten years beyond the current fiscal year.

	<p>Measure 1.6.2. Number of one-on-one and small-group trainings to agency staff on regulatory impact analysis.</p>
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<p>Goal 2 – Design our resources, including technology, to increase the accuracy of information and efficiency of operations. (Goal Champions: Gary Thomas & Jennifer Neisner)</p>	
<p>Objective 2.1. Prepare OSBM for and assist state agency budget offices to transition to North Carolina Financial System (NCFS).</p>	<p>Measure 2.1.1. Update IBIS forms to conform with NCFS Chart of Accounts (CoA) prior to NCFS go-live.</p> <p>Measure 2.1.2. Update IBIS training documents to reflect NCFS-related changes to IBIS forms.</p> <p>Measure 2.1.3. Provide training for agencies on updated IBIS forms prior to NCFS go-live.</p> <p>Measure 2.1.4. Review NCFS CoA with agencies.</p> <p>Measure 2.1.5. Work with NCFS team to address CoA items of concern.</p>
<p>Objective 2.2. Use technology to improve the effectiveness of quarterly meetings.</p>	<p>Measure 2.2.1. Update existing Power BI dashboards and/or develop new dashboards to communicate budget and financial information to agencies.</p>
<p>Objective 2.3. Use technology to improve the efficiency and accuracy of budget execution and budget development processes.</p>	<p>Measure 2.3.1 Document IBIS-related biennial timeline and processes</p> <p>Measure 2.3.2. Document capital and operational budget execution timeline and processes.</p> <p>Measure 2.3.3. Develop internal and external job aids to improve budget processes.</p>
<p>Objective 2.4. Improve document management and retention.</p>	<p>Measure 2.4.1. Provide at least two staff training on document management and retention.</p> <p>Measure 2.4.2. Complete document clean-up day each year.</p> <p>Measure 2.4.3. Review OSBM-wide SharePoint structure to ensure effective document management.</p>
<p>Objective 2.5. Continue to research potential IBIS replacement.</p>	<p>Measure 2.5.1 Document notes from each demo and/or research done on any potential solutions and next steps for moving a decision forward. Document to be presented to OSBM Executive Management with recommendation by June 2024 or sooner depending on budget availability.</p>

Objective 2.6. Update the OSBM Budget Manual.	Measure 2.6.1. Budget Manual updated by June 30, 2024.
Objective 2.7. Update the OSBM Internal Procedures Manual	Measure 2.7.1. Internal Procedures Manual updated by June 30, 2024.

Goal 3 – Recruit and retain a diverse, inclusive, and highly skilled workforce. (Goal Champions: Patty Garcia & Casey Harris-Pratt)	
Objective 3.1. Implement effective diversity, equity, and inclusion training.	Measure 3.1.1. Percentage of staff who report they utilize lessons and skills learned from OSBM’s diversity, equity, and inclusion training.
Objective 3.2. Improve efforts for recruiting diverse candidates.	Measure 3.2.1. Number of recruitment activities or events promoting OSBM employment opportunities to diverse candidates.
Objective 3.3. Promote cross-cultural awareness through OSBM events and celebrations.	Measure 3.3.1. Percent of employees that feel OSBM actively promotes a culturally inclusive work environment.
Objective 3.4. Prepare OSBM staff at all levels to navigate the upcoming transition to a new administration.	Measure 3.4.1. Number of key processes documented.

Goal 4 – Embody a positive and healthy culture that reflects our values (Goal Champions: Mike Arnold & Providence Hakizimana)	
Objective 4.1. Promote career development planning to support staff advancement opportunities within OSBM and state government.	<p>Measure 4.1.1. Percent of OSBM Divisions that HR meets with annually to highlight career development planning.</p> <p>Measure 4.1.2. Percent of staff who “Agree” or “Strongly Agree” (in the Annual Employee Satisfaction Survey) that they have an understanding about their career path at OSBM.</p> <p>Measure 4.1.3. Percent of staff who report “Yes” (in the Annual Employee Satisfaction Survey) that they feel supported in OSBM’s efforts to promote career progression planning and linking that with professional development.</p>

<p>Objective 4.2. Identify and offer high-quality and cost-effective professional development opportunities for OSBM staff.</p>	<p>Measure 4.2.1. Percent of staff who report “Yes” (in the Annual Employee Satisfaction Survey) that they had attended or plan to attend professional development trainings.</p>
<p>Objective 4.3. Improve/enhance staff and management relationship through formal and informal channels.</p>	<p>Measure 4.3.1. Percent of staff who report “Agree” or “Strongly Agree” (in the Annual Employee Satisfaction Survey) that they: 1) feel respected as an employee at OSBM and 2) the OSBM Management Team contributes to a positive work culture.</p>
<p>Objective 4.4. Promote at least 3 wellness programs / initiatives that OSBM staff can participate in.</p>	<p>Measure 4.4.1. As reported by OSBM Operations / HR / Administration, number of opportunities promoted.</p>
<p>Objective 4.5. Promote and support employee work-life harmony.</p>	<p>Measure 4.5.1. Percent of staff who “Agree” or “Strongly Agree” that the organization is committed to providing work-life harmony for employees at OSBM.</p> <p>Measure 4.5.2 Percentage of staff who use community service leave – implying they feel supported.</p>

<p>Goal 5 – Build and maintain collaborative relationships across state government. (Goal Champions: Lanier McRee & Barbara Baldwin)</p>	
<p>Objective 5.1. Amplify performance management efforts across OSBM to best serve state agencies.</p>	<p>Measure 5.1.1 Percent of PMA alumni who report using knowledge and skills learned in the PMA.</p> <p>Measure 5.1.2 Percent of PMCOP attendees who report using knowledge and skilled learned in PMCOP events.</p> <p>Measure 5.1.3 Mean and median number of attendees per event, split by PMCOP and Monthly Connect event series.</p> <p>Measure 5.1.4 Total number of unique attendees and agencies represented, split by event series.</p> <p>Measure 5.1.5 Provide support to agencies on at least 5 Priority Questions identified during the 2023-2025 Strategic Planning process.</p>

<p>Objective 5.2. Provide trainings to external stakeholders on leveraging evidence for better policymaking and operational excellence topics.</p>	<p>Measure 5.2.1. The number of trainings delivered to external stakeholders.</p> <p>Measure 5.2.2. The level of external agency satisfaction with OSBM trainings.</p> <p>Measure 5.2.3. Increase the number of budget execution trainings for agency budget staff.</p>
<p>Objective 5.3. Stand up the Certified Budget Professional Program (CBPP).</p>	<p>Measure 5.3.1. Execute an MOA with a university partner.</p> <p>Measure 5.3.2. Ensure at least 30 people from state agencies are identified for the first CBPP cohort.</p>
<p>Objective 5.4 Create a program to train employees about how internal auditing works.</p>	<p>Measure 5.4.1. Create curriculum for the training program.</p> <p>Measure 5.4.2. Train at least 25 state employees.</p>
<p>Objective 5.5. Explore opportunities to collaborate with the Office of the State Controller (OSC) and Office of State Human Resources (OSHR) to responsibly reduce obstacles for agencies and their staff to carry out their missions and tasks.</p>	<p>Measure 5.5.1. Identify 3 ways to collaborate with OSC/OSHR to responsibly reduce obstacles for agencies.</p>
<p>Objective 5.6 Amplify OSBM’s outreach capacity for sharing information and opportunities.</p>	<p>Measure 5.6.1 Number of OSBM profile LinkedIn followers, over time.</p> <p>Measure 5.6.2 Number of newsletter subscribers (and engagement statistics) for the newsletter, over time.</p>

4. Highlights, Collaborative Opportunities, and Priority Questions

Agency Highlights

Supported economic recovery and navigated uncertainty

- Responded to pandemic with deft economic and demographic analysis; developed a new methodology to account for COVID-19 effects on Medicaid enrollment, revenues, and population estimates.
- Worked with the State Treasurer and the Office of State Controller to maintain North Carolina's AAA Bond Rating, while refinancing debt, resulting in \$23.6 million in savings. Prudent budget management has led to continued state budget stability despite the unpredictable economy brought on by the pandemic, contributing to a favorable rating.
- [Disbursed 828 grants](#), including State Capital and Infrastructure Fund (SCIF) grants, grants to county Register of Deeds, and directed grants included in Appropriations Acts. These payments total \$1.48 billion in grant funds in 2022. The grants team hosted more than 30 [training sessions](#) for grant recipients on requirements and reporting.

Provided professional development and technical assistance

- Led in-depth [Budget 101 and Budget 102](#) training sessions for state budget office employees and created a suite of Training Resources videos and job aids to help agency staff gain fluency with budget concepts and rules.
- Planned a new [certification program](#) to provide current and aspiring state budget professionals the foundational skills and knowledge to succeed as state budget professionals. OSBM selected the NC School of Government as the academic partner, and we're working collaboratively to finalize development of the curriculum, schedule, and promotional materials in anticipation of the first class offering in Spring 2024.
- Provided over 650 hours of auditing technical assistance to agencies, universities, community colleges, not-for-profits, and others over the biennium and held four statewide training sessions. The team also served on four audit peer review teams and assisted in recruiting and screening internal auditors at three state agencies.

Strengthened statewide internal auditing

- Completed 194 internal audit engagements at 13 agencies identifying potential savings, cost avoidance, or revenue generation of approximately \$18 million.
- Triaged 450 complaints through the Fraud, Waste & Abuse Hotline, which accepts complaints online, via email, or traditional mail.
- Updated the [statewide internal audit manual](#) and developed criteria for validating risk-based audit plans.

Built capacity to generate and use evidence

- Launched [NC Evaluation Fund](#) to support state government-researcher partnerships that inform program and policy decisions. [Awarded \\$1M](#) in grants to eight high-impact research projects.
- Launched the [North Carolina Project Portal](#), which circulates agency research questions and facilitates the formation of external partnerships to deliver answers. 35 projects are currently on the portal. Over 350 researchers from more than 50 colleges and universities have expressed interest in partnering.
- [Created Chief Scientist position](#) to provide statewide leadership, ideas, and technical expertise for activities within OSBM's Operational Excellence cluster.
- Received grants for the roles of "evidence advisor" and "philanthropy liaison," to further support uses of evidence by agencies across government.
- 30 employees, representing nine state agencies, completed the third annual [Performance Management Academy \(PMA\)](#). This training program builds state employees' skills in performance management concepts and techniques. There are now 99 employees across 17 state agencies who have successfully completed the PMA.
- Completed multiple performance management projects with state agencies focused on improving state agency operations.
- Refined procedures and provided [training](#) to agency budget staff to increase the quality of information and efficiency of budget processes.
- Evaluated the [return on investment](#) of the state's adult mental health and juvenile recidivism reduction programs, to inform program delivery changes and identify future research priorities.
- Presented at the Institute of Internal Auditor Atlantic District Conference on Fraud and Data Analytics; also provided training to NC agencies and the Louisiana Legislative auditor on the [use of data analytics](#) to monitor procurement card transactions.

Expanded data and infrastructure for rigorous analysis

- Released new [age-specific population estimates and projections](#) for Hispanic/Non-Hispanic populations in North Carolina. These age-detailed data will now be included within the suite of data products included in annually produced population projections, which also include population estimates and projections by race, sex, and age.
- Expanded [Log Into North Carolina \(LINC\)](#), an interactive data retrieval service containing historical NC data at a variety of geographic levels, to include over 1,500 data series, 10M records, and 582 users.
- Collaborated with the NC Geographic Information Coordinating Council (GICC) to create an authoritative [NC Boundary Resource](#) (county and municipal) for state and Census Bureau needs. OSBM continues to review [2020 Census data](#) releases and support local government challenges to Census counts.

- Continued to guide and support the state’s transition from NCAS to a new accounting system, NCFS. The team will have a major role in the statewide roll-out planned for Fall 2023.

Delivered on continuing and new disaster response

- Successfully closed out and completed 905 hurricane recovery projects to assist homeowners in their long-term recovery efforts in 28 eastern NC counties, which utilize state Disaster Recovery Act funds.
- Built a full-time recovery office in Sparta to take on the \$24 million Western NC [earthquake recovery program](#). They have received 379 homeowner applications through the intake process and thus far paid out and closed 305 cases that involve the rapid repair program. Disaster Recovery is also managing 3 capital recovery projects for Alleghany County and Town of Sparta.
- In January 2022, the Disaster Recovery Office opened an office in Waynesville for [Tropical Storm Fred Recovery](#), received 836 applications for assistance and completed 380 projects in a year and three months.

Team Honors

- Kristin Walker, Deputy State Budget Director, has been elected to serve as the Southern Regional Director for the National Association of Budget Directors (NASBO) Executive Committee.
- Bob Coats, NC Census Liaison, was elected by his peers to serve as the Chair of the State Data Center Steering Committee (SDC is US Census Bureau’s premier local partner).
- Transportation Analyst Nick Norboge was re-elected to serve on the National Transportation Research Board’s Revenue and Economics Committee and as Co-Chair for the Revenue and Economics Research Subcommittee.
- Chief Financial Officer Providence Hakizimana was awarded the Fiscal Integrity Award by the NC Office of State Controller.
- State Demographer Dr. Mike Cline received the Exemplary Community Partner Award from The Association of Mexicans in North Carolina (AMEXCAN). He also served as Co-Chair for the Population Association of America’s Applied Demography Conference held in Annapolis, MD (Feb. 2023)
- Results for America named North Carolina as a Leading State in using evidence and data to deliver better results for residents in the 2021 and 2022 “State Standard of Excellence.”

Collaborative Opportunities

Support to answer priority questions: For the first time, agencies are developing and including “priority questions” as part of [Strategic Plans](#). Priority Questions are questions that, if answered, would inform operational and policy decisions about how best to achieve strategic goals. Agencies in search of technical assistance can [visit here](#) for OSBM resources and to sign up for a consultation.

Research partnerships: The Office of Strategic Partnerships helps state agencies form and maintain partnerships with external researchers and philanthropies; to learn more and request assistance, visit the [OSP website](#).

Performance Management Advisory Committee (PMAC): OSBM chairs and staffs [PMAC](#). Six meetings are planned for 2023, on topics of broad interest across state government, such as recruitment and retention and leveraging data to improve performance.

Performance Management Community of Practice (PM COP): The [Performance Management Community of Practice \(PM COP\)](#) is a group of state agency representatives focused on integrating performance management techniques into their work. OSBM brings this group together to facilitate knowledge sharing and encourage successful application of performance management best practices. Membership is open to any state employee with an interest in performance management.

Performance Management Academy: OSBM will deliver another engaging 2023 [PMA](#) with an updated curriculum. State employees can apply for the academy to learn key concepts and techniques for using evidence to improve the efficiency and effectiveness of their programs and operations.

Certified Budget Professional Program: OSBM is planning a new [certification program](#) to provide current and aspiring state budget professionals the foundational skills and knowledge to succeed as state budget professionals. This new program is expected to launch in Fall 2024.

Leveraging federal funds: OSBM is launching a new effort to help agencies share information, best practices, and resources to [leverage funding opportunities](#) in recent federal legislation:

- The Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act (IIJA),
- The Creating Helpful Incentives to Produce Semiconductors (CHIPS) and Science Act,
- The Inflation Reduction Act (IRA)

Statewide audit internship program: OSBM’s Internal Audit division has established a collaboration with the UNC – System Office to maintain a [statewide internship program for internal auditors](#). The program builds relationships with campuses around the state to provide unpaid internship opportunities for students interested in auditing.

NC Counts Coalition: OSBM helped establish the first Census Information Center ([NC Counts Coalition](#)) partnership in North Carolina. The Coalition is a nonpartisan, nonprofit 501(c)(3) organization committed to building a healthy, just, and equitable North Carolina through cross-sector partnerships.

Priority Questions

- How can we best design the routines and tools of the budgeting process to facilitate the usefulness of evidence in operations and decision-making?
- How should OSBM design its recruitment, selection, and onboarding processes to optimize the hiring and retention of a diverse, inclusive, and highly skilled workforce?
- How can we best develop employees so that they are equipped to excel at their OSBM duties and be leaders across state government?
- How effective are the Performance Management Academy and Performance Management Community of Practice in fostering performance management capacity across state government?
- How much has the Labor Market Adjustment Reserve and retention bonuses increased recruitment and retention of state employees?
- How can OSBM prepare state agencies to adapt to a population that is increasingly older and more diverse?
- How do we strike the right balance between having more flexible budget policies and ensuring agencies are equipped and prepared to handle the increased responsibility that comes with more flexibility?