Caseload Forecast Council
Six Year Strategic Plan
Fiscal Years 2012 – 2018
As of September 2011

A. Mission Statement

To provide state government with accurate, unbiased, and widely understood caseload forecasts, to analyze key forecast drivers, to identify the potential risks to the forecasts, and to provide accurate statewide adult and juvenile sentencing data and up-to-date adult and juvenile sentencing manuals.

Vision

CFC caseload forecasts are a trusted component of the state budget process allowing decision makers to efficiently allocate state resources in the most effective manner possible.

Guiding Principles

Integrity
Expertise
Innovation
Collaboration
Accountability

The Caseload Forecast Council is committed to maintaining integrity in our forecast process and outcomes. Trust and confidence in caseload forecasts is created through an open, transparent, and collaborative process that involves key decision makers.

We are committed to ongoing staff development and training with the goal of maintaining a high level of expertise in a variety of forecast methods. We value innovation both in the scope of forecast methodology and in our openness to new ways of producing and presenting forecasts.

As individuals and as an agency we are accountable to the Caseload Forecast Council, to the program areas impacted by our forecasts, and to the citizens of Washington to contribute to a well functioning state budget process.

B. Statutory Authority Statement

RCW 43.88C creates the Caseload Forecast Council and specifies which forecasts it prepares.

RCW 43.88C.020(5) provides "The official state caseload forecast under this section shall be the basis of the governor's budget document as provided in RCW 43.88.030 and utilized by the legislature in the development of the omnibus biennial appropriations act."

A new section was added to RCW 43.88C by the 2011 legislature (ESSB 5891) assigning several criminal justice related responsibilities to the Caseload Forecast Council, including:

(1) develop and maintain a computerized adult and juvenile sentencing information system consisting of
   a. offender,
   b. offense,
   c. history, and
   d. sentence information entered from the judgment and sentence forms for all adult felons.

(2) publish on an annual basis
   a. a statistical summary of adult felony sentencing and juvenile dispositions;
   b. an adult felony sentencing manual; and
   c. a juvenile sentencing manual.

Priorities of Government
The CFC's main role is to improve state government's ability to achieve results efficiently and effectively.

Accurate, unbiased, and well understood entitlement caseload forecasts allow resources to be properly allocated to fulfill entitlement obligations and to determine available resources for other state priorities.

Accurate up-to-date sentencing information on adult felons and juvenile offenders enables the Caseload Forecast Council and other state agencies to estimate more accurately the potential impact of proposed changes in state sentencing policy.

The adult and juvenile sentencing manuals produced by the Caseload Forecast Council increase the consistency and fairness of the application of the state's sentencing guidelines and reduce the likelihood of the state sentencing guidelines being applied incorrectly.

By facilitating the proper allocation of state resources, the CFC's contributes to the following additional results:

Provide meaningful early childhood education from birth to 5 years of age.
Improve **student achievement** in elementary, middle and high schools
Provide for the safety of Washington's vulnerable children and adults
Improve the **health** of Washingtonians
Provide for the **safety** of people and property

C., D., and F. Goals, Objectives, and Strategies

Goal 1: Provide Accurate and Useful Forecasts to all Customers		
Objectives	**Strategies**	**Status**
Tie objective and effective performance assessment to key management decisions	Use results of performance assessment to improve forecast modeling	Ongoing
Produce forecasts through an open and transparent process	Complete new customer survey fall 2013 with focus on agency expansion.	Completed customer survey in-house during in February 2011. Next survey will be in two years.
	Review role of the Formal Workgroup in consultation with new and continuing members.	Ongoing
Monitor, analyze, and improve forecast accuracy regularly	Maintain and upgrade computer hardware and software on a standard schedule.	Ongoing
Identify key drivers of caseload movements	Utilize capabilities of SAS software to assess impacts	Ongoing
Provide a clear assessment of forecast risk	Maintain and upgrade computer hardware and software on a standard schedule.	Ongoing
Identify, document, communicate, and track best practices	Organize current best practices into one document and make accessible to workgroup members on website	In process
Implement new methods of collaboration with partner agencies	Participate in new data development systems at partner agencies.	Participating in all key data development processes. Ongoing

Goal 2: Create Innovative New Ways to Provide Information

Objectives	Strategies	Status
Include additional context for forecasts	Identify research targets related to improving the understanding of factors impacting forecasts	Objective on hold due to budget issues
Evaluate the extent to which current best practices lead to more accurate and useful forecasts	Policy change impact census by summer 2008 Develop and implement best practices of policy impact inclusion in forecasts by spring 2009	Policy impact census competed Policy changes with fiscal notes improve forecast accuracy Completed
Determine workgroup strengths and weaknesses through agency survey and adapt workgroup process to changing environment	Complete new customer survey fall 2013 with focus on agency expansion.	Completed customer survey in-house during in February 2011. Next survey will be in two years.
Disseminate information on forecasts and forecast performance in a clear, timely, and assessable manner through the website	Maintain current processes and re-evaluate periodically	Ongoing

Goal 3: Collaborate Effectively with Council and Partners

Objectives	Strategies	Status
Improve service to Council	Implement system to formally solicit feedback from Council. Executive Director to meet individually with each Council member in fall. Report research results of interest to Council members	Ongoing Ongoing
Collaborate with Formal Workgroup	Solicit input from Formal Workgroup on all key	In process

	agency documents by summer 2011	

Goal 4: Appreciate and Support Staff

Objectives	Strategies	Status
Engage staff in work of agency	Engage staff in updating the agency's mission, vision, and values	Ongoing
	Continue monthly technical training session with staff	Ongoing
Provide opportunities for staff development and encourage skill development	Individual Development Plans (IDPs) on file for each staff member	Plans on file
	Allocate funds in agency budget for staff development related to IDPs	FY2010-11 Budget constraints limited funding of professional training for all but new staff

Goal 5: Promote Accountability and Social Responsibility

Objectives	Strategies	Status
Maintain actual and appearance of political independence	Expand customer survey questions to include political independence	Completed
	Institute Council survey	Spring 2012
Use state resources effectively and efficiently	Link resources in budget to agency goals	Ongoing
	Scheduled analysis of budget adequacy	
Adopt green business practices	Continue to offer flexible work hours, CTR subsidies, and alternative worksite arrangements	Ongoing
	Continue to implement green office practices such as reduced paper use and carpooling, using transit, or walking to meetings	

Goal 6: Promote consistent sentencing practices.		
Objectives	**Strategies**	**Status**
Publish annual updated adult and juvenile sentencing manuals.	Provide multiple access points to manuals (on-line, printed).	Ongoing
Improve manual content.	Complete customer survey in August 2011 to determine most useful portions of the manuals and to develop ideas for improvements.	Completed August 2011

Goal 7: Provide accurate data and unbiased analyses to criminal justice stakeholders.		
Objectives	**Strategies**	**Status**
Maintain accurate adult and juvenile sentencing databases.	Set target to complete updates by December of each year. Cross check data with DOC, AOC and JRA.	Ongoing
Reduce cost of manuals to CFC and outside customers.	Change from having the state printer print a fixed number of manuals using offset printing capacity to use of "Print on Demand" technology from a private publishing company.	In process
Maintain/increase accuracy of adult and juvenile databases.	Implement quality control measures including cross checking with AOC and DOC and parallel data input reliability checks.	Ongoing

E. Performance Measures and Targets

The agency's newly developed performance measures (for the 2011-2013 Biennium) focus on estimating the value added by the forecast process. The actual forecast error is compared to an estimate of a baseline error rate that could be generated outside the technical workgroup process. This information can be directly used to improve the forecast process, and, thereby, to increase forecast accuracy over time. Performance measures related to the new CFC responsibilities are under development.

G. Performance Analysis

The strategic plan has been revised to adopt performance measures developed and refined in the previous biennium. The new performance measures assess the accuracy of the November forecast of the following fiscal year against a linear model using the Mean Average Percentage Error (MAPE) of forecast. The MAPE is a standard measure of forecast accuracy employed widely in the forecast literature.

The shift to assessing the performance of the November forecast was suggested (in lieu of assessing the June forecast) as a means of lessening the impact of often inaccurate legislative "step adjustments." These step adjustments are estimates of the impact of legislation and budget changes. While often inaccurate, they are routinely incorporated into CFC June forecasts, and then later reassessed for accuracy. An internal CFC staff review of the accuracy of step adjustments revealed that over an extended period of time inclusion of department of corrections step adjustments <u>always</u> increased forecast error.

There are legitimate reasons why policy adjustments are inherently more risky than the primary trend forecasts. They are usually based on prospective policy that has not yet been implemented, and often little hard data is available upon which to base an estimate. The forecast variances above are, thus, measuring the effectiveness of the estimated impact of legislative policies by program, OFM, or legislative staff. This error does not seem to be a good measure of the effectiveness of CFC staff.

After a review of several possible options to address this problem, we decided to evaluate the November, rather than the June forecast. The November forecast is usually based on data through June of the previous fiscal year. The November forecast in a given year, will be evaluated for the current and following fiscal years to the end of the biennium. Only the evaluation for current fiscal year will be reported to OFM relative to the base forecast error.

The CFC has added performance measures related to its newly assigned criminal justice system responsibilities. The new CFC performance measures replace the older SGC measures that were based on activity level (e.g., number of case entered into the adult

sentencing database) with more meaningful measures (e.g., complete annual FY update by end of December). The former measures were subject to factors beyond the agency's control (drop in crime reduced the number of sentences thus reducing the number of sentences entered into the database). The new measure address the degree to which the agency meets specific deadlines for completion and publication.

In January 2010, the CFC began reporting its performance to OFM using the November forecast (Table 1). As reported to OFM, the November 2008 CFC Forecasts met performance targets in fourteen of eighteen forecasts. November 2008 CFC forecasts not meeting the performance target were:

- DOC:
    - Adult Inmate
    - Adult Community Supervision
- HRSA Medical:
    - Categorically need: Other
- Developmental Disabilities:
    - Adult MPC

Table 1. CFC November 2008 Forecast of FY2009 Caseloads:
Mean Average Percentage Error (MAPE)

Program Area/Caseload	Target	Actual	Variance	% Variance
Education				
K-12 Basic Education	0.36%	0.10%	-0.27%	-75.00%
Special Education	2.10%	0.07%	-2.02%	-96.19%
Bilingual	2.25%	0.43%	-1.82%	-80.89%
Running Start	2.53%	1.75%	-0.78%	-30.83%
Juvenile Rehabilitation Services	4.26%	3.54%	-0.72%	-16.90%
Corrections:				
Adult Inmate	**0.80%**	**1.27%**	**0.47%**	**58.80%**
Community Supervision	**0.96%**	**1.17%**	**0.21%**	**21.60%**
Economic Services Administration				
Disability Lifeline	3.91%	2.85%	-1.06%	-27.10%
Children's Administration				
Foster Care	6.30%	4.13%	-2.17%	-34.40%
Adoption Support	0.77%	0.56%	-0.22%	-28.00%
Health & Recovery Services Admin.				
Categorically Needy:				
Families	8.45%	3.61%	-4.84%	-57.30%
Children	2.32%	1.05%	-1.27%	-54.60%
Aged, Blind and				
People With Disabilities	3.13%	0.55%	-2.59%	-82.60%
Other programs	**1.76%**	**4.86%**	**3.10%**	**176.00%**
Division of Developmental Disabilities				

Medicaid Personal Care				
Children's	6.59%	4.64%	-1.94%	-29.50%
Adult's	**6.35%**	**6.39%**	**0.04%**	**0.56%**
Long Term Care				
Home and Community Services	2.03%	1.78%	-0.25%	-12.40%
Nursing Homes	5.73%	1.12%	-4.61%	-80.50%

H. Appraisal of External Environment

Key Strategic Challenge: Changes at Partner Agencies		
Areas of Concern	**Targeted Actions**	**Status**
Personnel changes breakdown established means of communication	New member briefings Bring to attention of Formal Workgroup	New member briefings instituted for technical workgroups
Data systems are being replaced or updated. Historical data series can be discontinued in this process.	Participate in data update groups at partner agencies	Participating in data workgroups in corrections, HRSA, HCA, and CA
New administration can initiate different internal policies affecting caseloads	Monitor administrative changes and work with contacts	Ongoing

Key Strategic Challenge: Legislative Changes		
Areas of Concern	**Targeted Actions**	**Status**
Changes that affect agency operation	Work with Council members to provide input into legislation directly affecting work of agency.	One legislative initiative funded Funding reduction impact mitigated for agency
Changes in agency administrative requirements. These changes are the most likely to threaten staff's ability to carry out core mission.	Continue to work with small agency cabinet to mitigate the negative effect of such legislation on agency.	Limited in recent legislative session. WSQA delayed.
Changes affecting entitlement caseloads	Work with legislative, OFM, and partner agency staff to identify and quantify impacts of policy changes.	Introduced March update to June forecast. Hard to quantify budget changes when fiscal notes are unavailable.

I. Assessment of Internal Capacity and Financial Health

Key Strategic Challenge: Employee Retention		
Areas of Concern	**Targeted Actions**	**Status**
Staff turnover in a small agency and ensuing disruption of work is a key risk to core mission.	Initiate staff transition planning.	Significant (2 of 6) staff turnover occurred in 2010, including departure of the Executive Director. One of the vacant positions was filled by hiring an experienced forecaster from Senate budget staff.

Key Strategic Challenge: Funding		
Areas of Concern	**Targeted Actions**	**Status**
Agency's funding needs fluctuate depending on staff, IT, building needs, etc.	Construct agency six year funding plan, and increase agency flexibility to respond to changing conditions using savings incentive funds.	Agency is in the process of transitioning to ongoing funding plan. Challenges due to emergency reductions in agency budget.
Agency's budget and FTEs were increased significantly in 2011 with addition of higher education forecasts and criminal justice responsibilities. While providing additional resources, this change includes challenges related to new hires: training, integration, facilities.	Review existing SGC staff. Make decisions on retention of some SGC staff after review of SGC work responsibilities. Identify additional forecast staff needs. Take steps to integrate new staff with existing CFC staff.	Agency has completed initial staffing changes including hiring of two new staff and transfer of three SGC staff to CFC. Integration is a challenge until facility issues are resolved. Currently waiting for OFM/GA facilities staff to address issue of three former SGC staff being situated in Lacey while remainder of CFC staff are in downtown Olympia.

Key Strategic Challenge: IT		
Areas of Concern	**Targeted Actions**	**Status**
Agency relies on a very high level of IT complexity.	Revise IT portfolio and develop plan for ongoing IT maintenance. Develop plan to allow telecommuting during disasters, flu epidemics, or inclement weather.	Ongoing Plan completed and all staff members have tested VPN capability using their home internet connection.
SGC criminal justice functions including email were housed in servers supported by the Gambling Commission mainframe in Lacey.	Move all former SGC functions to DIS. This includes merging websites, shifting SGC email to DIS, and moving databases to DIS NAS.	CFC, GMB and DIS have formed a "SGC to CFC migration" workgroup with the goal of completing the process by 12/31/2011.