SECTION 21 – STRATEGIC PLANNING

Overview

Strategic planning is a governance and performance framework that enables governments to set priorities, focus resources, and strengthen operations. It ensures that staff, elected officials, and stakeholders are working toward common goals, establishes agreement on desired outcomes, and provides a mechanism for adjusting direction in response to changing conditions.

A strategic plan should function as a living management framework—providing a long-term vision while guiding near-term decision-making, resource allocation, and accountability. It should be periodically reassessed as conditions change and should provide clarity for internal staff and transparency for the public.

Benefits of Strategic Planning

Strategic planning helps

- Clarify direction by defining vision, mission, values, and goals
- Strengthen decision-making by aligning resources with organizational priorities
- Support performance-based budgeting and measurable outcomes
- Improve accountability through performance tracking and reporting
- Promote transparency by engaging residents and stakeholders in setting priorities
- Enhance long-term financial sustainability by linking planning to operating and capital budgets, long-term financial forecasts, and financial policies.
- Build organizational resilience by incorporating economic, legislative, operational, technology, emergency-preparedness, and other material risks into planning and resource decisions.

Why Strategic Planning Matters for Finance Officers

Finance officers are central to the success of strategic planning because they provide the fiscal framework that supports policy decisions. Strategic planning:

- Improves alignment between resources and priorities, ensuring the budget is a tool to achieve strategic objectives.
- Strengthens long-term financial forecasting and scenario analysis.
- Enhances accountability through clear goals and measurable performance indicators.
- Supports credibility with rating agencies, investors, and other external stakeholders by demonstrating alignment of debt, capital investments, and long-term financial capacity with strategic priorities.
- Positions finance officers as proactive partners in shaping policy rather than reactive budget managers.

Florida Statutory Considerations

Strategic planning is generally a management and governance best practice; however, Florida law establishes planning, performance, and budget requirements for certain governmental entities that should be integrated into strategic management and reporting processes.

Section 189.0694, Florida Statutes, requires each special district, beginning October 1, 2024, or by the end of the first full fiscal year after creation, whichever is later, to establish goals and objectives for each program and activity and performance measures and standards to determine achievement. By December 1 of each year thereafter, the

district must publish on its website an annual report describing goals and objectives achieved, the performance measures and standards used, and any goals or objectives not achieved.

Independent special districts subject to performance review requirements under Section 189.0695, Florida Statutes, should ensure that strategic plans and performance systems can demonstrate the relationship among statutory purpose, programs, revenues and costs, goals and objectives, performance measures, results, and corrective actions.

Effective January 1, 2027, Chapter 2026-161, Laws of Florida, adds budget-planning and transparency requirements for counties and municipalities, including publication of a budget-development calendar and a budget workshop at which the governing body identifies strategies to potentially reduce the ensuing fiscal year budget by 10 percent without compromising essential public services or legal obligations. These requirements reinforce the value of scenario planning, documented tradeoffs, and clear alignment between strategic priorities and budget choices.

Best Practices and Tools

Successful strategic planning involves

- Engagement: Involving policymakers, executive leadership, employees, residents, partners, and other stakeholders appropriate to the government's mission and decisions.
- Integration: Connecting strategic priorities to operating budgets, capital improvement programs, long-term financial forecasts, grants, financial policies, workforce plans, technology, and risk management.
- Measurement: Using performance measures, dashboards, scorecards, and other reporting tools to track and communicate progress. Measures should be useful, relevant, reliable, clearly defined, and supported by appropriate data ownership and context.
- Review: Using annual monitoring, periodic interim reviews, and a rolling planning process to adapt strategies and tactics as conditions change.
- Analysis Tools: Applying methods such as SWOT (Strengths, Weaknesses, Opportunities, Threats), PESTLE (Political, Economic, Social, Technological, Legal, Environmental), and scenario planning to evaluate options.

GFOA's Financial Foundations for Thriving Communities framework provides an additional resource for connecting strategic planning with sound financial management practices.

Steps to Establishing a Strategic Plan

1) Initiate the Strategic Planning Process
    a) The process should be authorized and supported by the organization's chief executive, whether appointed or elected. Inclusion of other stakeholders is critical, but a plan without executive support has little chance of influencing the organization's future.
2) Prepare a Mission Statement
    a) The mission statement should be a broad but clear statement of organizational purpose. It guides decisions about what the organization should and should not do, and all goals, strategies, programs, and activities should logically flow from it.
3) Assess Environmental Factors
    a) Conduct a thorough analysis of the government's internal and external environment, including relevant local, regional, state, national, and global conditions. A common tool is a SWOT analysis: strengths and weaknesses are internal, while opportunities and threats are external.

i) Factors to consider include: (a) economic and financial factors, (b) demographic trends, (c) legal or regulatory issues, (d) social and cultural trends, (e) physical environment (e.g., community development), (f) intergovernmental issues, and (g) technological change.

ii) Stakeholder input should also be gathered through public hearings, surveys, meetings with community leaders and citizens' interest groups, meetings with government employees, and workshops for administrative staff and the legislative body.

4) Identify Critical Issues

a) Use environmental analysis to identify the most critical issues facing the community. Issues should reflect both stakeholder concerns and environmental factors.

5) Develop Strategies and Goals

a) Create strategies and goals to advance strategic priorities. A single goal may support multiple priorities. Strategy maps or flowcharts can illustrate linkages. Input should be gathered from those affected to maximize buy-in.

6) Create an Action Plan

a) Action plans should be developed with input from employees closest to the work and should specify activities, responsible owners, operating and capital costs, funding sources, timelines, priorities, and key dependencies. Implementation should also identify whether resources are recurring or one-time and coordinate cross-departmental responsibilities where execution is shared.

7) Develop Measurable Objectives

a) Define specific, measurable objectives that express expected results in quantitative or otherwise verifiable terms. Objectives should identify responsible owners, targets, timelines, data sources, and reporting frequency as appropriate and should guide implementation and evaluation.

8) Incorporate Performance Measures

a) Select performance measures that link goals, strategies, actions, and objectives to funded programs and decisions. Measures should assess financial condition, service delivery, outputs, outcomes, efficiency, or community conditions as appropriate and should include clear definitions, targets, data sources, and reporting frequency.

9) Obtain Approval of the Plan

a) Present the strategic plan to the governing body for adoption. Formal approval supports alignment with budget and policy decisions.

10) Implement the Plan

a) Organizational stakeholders must work together to implement the plan. Cross-departmental teams organized around each strategic priority can foster collaboration. The plan should directly inform the operating budget, capital plan, long-term financial plan, grant strategy, and other resource-allocation decisions.

11) Monitor Progress

a) Establish a systematic review process to monitor financial and performance results. Regular progress reports should compare targets with actual results, explain material variances, and identify corrective actions or changes in strategy when needed.

12) Reassess the Strategic Plan

a) Use a rolling planning process to evaluate and reassess the plan as conditions change. GFOA's current Strategic Planning Best Practice contemplates interim reviews every one to three years and more comprehensive strategic planning processes every five to ten years, depending on how quickly conditions

change. Annual budget and performance reviews should still assess whether underlying assumptions, strategies, tactics, and measures remain valid.

References

- Government Finance Officers Association – Strategic Planning (Best Practice, approved March 3, 2023). Official link
- Government Finance Officers Association – Performance Measures (Best Practice). Official link
- National Advisory Council on State and Local Budgeting – Recommended Budget Practices. Official link
- Government Finance Officers Association - Financial Foundations Framework. Official link
- Section 189.0694, Florida Statutes – Special districts; performance measures and standards. Official link
- Section 189.0695, Florida Statutes – Independent special districts; performance reviews. Official link
- Chapter 2026-161, Laws of Florida – Local Government Financial Transparency and Accountability Act. Official link