

**PERFORMANCE MEASURE
GUIDELINES FOR OREGON STATE
AGENCIES**

March 2004

Corrected August 2004



APPENDIX C

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Section 1. Background

A. New for 2005-07

These updated guidelines build on the experience gained by agencies and legislators in the current biennium, respond to recommendations of the Advisory Committee on Government Performance and Accountability¹, and address the priorities of the current administration.

Summary of substantive changes:

- Three performance measure criteria that were optional in the 2003-05 biennium are now required (pages 7-9).
- Agencies designated as part of the child well-being (including education), economic development and/or public safety clusters are required to coordinate activities and share relevant key performance measures (pages 9-10).
- Additional criteria are included for specified agencies in the areas of sustainability, and regulatory streamlining (pages 9-10).
- All changes to key performance measures require approval by DAS before they can be included in the Governor's Recommended Budget. A new form, *Request to Modify 2003-05 Performance Measures for the 2005-07 Biennium*, is included (page 13).
- Agencies are asked to estimate, wherever possible, the percent of total agency budget in the Governor's Recommended Budget to be expended to achieve each benchmark target (page 13). This is an optional, but encouraged, exercise for the 2005-07 biennium.

B. Legislative Mandate for Performance Measure Guidelines

In 1993 the Legislative Assembly required agencies to include benchmark-based planning in performance measurement and budget policy. In 2001 the Legislative Assembly added specific requirements for how performance measures should be developed and reported. HB 3358 (amending ORS 285A.171 and 291.110) requires the Progress Board, in consultation with the Legislative Fiscal Office (LFO), the Office of the Secretary of State, and the Department of Administrative Services (DAS), to develop performance measure guidelines for state agencies. House Bill 3358 specifies that DAS shall use the guidelines developed by the Progress Board to carry out its responsibility for ensuring “the development of a statewide system of performance measures designed to improve the efficiency and effectiveness of state programs and services.”

C. Linking Performance Measures to Oregon Benchmarks

ORS 291.110(2)(d) specifies that each agency will “use performance measures to work toward achievement of identified missions, goals, objectives and any applicable benchmarks.” Oregon Benchmarks challenge state agencies to “look up” or link to high-level results that usually are outside of their control. For example, the Oregon Economic and Community Development Department has identified Benchmark #1, percent of Oregonians employed outside the Willamette Valley, as important to its mission. In part, its strategies and resources are deployed

¹ The Advisory Committee on Government Performance and Accountability was established in the spring of 2003 to advise the director of the Department of Administrative Services.

Section I. Background

to advance Oregon toward this benchmark's target. Agency performance measures that link to Oregon Benchmarks or other high-level outcomes provide a way for agencies and others to measure their particular contributions to achieving higher-level societal values. A single agency or even a group of agencies may not control the direction of an Oregon Benchmark, but they can contribute to Oregon's progress in achieving the targets of those benchmarks related to an agency's mission. Key performance measures should reflect that contribution.

Agencies identified linkages² with Oregon Benchmarks in the 2003-05 budget cycle. These linkages are published in the *2003 Benchmark Performance Report* and are specified in each agency's *Links to Oregon Benchmarks* form. Linkages to benchmarks can help agencies document both the end-goal and the need for agency programs and activities. Some agency missions or goals may not link logically to any of Oregon's 90 benchmarks. Those agencies should track, where possible, other high-level indicators that provide a context for their missions and goals.

D. Focus and Overview of Guidelines

These guidelines focus exclusively on "key performance measures" - those measures that are reported by the agency to the legislature, DAS and the general public. Key performance measures should reflect the highest and most results-oriented measures possible, capturing the essence of the agency's scope of work and providing an overview of agency performance. In contrast, internal measures focus on program related work products and internal business operations. Ideally, they cascade down from the higher-level, key performance measures.

Section 2 contains specific performance measure criteria and reporting requirements for state agencies. Sub-section A provides a conceptual overview of performance measurement, including a discussion of the logic required to link agency performance measures to applicable Oregon Benchmarks. Sub-section B details criteria for agency performance measures. Sub-section C provides a schedule for incorporating performance measures into the budget process. Sub-section D provides templates for several inter-related performance measure reporting forms: 1) *Links to Oregon Benchmarks*, 2) *Request to Modify 2003-05 Performance Measures for the 2005-07 Biennium*, 3) *Performance Measure Data Sources*, 4) *Performance Measure Data Summary*, and 5) *Annual Performance Report*.

² A linkage occurs when the benchmark strongly relates to the agency's core mission through its goals, strategies, outputs and intermediate outcomes. (See Glossary in Attachment A of these guidelines.)

Section 2. Performance Measure Guidelines

A. Overview of Performance Measurement

A Performance Measurement System

To effectively link agency activities to Oregon Benchmarks, performance measures should be developed, monitored and used within an overall performance measurement system. That system includes planning, budgeting, implementing, monitoring and reporting (Figure 1). Embedded in planning and implementation is a sequence of efforts and accomplishments that logically links agency strategies to benchmarks (or other high-level outcomes). This sequence is often called a “logic model” or a “so that” chain.

Following is a general overview of the performance measurement system. A complete set of definitions of terms relating to performance measurement can be found in the Glossary, Attachment A of these guidelines.

Figure 1 illustrates that **planning** includes identifying Oregon Benchmarks pertinent to the agency. These, plus agency mandates, other high-level indicators of need, statewide budget priorities, and other environmental factors (current and future), should help to inform the agency mission and goals. Agency goals guide development of agency strategies (programs and initiatives). Strategies, in turn, provide the basis for identifying products and services (“outputs”) that will be produced by chosen strategies. The longer term and aggregate results of outputs are measured by intermediate outcomes. Agencies should then choose which of those outputs and intermediate outcomes best represent their performance expectations. Those measures become their **key performance measures**.

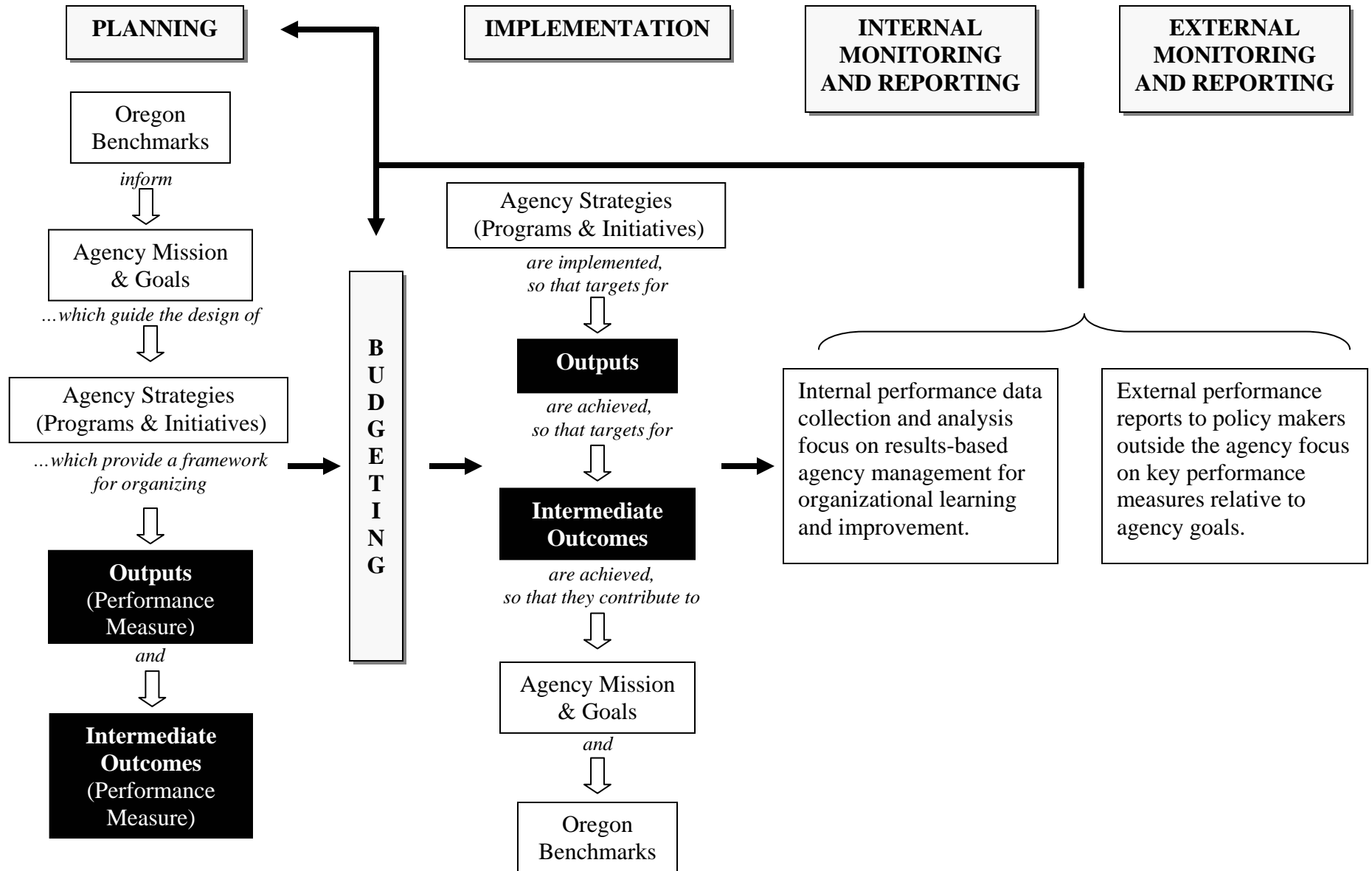
Once the plan is complete, the **budgeting** process then allocates resources to the agency and launches the plan into **implementation**. During implementation, the outputs are produced by strategies “so that” intermediate outcome targets are achieved, “so that” progress can be made towards agency goals, Oregon Benchmark targets, and other state government priorities.

During implementation, the agency **monitors and reports** its own performance, e.g., progress towards the targets set for its outputs and intermediate outcomes. Monitoring and reporting occurs on two levels. **Internal** monitoring and reporting of performance measure data is used for organizational learning and improvement of internal business and program operations. **External** performance reports are for policy makers and interested citizens outside the agency as well as for internal management and continuous improvement. They focus on key performance measures relative to agency goals.

Insights gained from the monitoring and reporting process are then fed back into the next planning and budget cycle.

Overview

Figure 1. Schematic of the Performance Measurement System



Overview

Terms and Examples

Using common language for performance measurement is critical. Oregon has adopted the terms put forth by the Governmental Accounting Standards Board (GASB). Key terms are introduced below, with examples. For a complete set of performance measure definitions, please refer to the Glossary in Attachment A of these guidelines.

The terms “**output**” and “**outcome**” both signify measures of agency accomplishment. An output is the amount or frequency of a product or service. However, outputs do not guarantee that the product or service has its intended result. That *result* is called an outcome. Outcomes address whether the “ship is on course” as opposed to whether the “ship is running well.” An **intermediate outcome** is one that an agency can realistically affect with its outputs. Intermediate outcomes contribute to the achievement of **high-level outcomes** such as Oregon Benchmarks that are pertinent to the agency’s mission and goals.

Figure 2 (below) provides a transportation-related example of these measures in the context of a “so that” chain, or logic model sequence. Note that these paint the picture of whether the “ship is on course” (whether or not the number of park and ride users actually go up and travel delay goes down).

Efficiency is another kind of performance measure. Efficiency measures reflect how much resource (monetary and non-monetary) is required to produce an output or intermediate outcome. Rather than addressing whether “the ship on is course” (or producing the right results), efficiency measures address whether “the ship running is well.” GASB distinguishes them from outputs or outcomes because the calculation of efficiency includes inputs or resources used. In terms of the transportation example in Figure 2, an efficiency measure might be the “average number of person-days spent in technical assists per completed park and ride facility.”

When used to indicate how well an agency is carrying out its mission and achieving its goals, therefore, the following are acceptable key **performance measures** for Oregon state agencies:

- Outputs
- Intermediate outcomes (including customer satisfaction measures)
- Efficiency measures

Because they are affected by so many external factors, Oregon Benchmarks and other high-level outcomes, are not usually acceptable as measures of agency performance.

Agencies can most effectively tell the story of progress with intermediate outcome measures. However, outcome data are often more difficult to generate than output data. Given the availability of resources, agencies should make good-faith efforts to report key performance measures that are as outcome-oriented as possible.

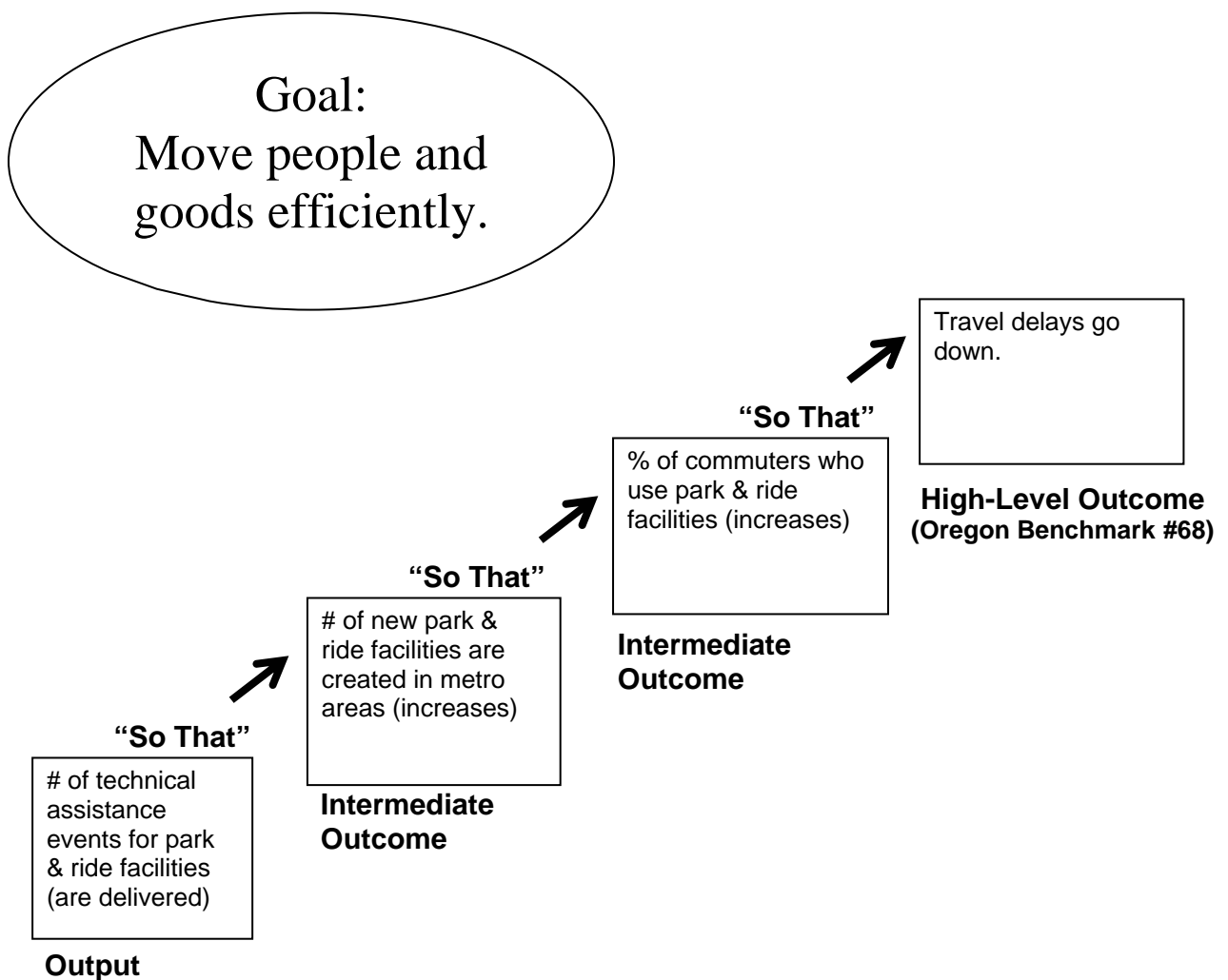
Finally, all performance measures should have **targets** that are ambitious but realistic. Target setting is an art and a science, requiring careful consideration of trend and comparison data, and of expert opinion.

By January of 2005, Oregon state agencies will receive new DAS requirements on common **customer satisfaction** tools and methods, as well as on common **administrative measures**. Administrative measures are primarily internal measures of support functions such as human resources, information technology and procurement. (See Glossary in Attachment A.)

Overview

Figure 2. Sample logic chains: goals, outputs, intermediate and high-level outcomes

Note: Logic model worksheets for developing a linked set of measures can be found in Attachment B of these guidelines. They encourage a thought process that uses agency strategies (programs and initiatives) as the basis for identifying outputs and intermediate outcomes.³



³ The logic model worksheet in Attachment B was used in last biennium's performance measure trainings for state agencies.

B. Performance Measure Expectations and Criteria

Expectations

These guidelines provide a framework that allows agencies and external reviewers to answer three basic questions:

- What does the agency want to accomplish?
- How will the agency know what it has accomplished?
- How will the agency use performance measure data?

The guidelines are for key performance measures only - those that are reported outside the agency to the Legislature, DAS or the public for accountability purposes. These measures should reflect the highest and most results-oriented measures possible, capturing the essence of the agency's full scope of work and providing an overview of agency performance.

New this year:

Agencies are now required to include customer satisfaction measure, identify the lead unit responsible for the measure, and compare agency performance data to that from like agencies, jurisdictions or to industry standards. Because of the Governor's Executive Order on Sustainability and recommendations from the Advisory Committee on Government Performance and Accountability, some agencies are subject to additional requirements.

Key Performance Measure Criteria

(Applies to all agencies)

1. Key performance measures should gauge progress toward achieving agency goals and pertinent high-level outcomes, including Oregon Benchmarks.

Rationale:

Performance measures are only useful if they clearly link to an agency's goals and the high-level outcomes associated with those goals. These externally reported performance measures should:

- As a group, encompass all significant portions of an agency's responsibilities.
- Demonstrate the linkage between agency programs and initiatives and high-level outcomes.

Agencies should identify only those Oregon Benchmarks that directly relate to their mission and goals and for which they share responsibility. For example, the Oregon State Department of Police is linked to Benchmark #64, "Overall reported crime." Despite providing training to its own employees, it should not link to Benchmark #32, "Percentage of Oregonians in the labor force who received at least 20 hours of skills training in the past year" since training is not part of its mission.

In most cases, benchmark data, which reflect societal well-being, should not be used to measure specific agency performance. Agencies are responsible for creating linked performance measures that logically impact the benchmark trend. (See Appendix B of these

Performance Measures in the Budget Process

guidelines for a logic model worksheet.) It is against those performance measures that the agency is judged, not the benchmark, itself.

2. Key performance measures should focus on the key indicators of agency success.

Rationale:

These externally-reported measures should reflect the highest and most results-oriented measures possible, capturing the essence of the agency's scope of work and providing an overview of agency performance.

As a rule of thumb, thirty or fewer performance measures should suffice. For very large agencies, more measures may be necessary. All agencies are encouraged to represent their significant responsibilities adequately, but with as few measures as possible.

3. Agencies should use Governmental Accounting Standards Board (GASB) definitions.

Rationale:

Oregon state agencies often have different definitions for the same planning terms. In order to create a consistent set of performance reports across state agencies, common language is essential. GASB definitions are the most widely accepted in jurisdictions nationwide. See the Glossary in Attachment A of these guidelines for definitions and examples.

4. Key performance measures should have targets.

Rationale:

Without targets, measures are of little use in understanding agency performance. Targets can be set using trend data, expert opinion, data about comparable operations, or a combination of the three. Targets should be ambitious but realistic.

5. Key performance measure data should be accurate and reliable.

Rationale:

Measures that can be trusted by external reviewers are essential for a meaningful performance measurement system. Independently gathered or verified data is preferred when available. For instance, verifiable employment records are preferred over estimated job creation.

All performance measures should have at least one data point. Multiple points are preferable. Agencies should insure that the collected data actually describe what is being measured. For example, if the performance measure is the percent of trainees achieving higher skill levels, all trainees beginning the course must be included in the measure, not just the ones completing the course.

Agencies are encouraged to provide data and targets on a state fiscal year basis (July 1 to June 30). If data availability disallows this, they can be provided on a calendar year basis.

Performance Measures in the Budget Process

6. Key performance measures should link to specific organizational units.

Rationale:

Managers and other agency employees should know who is responsible for attaining the agency's key performance measure targets. Without that accountability, the measures will do little to improve agency performance. In situations where multiple units within an agency are responsible for a single performance measure, a lead unit or division should be identified.

7. Key performance measures should include customer satisfaction indicators.

Rationale:

Agencies are now required to provide data documenting customer satisfaction. DAS will issue new requirements for common customer satisfaction measures and methods by January 2005. Until then, agencies should stay the course with their current customer satisfaction measures and check with the Progress Board if new methods or measures are considered.

Efficiency measures have been temporarily eliminated from this requirement because of the DAS-sponsored interagency work currently underway to standardize a range of administrative measures. This does not prevent agencies from including program-related efficiency measures in their key performance measures, as was done by many agencies in the 2003-05 cycle on a voluntary basis.

8. Key performance measures should allow comparisons with others wherever possible.

Rationale:

By definition, performance is about comparisons. Comparisons are made to a standard or past performance or competitors or neighbors or predetermined expectations. In their Annual Performance Reports, agencies should include a comparative analysis of each performance measure that will help reviewers understand how well the agency is doing compared to some fair standard.

Additional Performance Measure Requirements

(Applies to specified agencies)

1. Sustainability Measures

At least one key performance measure and goal should address sustainability for all agencies required to submit a sustainability plan.⁴

2. Interagency Shared Measures⁵ Agencies designated as part of the a) public safety, b) child well-being (including education) and c) economic development clusters will develop shared performance measures and targets based on an issue-based planning process.

⁴ The following agencies are required to have a sustainability plan: Administrative Services, Agriculture, Consumer and Business Services, Corrections, State Lands, Economic and Community Development, Energy, Environmental Quality, Fish and Wildlife, Forestry, Housing and Community Services, Human Services, Land Conservation and Development, Oregon University System, Parks and Recreation, Progress Board, Public Utility Commission, Transportation, Water Resources, and Watershed Enhancement Board.

Performance Measures in the Budget Process

The issue-based process follows the basic approach shown below. Results to date of the child well-being and economic development planning process may be obtained from the Oregon Progress Board.

- a. Identify all existing performance measures across agencies relating to the issue (internal and key external measures).
- b. Organize them under those Oregon Benchmarks and goals that most closely resemble the goals offered by individual agencies in their *Links to Oregon Benchmarks* forms.
- c. Identify key drivers of success.
- d. Evaluate the strengths and weaknesses of the current statewide government approach based on existing goals and performance measures
- e. Create a list of shared, statewide goals and performance measures based on key drivers.
- f. Assign a lead agency and/or individual for each performance measure.
- g. Establish a work group to jointly implement strategies and monitor progress.

3. Regulatory Streamlining Measures

Most agencies are expected to comply with the Governor's Executive Order 03-01 on regulatory streamlining, and must incorporate performance measures appropriate to their regulatory environments⁶ once the Department of Administrative Services issues its requirements on administrative measures. These guidelines will include regulatory streamlining – related measures for agencies with business regulatory functions⁸.

Until those requirements are issued, agencies are encouraged to continue with their current measures in areas such as:

- customer satisfaction as assessed by those who must comply with or follow the agency's regulations;
- timeliness of regulatory or permit processes; and
- use of electronic means for communication, interaction and /or transactions.

Please check with the Progress if new methods or measures are considered.

⁵ Advisory Committee on Government Performance and Accountability Recommendation B-4: Establish shared performance measures to improve the effectiveness of core functions and programs that cut across multiple agencies.

⁶ Advisory Committee on Government Performance and Accountability Recommendation B-5: Develop performance measures to benchmark regulatory streamlining efforts.

⁸ Very few state agencies have no business regulatory functions. Examples would include the Department of Corrections, Arts Commission, Children & Families Commission, and a few others. Contact the Office of Regulatory Streamlining for help determining if a particular entity is required to address this topic.

Performance Measures in the Budget Process

C. Performance Measures in the Budget Process

Agency performance measures are developed and reviewed as part of a series of steps leading up to the legislatively approved budget. (See flow chart, next page.)

Step 1 – March 2004

Performance Measure Guidelines are included in the budget instructions issued by DAS.

Step 2 – Beginning March 2004

The Progress Board provides training and technical assistance to agencies on the concepts and tools offered in these guidelines. A schedule of trainings will be provided to agency contacts. Technical assistance will be provided as resources allow.

Step 3 – March – June 2004

Agencies submit to the Progress Board the following information:

- Links to Oregon Benchmarks, 2005-07
- Request to Modify 2003-05 Performance Measures for the 2005-07 Biennium
- Performance Measure Data Sources
- Performance Measure Data Summary

Step 4 – May – July 2004

A Performance Measure Work Group reviews agency key performance measures to assure adherence to criteria for existing key performance measures and make recommendations to the DAS director on requests to add, delete or modify key performance measures.

Step 5 - Optional

Agencies take appropriate action to modify their performance measures. All measures must be approved by DAS before going in to the Governor's Recommended Budget. The *Links to Oregon Benchmarks* and *Request to Modify* forms (explained in Section D of these Guidelines) will track DAS recommendations and legislative action on each measure. More information on this will be provided later and in agency trainings.

Step 6 – September 30, 2004

Agencies prepare Annual Performance Reports detailing progress made toward achieving performance measure and targets. Reports are submitted to the Progress Board by September 30, 2004.

Step 7 – November 2004

Performance measures, Annual Performance Report and comments from the Performance Measure Work Group accompany the Governor's Recommended Budget when it is submitted for legislative approval in November.

Step 8 – February – June 2005

Agencies include the following information for Ways and Means presentation:

- Annual Performance Report (most recent)
- Request to Modify 2003-05 Performance Measures for the 2005-07 Biennium
- Links to Oregon Benchmarks, 2005-07
- Performance Measure Data Sources
- Performance Measure Data Summary
- Performance Measure Review

Step 9 – June 2005

Agencies modify performance measures and targets in response to legislative direction. All final revisions should be submitted to the Progress Board.

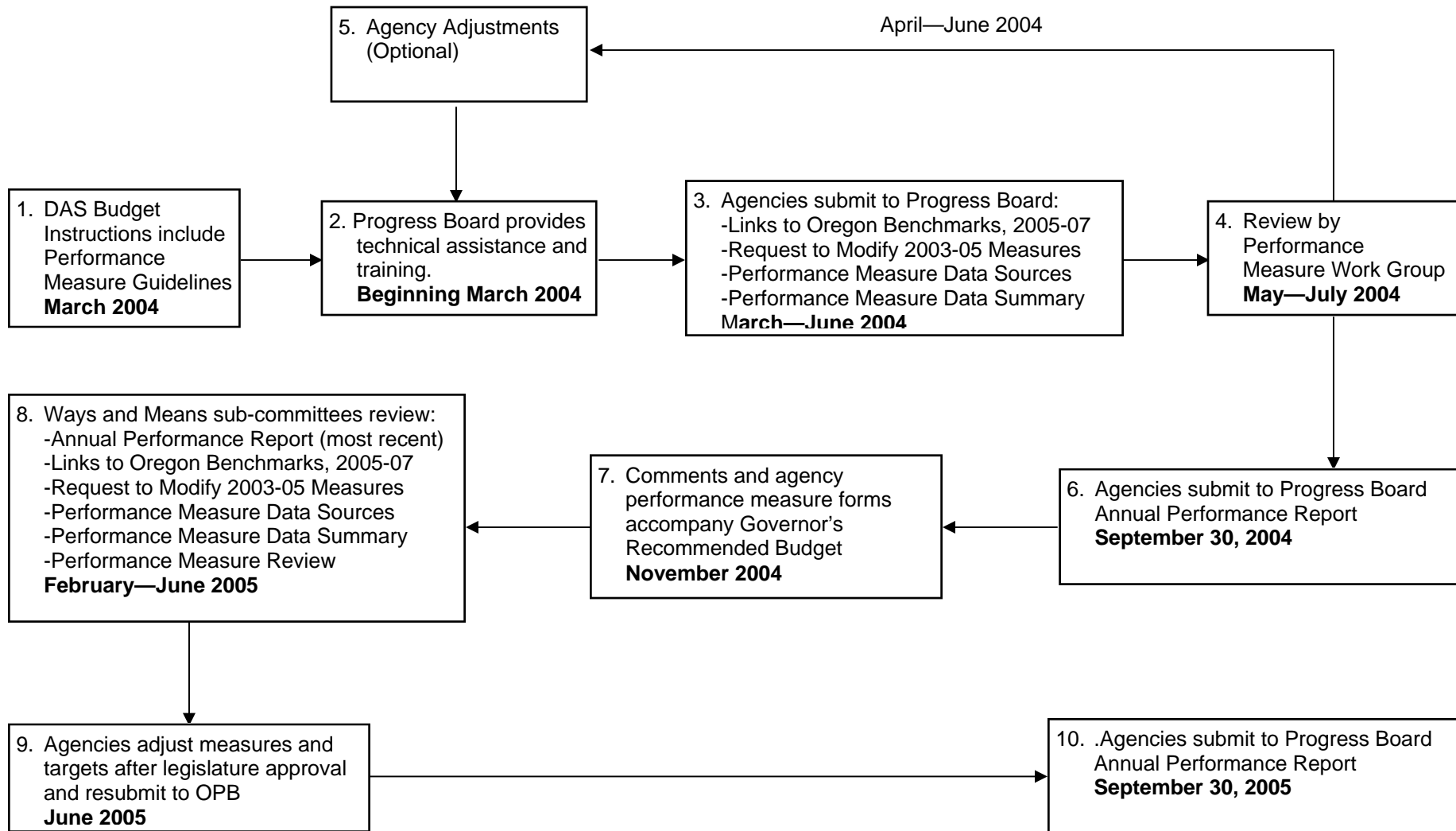
Step 10 - September 30, 2005

Agencies prepare Annual Performance Reports detailing progress made toward achieving performance measure and targets. Reports are submitted to the Progress Board by September 30, 2005.

Performance Measures in the Budget Process

Figure 3. Performance Measures in the Budget Process: Timeline

Numbers refer to steps on the previous page.



D. Key Performance Measure Forms and Reports

Performance will be tracked through the budget development, approval and implementation stages. Agencies should present information on key performance measures in: a) *Links to Oregon Benchmarks*; b) *Request to Modify 2003-05 Performance Measures for the 2005-07 Biennium*, c) *Performance Measure Data Sources*, d) *Performance Measure Data Summary*; and e) *Annual Performance Report (manual forms 107BF04a-e)*.

Please read the instructions for all forms carefully before completing. Instructions for all forms follow immediately after this section. They can also be found online at www.oregon.gov/DAS/OPB.

[Links to Oregon Benchmarks](#) (Budget Form # 107BF04a)

This form provides an overview of the key performance measures each agency is tracking and the goals and benchmarks to which they are linked. Not all key performance measures will link to Oregon Benchmarks. List only those benchmarks that meaningfully relate to the core mission of the agency. (See “Linkage” in the Glossary.)

This form must be completed during the budget development process and submitted to the Performance Measure Work Group by June 2004. Performance measure targets for 2005-07 should be included. If significant changes occur as a result of legislative review, agencies should resubmit the Links form to the Progress Board. (See step 9 of the flow chart on page C-13.)

Data fields in this and all forms (except the Annual Performance Report) have been protected, restricting data entry in the shaded areas only. This will control for formatting problems and allow DAS to more easily combine performance measure information across all agencies. Please read the following instructions carefully before completing. Instructions can also be found online at www.oregon.gov/DAS/OPB.

New for 2005-07:

- ✓ Protected data entry fields
- ✓ Cost estimates
- ✓ DAS approval of all changes

Column 7, Cost Estimate: This is optional, but encouraged. Estimate the percent of total agency budget in the Governor’s Recommended Budget to be expended to achieve the targets for each performance measure. Attach an additional page with comments, if desired.

Columns 9 and 10: All changes to key performance measures require approval by DAS before they can be included in the Governor’s Recommended Budget. All 2003-05 measures should therefore be included in the 2005-07 Links form along with any proposed additions. In Column 9, agencies can indicate whether each measure is “current” (currently approved for 2003-05), “modified,” “added” or “deleted.” For the latter three options, agencies should submit a *Request to Modify 2003-05 Performance Measures for the 2005-07 Biennium* (below). The cross-walk to the Request form is Column 10.

Performance Measure Forms and Reports

[Request to Modify 2003-05 Performance Measures for the 2005-07 Biennium](#) (Budget Form # 107BF04b)

This form has been added to assure consistency in performance measures between biennia and to provide specific rationale for each requested change. Agencies should indicate requested changes in the drop-down box in column 1. This should match column 9 of the *Links to Oregon Benchmarks* form.

New for 2005-07:
✓ New form

[Performance Measure Data Sources](#) (Budget Form # 107BF04c)

This form documents the source of the data for each key performance measure. It is used to verify performance measure data.

New for 2005-07:
✓ Protected data entry fields

[Performance Measure Data Summary](#) (Budget Form # 107BF04d)

This form provides a common format for summarizing performance data for Ways and Means subcommittee presentations. The form includes the name and number of each benchmark and relevant targets, both current and future. (This form may be updated in preparation for the agency's Ways and Means budget presentation. All updates and revisions should be submitted to the Progress Board.)

New for 2005-07:
✓ Protected data entry fields
✓ New format for data and targets

[Annual Performance Report](#) (Budget Form # 107BF04e)

This report should be submitted yearly to the Oregon Progress Board on or before September 30. For the September 2004 report, all agencies are required to submit the Executive Summary and Parts I and II of the Annual Performance Report. Templates are provided.

[Executive Summary](#)

Agencies develop a one- to two-page Executive Summary that presents an overall picture of how well the agency did in achieving its performance measure targets, the degree of influence on the agency's chosen benchmarks and other high-level outcomes, and future challenges.

[Part I](#)

Agencies explain how performance measures and performance data are used for process improvement and results-based management.

New for 2005-07:
✓ Executive Summary
✓ Table summarizing target achievement

Performance Measure Forms and Reports

Part II

Agencies present data, targets and analysis of progress for each key performance measure. The analysis:

- addresses the impact on any relevant high-level outcome data (such as linked Oregon Benchmark data);
- compares actual agency progress to performance measure targets;
- explains why any variance has occurred between the two
- discusses any actions that are planned as a result of the performance data and analysis.
- wherever possible, include a comparison of performance measure data to like agencies, jurisdictions or industry standards.

New for 2005-07:

- ✓ Comparative analysis

INSTRUCTIONS: LINKS TO OREGON BENCHMARKS, 2005-07

Budget Form # 107BF04a

NOTES: This form has been protected, restricting data entry to shaded areas only. **Please do not unprotect the form to create footnotes or endnotes because you WILL LOSE ALL DATA when you reprotect the form.** Instead, submit all notations in a separate document called “Notes.” Please contact Rita Conrad at the Progress Board, 503-378-3204, if you encounter technical difficulties. (Revised 5/5/04)

<u>Top Rows</u>	List relevant agency and contact information, date and version number. List Oregon Benchmarks (OBM) or other high-level outcomes (HLOs) to which the goals and performance measures are linked. For benchmarks, include number and title. <i>Not all performance measures will link to benchmarks.</i> In those cases, list other high-level outcomes, if possible. Number HLOs with small letters – a, b, c, etc.
<u>Column 1</u>	Agency Goal List each agency goal, one per cell.
<u>Column 2</u>	Oregon Benchmark (OBM) # or High-Level Outcome (HLO) # Insert the OBM number or HLO letter (a, b, c) to which the agency goal and performance measures have a meaningful link.
<u>Column 3</u>	Key Performance Measure (KPM) Identify the agency performance measures that relate to the goal, including the unit of measurement. Example: Percent of permits processed within seven working days. Use a separate row for each performance measure. Show all 2003-05 measures plus proposed additions. For proposed modifications, show the proposed version of the measure. Show deletions even though you want to drop them. Use the drop-down box in Column 9 to show the proposed status: same, modified, added or deleted. For all modifications, additions or deletions, please insert into Column 10 the request number from the <i>Request to Modify 2003-05 Performance Measures</i> form. This form allows for the recommended maximum number of key performance measures (30) plus room for proposed deletions. If you have less than that, leave the remaining rows blank. If you have more than that, please contact Rita Conrad at the Progress Board for assistance, phone 503-378-3204. (Revised 5/23/04)
<u>Column 4</u>	Performance Measure Number Use consecutive numbers beginning with the number one. Please note: If there any proposed additions, the numbering will not match the 2003-05 numbers. The numbering may change once again based on final legislative action. (See step 9 on pages C-11 and C-12.)
<u>Column 5 and 6</u>	2002 Value & 2007 Target Identify the year 2002 (data) value and the 2007 target of the performance measure. If data are not available at time of submission, signify with NA in column 5. Example: 2002 (data) value is 50% of applications processed within seven days. 2007 target is 60% processed within seven days.
<u>Column 7</u>	Cost Estimate (optional) Estimate to the degree possible the percent of total agency budget in the agency’s request to be expended to achieve the targets for each performance measure. Attach an additional page with comments, if desired.
<u>Column 8</u>	Lead Division or Unit (no longer optional) Identify the division or other unit responsible for this performance measure. The lead division or unit should be listed if multiple divisions or units are involved.
<u>Column 9</u>	Status of Key Performance Measure Using the drop-down box, indicate if each key performance measure is the same as a currently an approved key performance measure and if so, since what year. If the measure is newly added, modified, or deleted from last biennium, please choose the appropriate answer and indicate since “2003”.
<u>Column 10</u>	Change Request No. If this is a requested change (modification, addition or deletion), please indicate its corresponding number on form # 107BF04b, the <i>Request to Modify 2003-05 Performance Measures for the 2005-07 Biennium</i> .

Performance Measure Forms and Reports

INSTRUCTIONS:

REQUEST TO MODIFY 2003-05 PERFORMANCE MEASURES FOR THE 2005-07 BIENNIUM

Budget Form # 107BF04b

All changes to key performance measures must be approved by DAS before they can be included in the Governor's Recommended Budget. This form should be used by an agency wishing to modify its 2003-05 performance measures for the 2005-07 biennium.

NOTE: This form has been protected, restricting data entry to shaded areas only. The form allows for up to 16 change requests. If you have fewer than that, leave the remaining rows blank. If you have more than that or are experiencing technical difficulties, please contact Rita Conrad at the Progress Board for assistance, 503-378-3204.

Top Rows List relevant agency and contact information, date and version number.

<u>Column 1</u>	Request Number	Requests are pre-numbered beginning with 1. Use the drop-down box to indicate whether this is a modification, addition or deletion. For measures with requested changes, this information should exactly match columns 9 and 10 of the Links to Oregon Benchmarks form. The form allows for up to 16 change requests. If you have fewer than that, leave the remaining rows blank. If you have more than that, please contact Rita Conrad at the Progress Board for assistance, 503-378-3204.
<u>Column 2</u>	Key Performance Measure (KPM)	Insert the currently approved performance measure in the row titled "Currently Approved." In the row titled "Requested Change," insert the change to the performance measure that is requested. If this is a request to delete, leave blank.
<u>Column 3</u>	Performance Measure Number	Insert the number of the currently approved performance measure as shown on form Budget Form # 107BF04a, <i>Links to Oregon Benchmarks</i> .
<u>Column 4</u>	Rationale for Change	Explain the specific reason that the agency is making the request for modification.
<u>Column 5</u>	Analyst Comment	Budget and Management and Legislative Fiscal Offices will use this column.
<u>Column 6</u>	DAS Recommendation	Progress Board will use this column to indicate DAS's recommendation.
<u>Column 7</u>	Legislative Action	Progress Board will use this column to indicate whether or not the legislature accepts.

INSTRUCTIONS:

PERFORMANCE MEASURE DATA SOURCES

Budget Form # 107BF04c

This form details the source of data for each key performance measure, allowing verification.		
<u>Top Rows</u>	List relevant agency and contact information and date.	
<u>Column 1</u>	Key Performance Measure	List each agency performance measure's definition, as shown on the <i>Links to Oregon Benchmarks</i> form.
<u>Columns 2</u>	Performance Measure Number	List each agency performance measure's number, as shown on the <i>Links to Oregon Benchmarks</i> form.
<u>Columns 3</u>	Source of data	Identify the source of the data. It should be specific enough to allow an outside auditor or reviewer to request the data.

Performance Measure Forms and Forms

INSTRUCTIONS:

PERFORMANCE MEASURE DATA SUMMARY (NEW FORMAT)

Budget Form # 107BF04d

This form provides a format for summarizing performance data for legislative review during the Ways & Means process. Historical data plus targets for the coming years should be listed. Measures and 2007 targets should match those listed on the *Links to Oregon Benchmarks and Performance Measures* form. This data summary should be attached to the Executive Summary of the *Annual Performance Report*, when the Executive Summary is presented separately.

This form may be updated in preparation for the agency's Ways and Means budget presentation

The form allows for the recommended maximum number of key performance measures (30) plus ten additional rows to accommodate proposed deletions. Leave any unused rows blank.

Note: **Please do not unprotect the form to create footnotes or endnotes because you WILL LOSE ALL DATA when you reprotect the form.** Instead, submit all notations in a separate document called "Notes." If you have more than that or are experiencing technical difficulties, please contact Rita Conrad at the Progress Board for assistance, 503-378-3204. (Revised 5/5/04)

Top Rows – Please include agency and contact information, and date.

<u>Column 1</u>	Key Performance Measure Number	List each agency performance measure's number, as shown on the <i>Links to Oregon Benchmarks</i> form. EXCEPTION: If you propose to modify a measure in a manner that changes the data series (other than technical corrections), please add the original measure to the data summary so that both the old and the new data series are displayed. In this case, the performance measure number will be the same. Please indicate the original in the next column, as described below. (Revised 5/24/04)
<u>Column 2</u>	Key Performance Measure Definition	List each agency performance measure's definition, as shown on the <i>Links to Oregon Benchmarks</i> form. EXCEPTION: If you propose to modify a measure in a manner that changes the data series (other than technical corrections), please add the original measure to the data summary so that both the old and the new data series are displayed. Please indicate "(original)" and "(proposed)" after the respective versions. (Revised 5/24/04)
<u>Column 3</u>	Data vs. Target	Row labels only.
<u>Columns – 4-12</u>	Data and Targets	In the data row, show actual performance data for as many years as possible. For new or modified measures, include as much data as are currently available. In the target row, indicate the performance measure targets between 2002 and 2007.

INSTRUCTIONS: ANNUAL PERFORMANCE REPORT

Budget Form # 107BF04c

Please follow these instructions for completing Annual Performance Reports beginning in September 2004.

This report should be submitted yearly to the Oregon Progress Board on or before September 30. For the September 2004 report, all agencies are required to submit the Executive Summary and Parts I and II of the Annual Performance Report.

For all parts of the report (Introduction, Part I and Part II):

- Please add agency name in the footer (View > Header and Footer).
- Where indicated, show the fiscal year addressed by the annual report. For example, the report due September 30, 2004 will address fiscal year 2003-04. The report due September 30, 2005 will address fiscal year 2004-05.

Executive Summary

Using the bulleted outline and table template shown below, please develop a one- to two-page Executive Summary.

Please include agency contact information in the Executive Summary.

- Summarize Performance Target Achievement using the table below.

Performance Target Achievement	#
Total Number of Key Performance Measures (KPMs)	
# of KPMs at target for most current reporting period	
# of KPMs not at target for most current reporting period	

- Degree and type of agency influence on agency's chosen benchmarks and high-level outcomes
- Summarize the year's successes and barriers to achieving performance measure targets.
- Future challenges

Part I. Managing for Results (template provided)

Answer the five questions shown in the template. These questions shed light on how well performance measures and performance data are leveraged internally for process improvement and results-based management.

Part II. Key Measure Analysis (template provided)

This provides a fuller picture of performance for each key measure. Please limit to one page per measure.

Please include agency name in the footer as shown in the template.

Data

Please compare actual to targets in bar chart or other graphic representation. Include a table and chart showing data and targets by year. The table can be a copy of the data from the appropriate rows from the *Performance Data Summary Form*. To make it easier for readers to compare actual to target, please show data and targets as two series of one chart. See sample, next page.

Please specify the source of the data.

Analysis

The analysis should follow the questions on the template. The questions guide the analysis to address the impact of any relevant high-level outcome data (such as linked Oregon Benchmark data); compare actual agency progress to performance measure targets; explain why any variance has occurred between the two; compare performance to other jurisdictions, like agencies or industry standard; and discuss any actions that are planned as a result of the performance data and analysis.

SAMPLE

ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

TIME PERIOD: FISCAL YEAR 200X – 200X

HYPOTHETICAL EXAMPLE:

Agency Name:		Agency No.:								
Performance Measure Definition		1999	2000	2001	2002	2003	2004	2005	2006	2007
KPM 4 – Acres planted by the Forest Resource Trust Program.	Target		600	600	200	200	200	200	200	200
	Data	62	88	38	222	103	62			

Data Source:

Analysis

To what goal(s) is this performance measure linked?

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

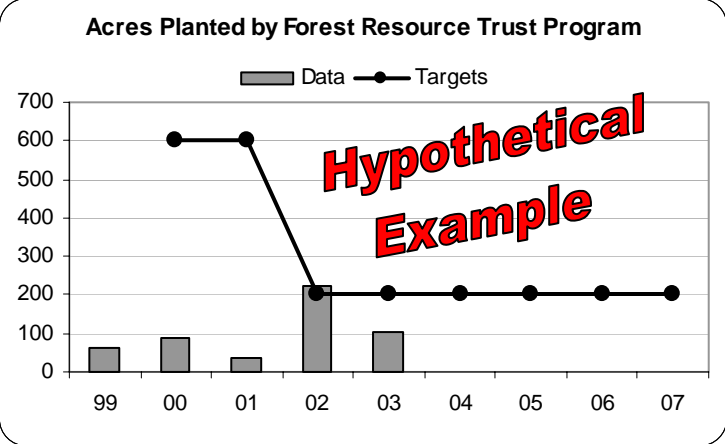
How does the performance measure demonstrate agency progress toward the goal?

Compare actual performance to target and explain any variance.

Summarize how actual performance compares to any relevant public or private industry standards.

What is an example of a department activity related to the measure?

What needs to be done as a result of this analysis?



Performance Measure Attachment A: Glossary

Administrative measure

A performance measure (input, output, intermediate outcome or efficiency) that gauges the performance of support functions, as opposed to measures of program performance. Examples of administrative functions include human resources, information technology, procurement, and financial services. Administrative measures gauge “how well the ship is running” as opposed to “whether the ship is on course.” Administrative measures are primarily reported and used internally for continuous learning and improvement. A few may be selected as externally-reported “key performance measures.” (See definition of key performance measure.) DAS requirements on common administrative measures will be issued to Oregon state agencies by January of 2005.

Benchmark

In Oregon, a high-level measure of societal well-being. Oregon has 90 such indicators that measure quality of life in terms of three broad statewide goals, as articulated in *Oregon Shines*: 1) quality jobs for all Oregonians, 2) safe, caring and engaged communities, and 3) healthy, sustainable surroundings. See www.oregon.gov/DAS/OPB.

Customer satisfaction

Customer satisfaction measures are a type of outcome measure. They are derived by using a survey or other type of customer feedback tool to query customers, clients and/or stakeholders on the quality and usefulness of services rendered. DAS requirements on common customer satisfaction methods and measures will be issued to Oregon state agencies by January of 2005.

Efficiency measure

An output or outcome relative to a unit of time, money or other input. Example: average time to process building permits. The number of building permits processed is the output. The time taken to process them is the input. The term "productivity indicator" is sometimes used instead of efficiency indicator. Productivity is usually defined in the productivity literature as "output divided by input," the reciprocal of "input divided by output." (See <http://accounting.rutgers.edu/raw/seagov/pmg/perfmeasures/index.html>.)

GASB

Governmental Accounting Standards Board (GASB) establishes and improves standards of state and local governmental accounting and external financial reporting. This function is important because external financial reporting can demonstrate financial accountability to the public. GASB language for performance measurement has become the standard in the public sector. See www.gasb.org.

Goal

Broad statements of desired results. For state agencies, goals often represent manageable “chunks” of the over-arching mission or purpose. For example, the mission of the Oregon Progress Board is to: “Make *Oregon Shines* a reality and the benchmarks useful tools for Oregonians working to improve their communities.” Its goals break that mission down into four manageable pieces:

- Maintain and enhance Oregon Shines as the state’s strategic vision.
- Mobilize partners to help achieve benchmark targets.
- Continue to build awareness of Oregon Shines and Oregon Benchmarks.
- Provide high quality services to all stakeholders.

Glossary

Goals need not be stated in quantifiable terms. Progress towards the goals can be measured by lower-level intermediate outcomes and related outputs.

High-level outcome

A measurable indicator of societal well-being. Oregon Benchmarks represent high-level outcomes for Oregon, organized into the seven categories of economy, education, civic engagement, social support, public safety, community development and environment. Agencies and other organizations can define additional high-level outcomes pertinent to their mandates and/or mission.

Input

A measure of financial and non-financial (e.g., time or staff) resources. Inputs are not considered performance measures for external reporting purposes.

Intermediate outcome

A measure of a desired result that represents a contribution to achieving a high-level outcome target. Example: Percent of families involved in a parenting class where an adult reads regularly to a child. This is an intermediate outcome that contributes significantly to achieving the high-level outcome of children entering school ready-to-learn (Benchmark #18). One key difference between a high-level and an intermediate outcome is that the latter is more directly the result of agency or program effort.

Internal performance measure

A performance measure that is within an agency for management purposes. Internal measures cascade down from higher, externally reported measures. They are more numerous, more detailed, and possibly more “output” oriented. These measures are most useful for agency managers to improve their operations, and to hold staff accountable.

Key performance measure

A performance measure, shared with the legislature and the public, which shows how the agency is achieving its goals and objectives. As a whole, they adequately represent the full scope of an agency’s roles and responsibilities. Key performance measures meet the criteria specified in these Performance Measure Guidelines and are included in the agency’s annual performance report.

Linkage (to an Oregon Benchmark)

The benchmark strongly relates to the agency’s core mission through its goals, strategies, outputs and intermediate outcomes.

Mission

Over-arching purpose of an agency or organization. A mission statement serves as a beacon to guide the agency in its daily activities. Mission statements are ideally brief, inspirational and to the point. Example: The Oregon Land Conservation and Development Commission’s mission is to “Work with all of our partners to maintain and enhance a just framework within which citizens, through their local governments, create, implement and support balanced comprehensive land use plans.”

Objective

Just as goals are “chunks” of the organization’s mission, objectives are generally “chunks” of organizational goals. For larger and more complex organizations, this successive layering from general to specific enables the mission to be broken down into increasingly manageable pieces. In these guidelines, the word goal will be used to mean a goal or an objective.

Glossary

Outcome

A measure of a desired result. In many cases, outcomes measure the result or impact of an output or set of outputs.

Output

Amount or frequency of products or services delivered. Example: number of students served in school-based health clinics. Outputs are important, especially in the budget process, but equally important is the change that occurs because of these outputs. (See “outcome”, above.)

Performance measure

An outcome or output or efficiency measure that indicates how well an agency or other entity is carrying out its mission and achieving its goals.

Priority

A goal, objective, outcome or issue that, given current conditions, represents high importance in carrying out the agency’s goals and mission. Priorities are what make strategic planning “strategic” in that they guide the use of agency resources for the greatest possible good. “If everything is a priority, nothing is.”

Strategic planning

The iterative process by which an organization commits to a future destination and the means to get there. At its most basic, strategic planning is a series of decision points supported by the best analysis and information possible. The decision points can be articulated as four simple questions: 1) Where are we? 2) Where do we want to go? 3) How do we get there? And 4) how did we do?

Strategy

Steps designed specifically to address a priority of an organization. How those steps are articulated can vary considerably. Strategies are often thought of in terms of action items and can be organized under strategic objectives or particular targets associated with a high-level or intermediate outcome. Example: one strategy to reduce juvenile arrests (high-level outcome) is to improve family conditions of at-risk youth (strategic objective); or, more specifically, to reduce the percent of at-risk youth living in abusive households to a particular level. (See “target” below.)

Target

The desired level of an output or outcome measure at a specific point in time. Example: The 2005 target for Benchmark #44, Percentage of babies whose mothers received early prenatal care, is 85%. The actual percent in 1999 was 81% so achieving this target would represent a significant improvement for Oregon.

Performance Measure Attachment B: Logic Model Worksheet

High-level outcome(s)

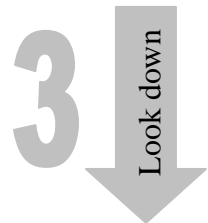
How will you determine if progress is being made towards the goal?
 Identify Oregon Benchmarks or other high-level outcomes. (These are not your performance measures!)
If you have no benchmark or HLO linkages, insert Agency Mission here.



Agency goal

Start with the goal.

1



Key performance

Choose those outputs and intermediate outcomes that best represent the agencies full scope of work and are as results-oriented as possible. Key performance measures should meet all criteria spelled out in the Performance Measure Guidelines.



3C

Intermediate Outcomes (measures of results coming from outputs)

What impact do your products and services have on achieving the goal?

Intermediate outcomes measure the result of your products and services. They have the same four parts as described below for outputs.

1. The statement of the measure..
2. The data.
3. The target.
4. The source of the data.

For key performance measures, intermediate outcomes are preferable to outputs.



3B

Outputs (amount or frequency of products and services "put out" by agency actions)

What products & services are strategies producing to achieve the goal?

Outputs are measures of your agency's products and services. Outputs have four parts:

1. The statement of the measure. Example: # of adults trained.
2. The data. Example: 50 in 1999, 75 in 2000.
3. The target. Example: 60 in 1999, 70 in 2000.
4. The source of the data. Example: Training survey



3A

STRATEGIES – Programs and Initiatives

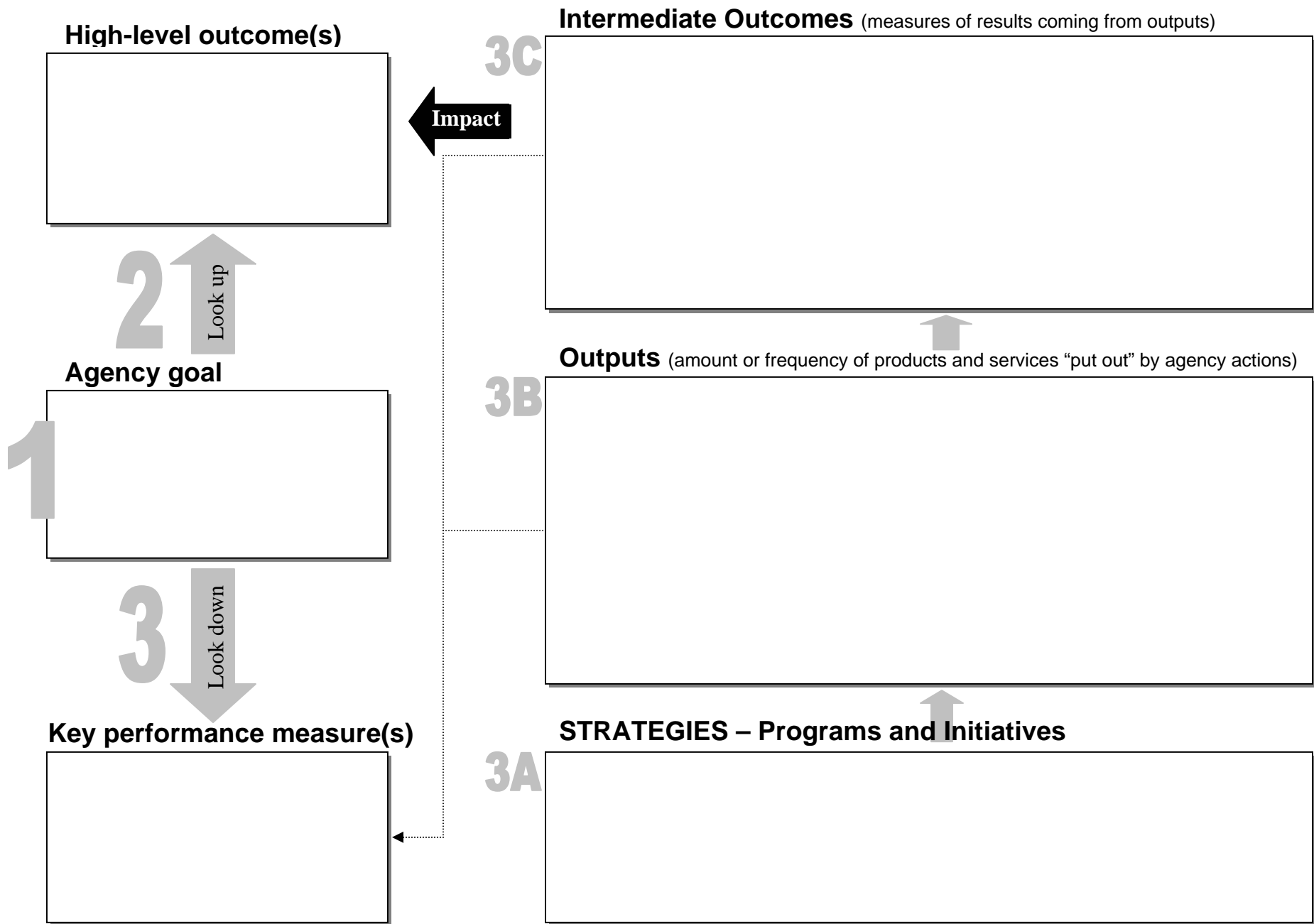
What is your agency doing about this goal?

THIS IS JUST A PLACEHOLDER FOR YOUR THINKING. PROGRAMS AND INITIATIVES DO NOT GO ON TO ANY PERFORMANCE MEASURE FORMS.

Briefly note strategies your agency is using to strive for this goal. (To strengthen the logic and the likelihood that outcome targets will be achieved, this should ideally reflect best practices in the field.)

C-2

Logic Model Worksheet



Contact for assistance with performance measures:

Oregon Progress Board

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Salem, OR 97301-3966

503-378-3201

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