Priority-Based Budgeting: Performance Measurement Primer

For the Citizen Budget Advisory Committee
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What this primer covers

◆ Why we're doing this

◆ What we've already done

◆ The Eight Steps to program offer performance measurement

  – Logical sequence

  – Types of measures

◆ New program offer section

◆ Tips and tricks

◆ Additional Resources

Why performance measurement?

- ◆ Results-based budgeting
- ◆ You asked for it– FY06 survey results
  - – Standardized measures
  - – More measures
  - – Clarify measures
- ◆ We all got to do it–
  - – Direct service
  - – Admin
  - – Support programs
- ◆ Been doing Performance Measurement for a long time– new process addressed old issues
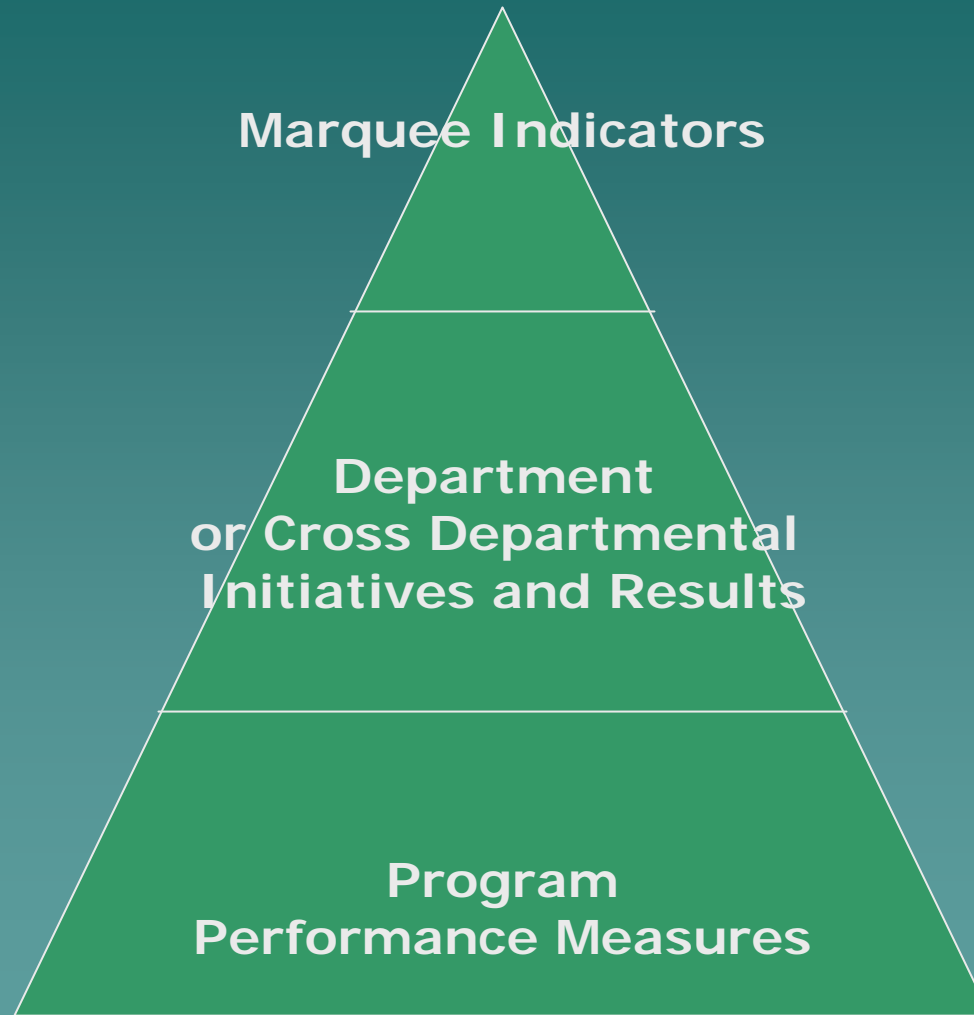 - – How many remember Key Results?
  - – This fixes KRM issues

What was accomplished

◆ Most program offers had some form of measurement– most had more than one measure

◆ Many offers used good measures; some included outcome measures

◆ All offers and measures were reviewed by
  – CBAC's
  – Outcome Teams
  – Chair's Office
  – Board of County Commissioners
  – The public

What's now needed

◆ More measures are needed to understand the program

◆ Outcome/result measures

◆ The measurement system needs to evolve
  – Standardized measures
  – Provide performance history
  – Clarify what is being purchasing
  – Offer department flexibility

Measurement concepts

Marquee Indicators

Department
or Cross Departmental
Initiatives and Results
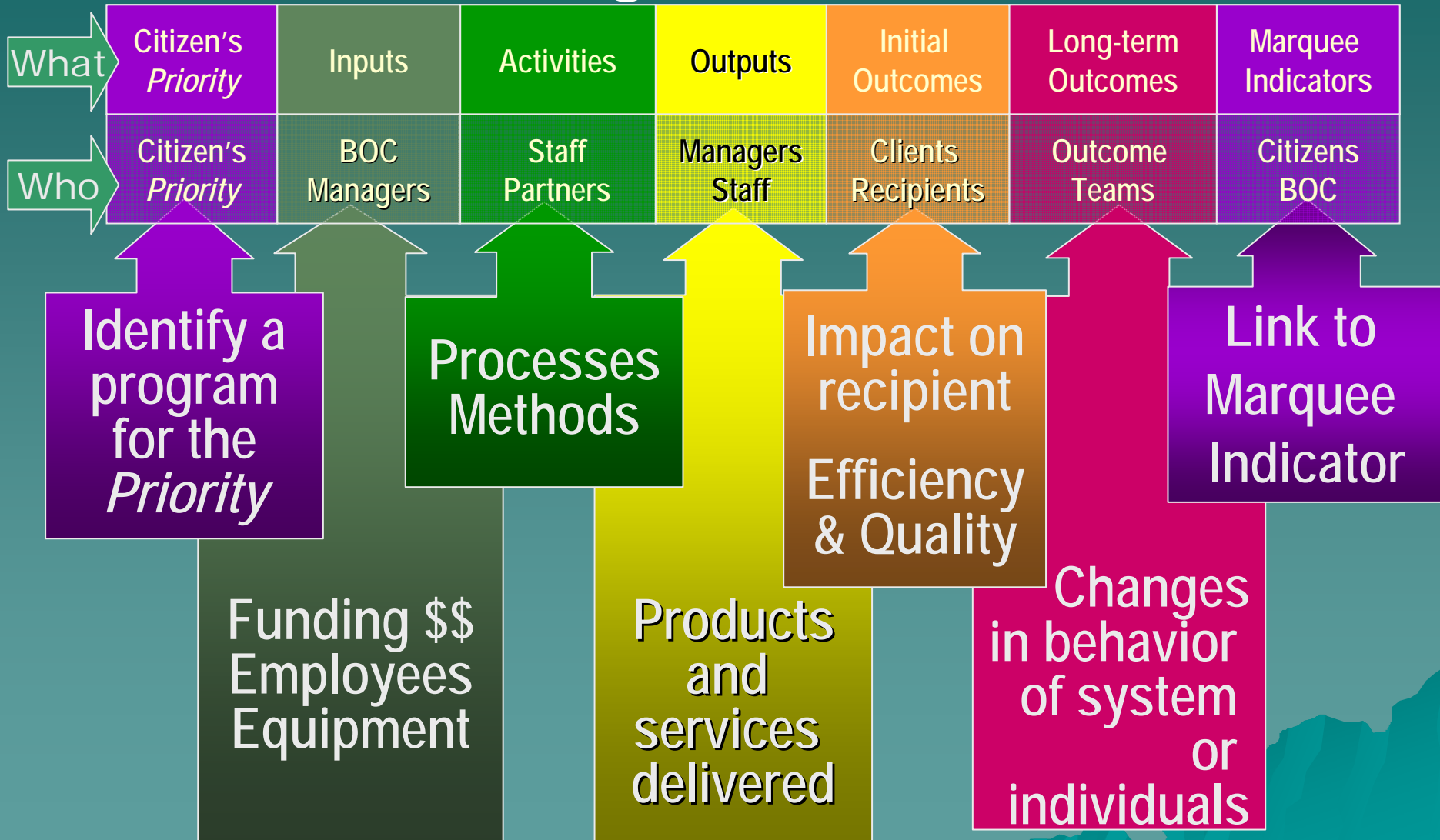
Program
Performance Measures

Eight steps to measures

Step 1: Gather the team.

Step 2: Know service, population, & priority area.

Step 3: Model the service (inputs, outputs, outcomes, efficiency, and quality measures).

Think about the logical order

What	Citizen's *Priority*	Inputs	Activities	Outputs	Initial Outcomes	Long-term Outcomes	Marquee Indicators
Who	Citizen's *Priority*	BOC Managers	Staff Partners	Managers Staff	Clients Recipients	Outcome Teams	Citizens BOC

Identify a program for the *Priority*

Funding $$ Employees Equipment

Processes Methods

Products and services delivered

Impact on recipient

Efficiency & Quality

Changes in behavior of system or individuals

Link to Marquee Indicator

Types of measures

- Input (descriptive). Report the amount of resources; financial, personnel, material, or other, that are available or have been used for a specific service or program. For example, number of client referrals
- Output (workload). Describes the activities that a program has completed (not their results). For example, the number of treatment episodes delivered
- Outcome (results). Reports the results of the service. There should be a logical connection from outputs to outcomes, with activities supporting the results in a sequential fashion. For example, the percentage of clients that reduced drug use at discharge (initial outcome) or the percentage of clients drug-free at one year after discharge (long-term outcome)
- Efficiency (productivity). Measures the cost of resources (e.g., in dollars, FTE, time) per unit of output. For example, cost per successful treatment completion.
- Quality. Is effectiveness in meeting the expectations of customers. Measures of quality include reliability, accuracy, courtesy, competence, responsiveness, and completeness associated with the product or service. Lack of quality can also be measured. For example, percent of customers that rank service as exceeding their expectation.

Eight steps to measures

Step 4: Select the best measures (using criteria)

Step 5: Retain & submit copies.

Step 6: Gather data & submit online.

Step 7: More measures (2+2).

Step 8: Use the checklist (make any revisions as needed before final submittal).

Step 8: Use the checklist

1. Does the program offer have measures related to the primary function of the program?
2. Are the measures related to the marquee indicators?
3. Does the output show how many customers or services are served in the output?
4. Does the program have true outcome measures?
5. Can the average reader understand what the program accomplishes numerically? Is it logical: resources to activities, activities as outputs, outputs to outcomes, etc.?
6. Are data missing in the table? If so, are reasons noted in the explanatory section?
7. Did the program meet or exceed its targets? If not, are reasons noted in the explanatory section?

New program offer section!

Performance Measures

Measure Type:	Primary Measure:	Previous Year Actual (FY04-05)	Current Year Purchased (FY05-06)	Current Year Estimate (FY05-06)	Next Year Offer (FY06-07)
Output	Number of plats received for approval	386	0	350	300
Outcome	Percentage of plats reviewed within 3 weeks	74%	0%	85%	90%
Quality	Number of recorded plats that required "affidavit of correction"	5	0	6	5
Outcome	Number of new Public Land Corner reports filed	106	180	140	120

Performance Measure – Description

The county surveyor approves all land divisions (plats) within the county (including all cities). Our customers expect our review to be accurate and timely. Our goal is to complete our initial review of all plat within 3 weeks of submittal of all required information and have very few recorded plats that require affidavit of corrections (new goal for FY 06). This 3 week review period is less than the other Tri-counties (Washington and Clackamas) and our fees charged for this service is considerably lower than their fees. Volume of plats submitted for review this year are near record levels for the last 10 years.

Tips and tricks

◆ Don't reinvent the wheel– e.g. SEA, SPB, BNB.

◆ Use industry standard measures.

◆ Depts. w/ similar programs should use the same measures

◆ Many programs have several activities; the measure should relate to the primary service/ result.

◆ Use the best available measures.

◆ Better to have several measures than only the bare minimum.

◆ A variety of measures communicates the value of the program and management accountability.

◆ Select measures that are effectible and meaningful. Measures that are always 100% suggest the bar is too low or the measure has little meaning from a program management perspective.

◆ Show linkage to the Marquee Indicators!!!

Additional resources

- ◆ Online resources at Budget Office Evaluation (BOE): http://www.co.multnomah.or.us/dbcs/budget/performance/index.shtml

- ◆ Bibliography— many books on in BOE library (Appendix B)

- ◆ On-line Resources (Appendix C)

- ◆ BOE historical documents and Key Results Measures (KRM) available