Priority-Based Budgeting: Performance Measurement Training

A techie & manager training for FY2007 program offers

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What this training covers

- Why we're doing this
- What we've already done
- The Eight Steps to program offer performance measurement
- Tips and tricks
- Additional Resources
  - Technical Assistance
- Training Evaluation

Why Performance Measurement?

- Results-based budgeting
- You asked for it– FY06 survey results
  - Standardized
  - 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
  - Key Results

What was accomplished in year 1?

- Most program offers had some form of measurement– most had more than one measure
- Many offers used good measures; some included outcome measures
- All measures were reviewed by Outcome Teams, the Chair's Office and the Board of County Commissioners
- Public documentation; The Budget

What’s needed in year 2?

- More measures are needed to understand the program
- More outcome/result measures
- Many program offers repeated the same data
- Some programs offered no data
- The measurement system needs to evolve
  - Standardized measures
  - Provide performance history
  - Clarify what is being purchasing
  - Offer department flexibility
- Prepare now for changes in FY2008

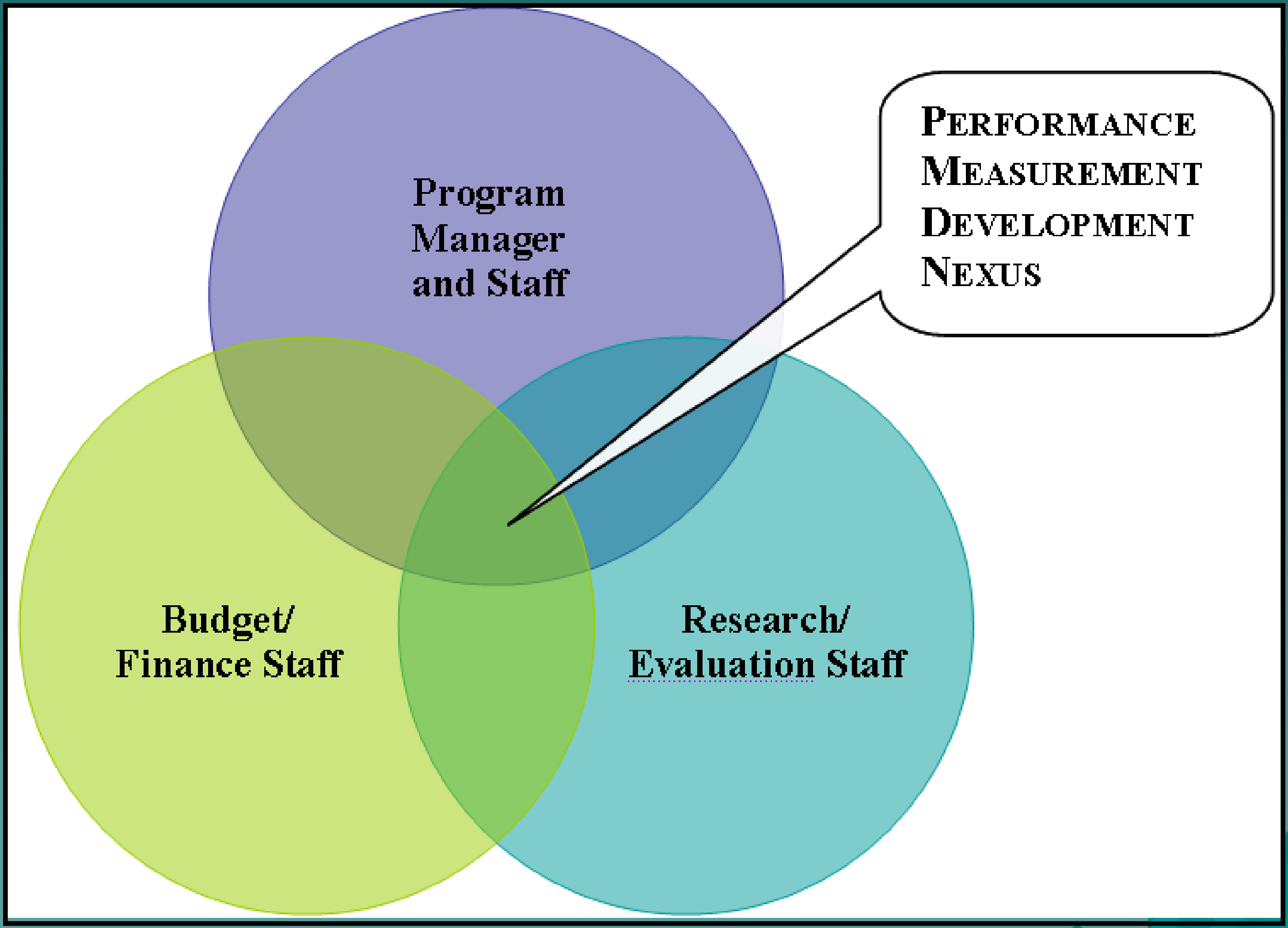
Eight steps to measures

1. Gather the team
2. Know the service, population, and priority area.
3. Model the service
4. Select the best measures
5. Retain and submit copies
6. Gather and submit the data
7. Use more measures
8. Checklist review and revise

Step 1: Gather the team

- Gather the team gather the appropriate program managers and staff, budget and finance staff, research and evaluation staff from the department to review and discuss the program offer’s characteristics.

Step 1: Gather the team



Step 2: Know service, population, & priority area

- Review the program offer description; understand the specific service the program is to deliver.
  - Who's served (specific pop)?
    - Not geography
  - What's the service doing– trying to resolve?
  - To whom does it matter most?
- Review Priority Areas, strategies, the RFOs, and the Marquee Indicators for fit

Step 3: Model the service

- 4 measurement slots available
  - output and outcome
  - 2 additional/optional measures
- Fill out the program templates (templates in manual & on-line; show template)
  - Part 1- the logic model
  - Part 2- measurement selection
  - Part 3- measure definition

Step 3: Model the service

- Part 1: What's the program to accomplish
- Think about who these measures matter to most– remember the public and the BOC audience
- Which strategies/RFO does it address
- Brainstorm the possible indictors
  - List inputs ($$, FTE, materials)
  - List activities (what staff do)
  - List outputs- required
  - List outcomes–required (can be percent of outputs); Results
  - Are there any quality or efficiency measures

Step 3: Model the service

- Input (descriptive). This indicator is designed to report the amount of resources; financial, personnel, material, or other, that are available or have been used for a specific service or program.
  - number of client referrals
  - number of fleet vehicles
  - number of jail beds
  - number of branch hours opened
  - number of maintained centerline/ lane miles
  - number of helpdesk covered PC terminals
  - number of prosecution cases received

Step 3: Model the service

- Output (workload). Describes the activities that a program has completed, but not necessarily their results.
  - number of treatment episodes delivered
  - number of vehicle repairs performed
  - number of client screenings provided
  - number of purchase orders issued
  - number of vaccinations given to children
  - number of centerline/ lane miles resurfaced

Step 3: Model the service

- Outcome (results). This indicator is designed to report the results of the service. It can often be described as an initial (e.g., successful treatment completion), intermediate term (e.g., success by 3 or 6 months), or long-term outcome (e.g., 1 year or more). There should be a logical connection from outputs to outcomes, with activities supporting the results in a sequential fashion
  - Percent reduction of juvenile recidivism
  - Percentage of youth living independently at discharge
  - Percentage of clients that reduced drug use at discharge (initial outcome)
  - Percentage of clients drug-free at one year after discharge (long-term outcome)
  - Reduction in disease

Step 3: Model the service

- Efficiency (productivity). This is an indicator that measures the cost of resources (e.g., in dollars, FTE, employee hours, time, etc.) per unit of output (e.g., per repair, per case, etc.).
  – Cost per tax-lot appraisal
  – Reports generated per analyst FTE
  – Average number of days to close a case
  – Cost per booking
  – Labor-hours per proper vehicle repair

Step 3: Model the service

- 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. Such examples include rework, correcting errors, or resolving complaints.
  - Percent of reports that are error free
  - Percentage accuracy of information entered in a data system
  - Percent of customers that rank service as exceeding their expectation (customer satisfaction)
  - Percent of clients waitlisted more than a month for treatment

Step 4: Select the best measures

- PART 2: Select up to 4 measures– minimum of 2
  – Output and outcome
- Use the Performance Measure Selection template to select the most meaningful measures; identify the measure type, its definition, the data source and contact person.
  – Avoid jargon & technical terms
  – Took about 15 minutes with a new program

Step 4: Select the best measures

- Apply the selection criteria to highlight the best measures
  - Meaningful-Valid?
  - Consistent-Reliable?
  - Understandable-Clear?
  - Perverse Incentives?
  - Timely Reporting?
  - Comprehensive?
  - Not Redundant?
  - Sensitive to data collection cost?
  - Focused on controllable facets of performance?
- Relate to the marquee indicator!!!
- PART 3: Fill out the measurement detail.

Step 5: Retain & submit copies

- Remember to keep copies on file for next year and in case the Outcome Teams or others want to review them. It is optimal but optional to submit copies of the template to the Budget Evaluation Office in FY 2007.
- Consider likelihood of future independent quality assurance reviews.
  - FY2008

Step 6: Gather data & submit

- Gather the data for the time-period
  - *Previous Year Actual* result
  - *Current Year Purchased* target (FY2006 Proposed Target)
  - *Current Year Estimate* (compare to Last Year's Purchased Target)
  - *New Year Offer* (what you're offering if purchased i.e., proposed target)
- Scaled offers– what each offer contributes

Step 6: Gather data & submit

- Fill the performance measures section of the web tool for both the static output and outcome measures. For existing programs, all fields should be filled; some fields can be left blank if it is a new or substantially redesigned program or measure.
- Use the explanatory section
  - Program evaluations & audits
  - Missing data, variance in results, other issues

Step 6: Gather data & submit

- Submit: The *web-tool trainings* will teach staff how to enter the data.
  - 80 character definition limit

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		% ☐	0	0	0	0
Outcome		% ☐	0	0	0	0
Optional		% ☐				
Optional		% ☐				

Step 7: More measures?

- Use the optional measurement slots for the additional measures per department discretion.
- Departments have space for up to 4 total measures– 2 are required
  - Output
  - Outcome (tied to output)
- 2 are optional
- Remember the link to Marquee Indicators

Step 8: Use the checklist

- Review the final program offer with the six basic checklist questions
  - Does the program offer have measures related to the primary function of the program?
  - Are the measure related to the marquee indicators?
  - Does the program have true outcome measures?
  - Can the average reader understand what the program accomplishes numerically?
  - Are data missing in the table? If so, are reasons noted in the explanatory section?
  - Did the program meet or exceed its targets? If not, are reasons noted in the explanatory section?

Step 8: Use the checklist

- Make any revisions as needed before final submittal.

Tips and tricks

- Don't reinvent the wheel unless it's necessary– SEA, SPB, BNB
- Use industry standard measures or comparable jurisdiction measures
- Depts. w/ similar programs should use the same measures
- Many programs have several activities; the measure should relate to the primary service or result
- Use the best available measures.
- Better to have several measures than only the bare minimum.
- Select measures that are effectible and meaningful.
  - Gives street credibility if not 100% or 0%
  - Consider proxy measures of what the program does may be better indicators of a program's performance.
- Link to the Marquee Indicators

Additional resources

- Bibliography– many books on in BOE library (Manual Appendix B)
- On-line Resources (Manual Appendix C)
- Historical documents and KRM measures available (Budget Office Evaluation)
- Other trainings available– program offer, budget, performance measurement, and web-tools (see schedule on-line)
- Office hours for technical assistance (online Net-Meeting and in-person)

Other Resources

- Budget Office Evaluation Contacts
  - Matt Nice x83364
  - Liang Wu x22336
- Online resources at BOE: http://www.co.multnomah.or.us/dbcs/budget/performance/index.shtml