Priority-Based Budgeting Performance Measurement: Refresher

A techie & manager training to
develop new FY2008 performance measures:
December 2006

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What this training covers

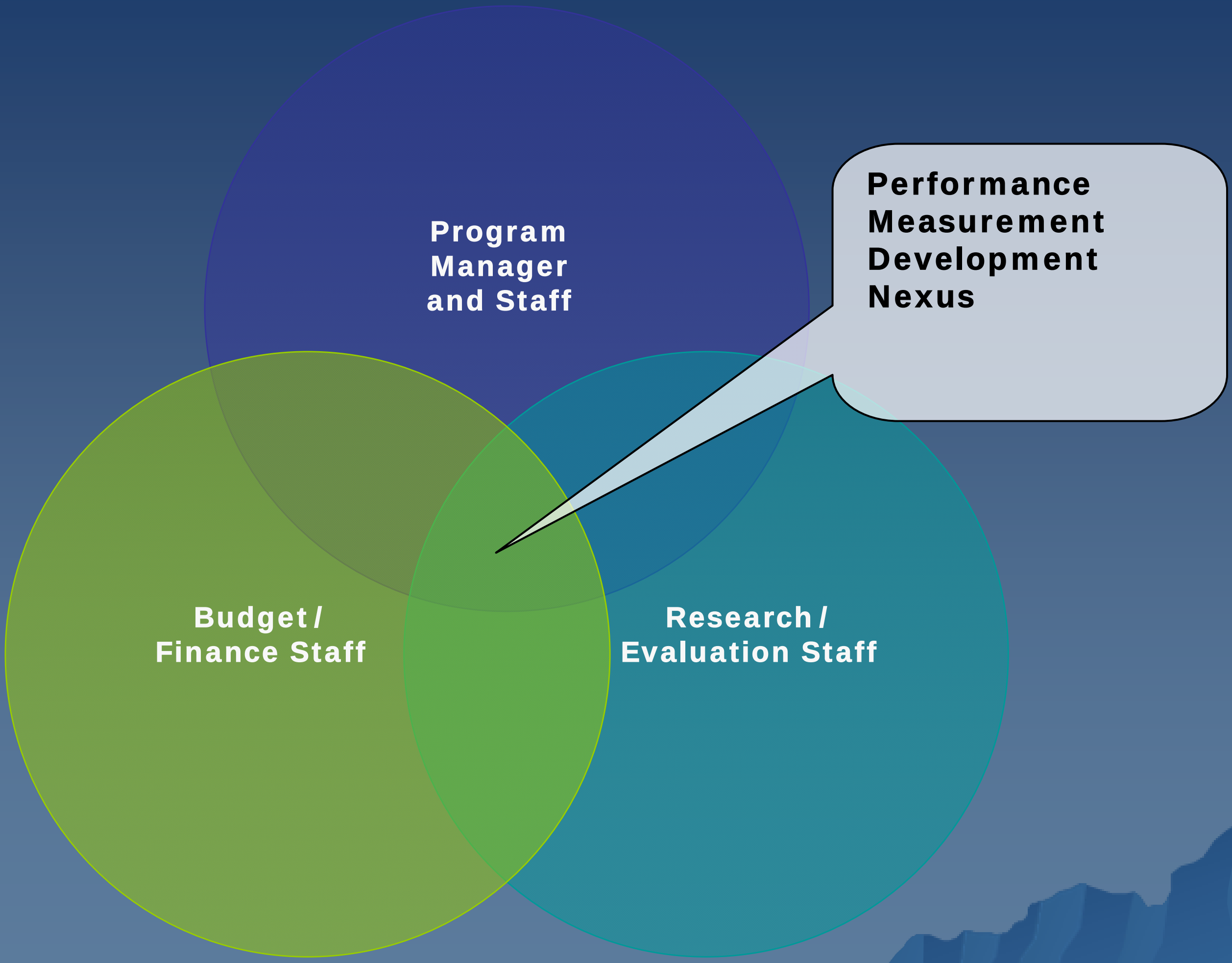
- The steps to developing a program offer's performance measures
- Tips and tricks
- Additional Resources
  - Technical Assistance
  - Calendar
  - What's New
- Training Evaluation

Eight steps to measures

1. 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.
2. Review the program offer description; understand the specific service the program is to deliver.
3. Fill out the program modeling template: identify what services will be delivered, who the primary customers/clients are, and list the program inputs, outputs, outcomes, efficiency, and quality measures
4. Use the Performance Measure Selection template to select the most meaningful measures; Fill out the measurement detail Part 3.
5. 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.
6. Input the performance measures data in the web tool. 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.
7. Use the optional measurement slots for the additional measures per department discretion.
8. Review the final program offer with the basic checklist questions; make any revisions as needed before final submittal.

Step 1: Gather the team

- Gather the appropriate team of program managers and staff, budget and finance staff, research/ evaluation staff



Step 2: Service & population

- Review the program offer description; understand the specific service and population the program is to deliver.
  - Who's served (specific pop)?
    - avoid geographic service distribution
  - What's the specific service doing– trying to achieve?
    - avoid geographic service distribution
  - To whom does it matter most?
  - Unclear populations or services will lead to difficult performance measures
- Review Priority Areas, strategies, the RFOs, and the Marquee Indicators for fit

Step 3: Model the service

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

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 a short-term or 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
- Make sure this is a meaningful outcome—case closed is NOT a meaningful outcome

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? If other departments have similar services, can the same measure be applied universally (e.g., Rx. Tx. Services, call ctrs, case mngt., protective services, etc.)?
  - Understandable-Clear? Would it pass the 'Aunt Edna' test.
  - Perverse Incentives? Might the measure lead to behaviors that reduce quality or outcomes just so the "numbers look good"?
  - Timely and Regular Reporting? The measurements used for developing annual budget must be provided by mid-year. Regular reporting will be a future requirement.
  - Comprehensive? it's best to use a variety of measurement types (e.g., input, output, outcomes, efficiency, quality).
  - Not Redundant? at least one is an output and one an outcome. It is acceptable to have more than one output or outcome measure
  - Sensitive to data collection cost? Many measures are already established and should be considered.
  - Focused on controllable facets of performance?
- Relate to the marquee indicator!!!
- PART 3: Fill out the measurement detail.

Step 4: Document the measure

- PART 3: Fill out the measurement detail for each measure
  - Technical definition that clearly defines the measure,
  - The definition as it appears in the program offer—this is a simplified version of the technical definition,
  - Why use this measure—what does it provide for,
  - Unit of measure the result should be expressed in (e.g., time, numbers, percents, rates, episodes, unique clients, etc.),
  - Data source (i.e., where the data come from) and data calculation method (e.g., the specific criteria, filters and formula),
  - How current year estimates are calculated including steps, data, etc., and
  - Who the data contact person (not necessarily the program contact or program manager) and the date the sheet was filled-out or updated.

Step 5: Retain copies

- Remember to keep copies on file for next year and in case the *Outcome Teams* or others want to review them.
- PART 3: Fill out the measurement detail for every measure reported
  - Part 3 template was updated this year.
- New this year —Independent quality assurance reviews

Step 6: Gather data & submit

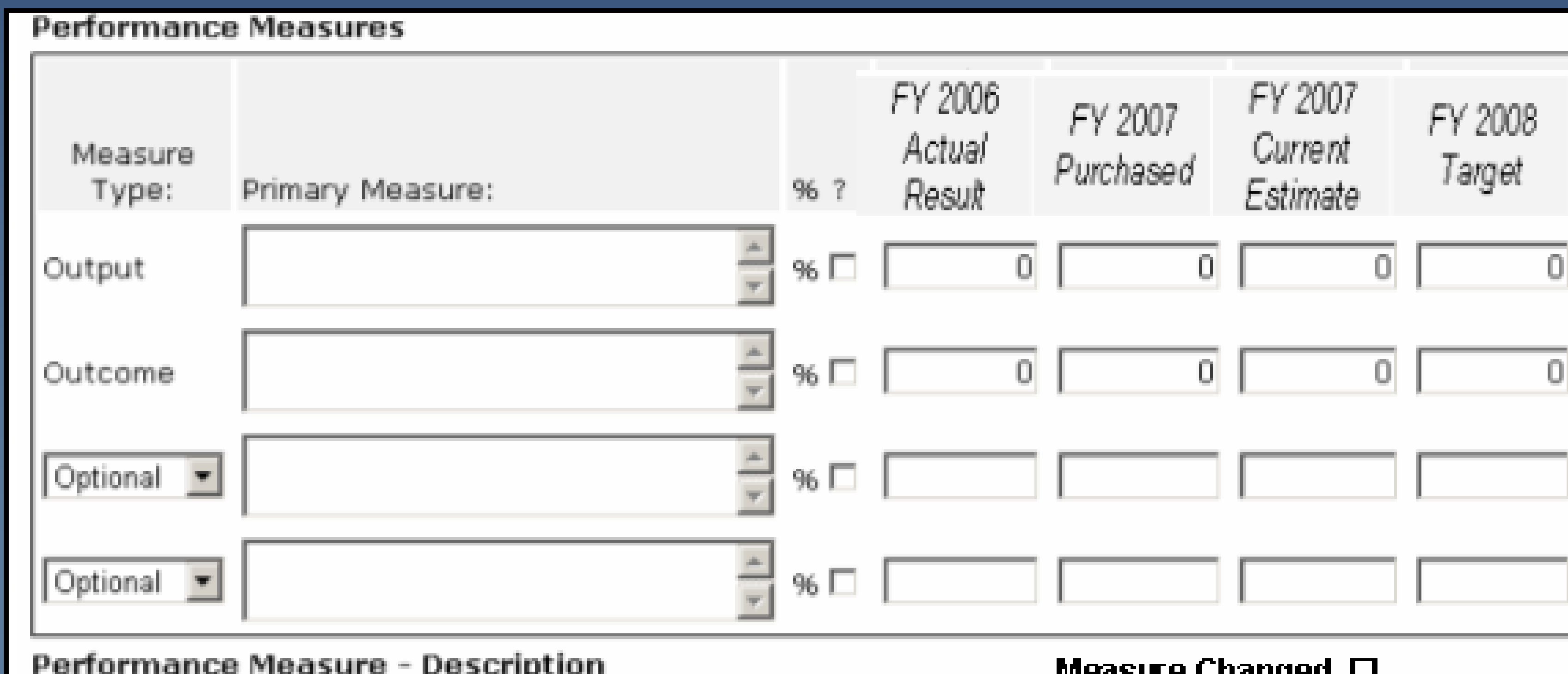
- Gather the data for the time-period
  - *FY 2006 Actual Result (previously Previous Year Actual* result)
  - *FY 2007 Purchased (previously Current Year Purchased* target)
  - *Current Year Estimate*
  - *FY 2008 Target (previously New Year Offer*)
- Scaled offers– what each step contributes

Step 6: Gather data & submit

- Fill the performance measures section of the web tool for the output and outcome measures.
  - For existing programs, all fields should be filled;
  - Innovative/new or substantially redesigned programs or measures may have some blank fields;
  - The *FY 2008 Target* should <u>never</u> be blank.
- 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:	% ?	FY 2006 Actual Result	FY 2007 Purchased	FY 2007 Current Estimate	FY 2008 Target
Output		%	0	0	0	0
Outcome		%	0	0	0	0
Optional		%				
Optional		%				

Performance Measure - Description **Measure Changed**

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)
    - Remember link to Marquee Indicators
  - 2 more spaces available (optional)

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 meaningful 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?

Tips and tricks

- Don’t reinvent the wheel– SEA, SPB, BNB
- Use industry standard measures or comparables if possible
- Similar programs should use the same measures (e.g., Rx. Tx., call centers, protective services investigations, etc.).
- The measure should relate to the primary service or result
- Use the best available measures. Crude measures of the right things are better than precise measures of the wrong things.
- 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.
  - Gives street credibility if not 100%/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 (Appendix B)
- On-line resources (Appendix C)
- BOE historical documents and KRM measures available
- Other trainings available (see calendar)–
  - building program offers,
  - budget rodeos,
  - performance measurement refresher,
  - performance measurement what's new, and
  - web-tool trainings
- Outcome Measure Development Workshops
  - bring your templates
- *Office Hours* for technical assistance

Other

- All of this information is covered in the revised manual
- Budget Office Evaluation staff
  - Matt Nice x83364
  - Liang Wu x22336
  - Sarah Durant x26745
- Online resources at BOE: www.co.multnomah.or.us/budget
- Additional Questions
- Evaluations Please!