

PERFORMANCE MEASUREMENT
DEVELOPMENT SURVEY FOR THE
FY06-07 BUDGET PROCESS

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PERFORMANCE MEASUREMENT DEVELOPMENT SURVEY FOR THE FY06-07 BUDGET PROCESS

EXECUTIVE SUMMARY

The survey was designed to determine what worked and what needed improvement in the performance measurement section of the Priority-Based Budgeting Process. An email survey was sent to key County staff (98) involved in developing the performance measures in the FY06-07 budget. There was a 39% response rate. Respondents were somewhat more likely to be from the Department of County Management and also related more with the Accountability Priority. No respondents identified themselves as either from the District Attorney's Office or the Department of Community Services. Seventy-seven percent attended a performance measurement training; 40% went to at least one "Office Hours" for technical assistance; 87% said that they developed some or all of their department's performance measures; and 64% said they were members of an outcome team.

Overall respondents were satisfied with the level of training and technical assistance (office hours) that were provided. Most also said that the quality of the performance measures was adequate, and a marked improvement over the previous year's efforts. While not assessed for quality, 85% of the 499 adopted program offers had at least one outcome measure.¹

However, there is a perception by staff that neither management nor officials actually utilize the performance measurement data meaningfully. Only about half of respondents felt that performance measures had an effect on their department's operations even though they believed their measures were of good quality and that the data were regularly collected. Furthermore, while the majority felt the performance measures aided the outcome teams in their program rankings, few felt that the performance measures were used by elected officials in the development of either the executive or adopted budgets.

Recommendations include the continuation of annual trainings and Office Hours, and greater focus on meaningful outcomes. Find opportunities to incorporate performance measurement into the organizational language and culture so that staff, management, and officials share a common understanding of the role of performance measurement. Furthermore, the language of performance measurement should be used constantly when discussing programs and often at public hearings. Finally, the organization needs to integrate performance measures in a consistent and on-going management process, and not just as an annual event.

BACKGROUND

The survey was designed to determine what worked and what needed improvement in the performance measurement initiative of the Priority-Based Budgeting Process for next year process. This survey was different from the annual Budget Office survey. An email survey was sent to all relevant County staff involved in developing the performance measures in the budget (98).² A total of 40 responses were returned, with two that were duplicates, for a final count of 38 and a response rate of 39%.

¹ Submitted program offers had a higher percentage which included outcome measures. Rescaling and "savings packages" created program offers existing without outcome measures in the adopted budget.

² Approximately 60% of those emailed were various County management staff.

Demographics of respondents. Several respondent demographic questions were asked to gauge the type of respondent and the involvement level with the budgeting and performance measurement process.

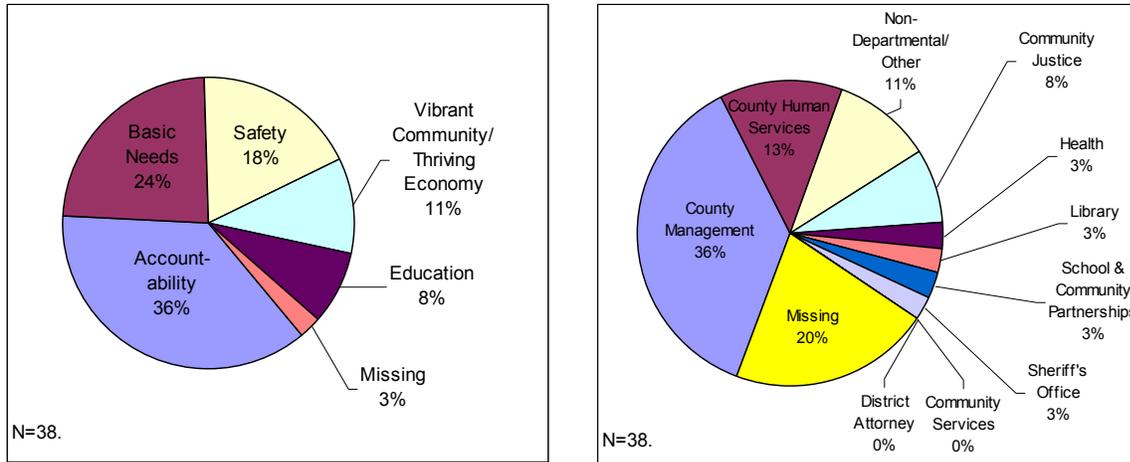


Figure 1. Respondent Demographics

About 37% of respondents were from the Department of County Management, followed by 21% of respondents that choose not to identify their department. No respondents identified themselves as either from the District Attorney’s Office or the Department of Community Services. Of those missing department affiliation, three were associated with Safety, two Basic Needs, and one for Accountability and the Vibrant Community/ Thriving Economy Priorities.

Table 1. Respondent Department by Priority Area Rank Ordered

	Accountability	Basic Needs	Education	Safety	Vibrant Community/Thriving Economy	Total
County Management	10	1	1	1	1	14
County Human Services		5				5
Non-Departmental/ Other	3		1			4
Community Justice				2	1	3
Health		1				1
Library					1	1
School & Community Partnerships			1			1
Sheriff's Office				1		1
Community Services						0
District Attorney						0
Missing	1	2		3	1	7
Total*	14	9	3	7	4	37

*Note, one respondent failed to identify both department and priority area (N=38).

Seventy-seven percent of those who responded attended a performance measurement training. Forty percent of those who responded went to at least one “Office Hours” for technical assistance. Eighty-seven percent said that they developed some or all of their department’s performance measures. Sixty-four percent of those who responded said they were members of an outcome team in the current budget process.

ASSESSING THE COUNTY’S PERFORMANCE MEASURE EFFORTS

A logic model of county-wide performance measurement development begins with the resources (inputs) such as staffing followed by the activities performed. The outputs, such as training manual and templates developed and the number of trainings performed, the number of office hour technical assistance provided, and the number of attendees of both. Outcomes could be listed as short, medium, and long-term outcomes. A short term outcome might be the number of attendees in training that learned how to develop meaningful outcome measures, or the number of office hour visits which resulted in meaningful outcome measures created. Intermediate term outcomes might be the percentage of program offers reporting meaningful outcomes. Ultimately, the long-term, and most meaningful outcome in the development of county-wide performance measurement system, would be the utilization of the performance measures by departments/agencies and policy-makers to make data-based decisions.

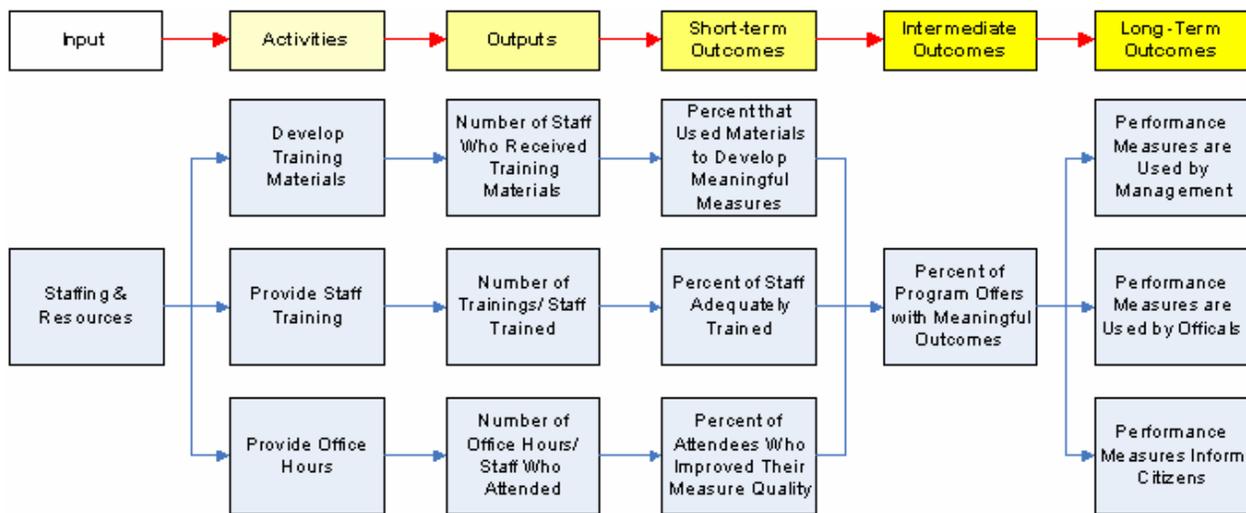


Figure 2. Performance Measurement Development Logic Model

The survey instrument was broken into five sections to assess the efficacy of program offer performance measurement development. The sections were entitled: Training, Office Hours (technical assistance), Quality, Reporting, and Utilization (internal departmental use and Priority-Based Budgeting use). Most sections also included several opportunities for structured feedback, both technical and policy related.

Training. Seventy-seven percent of those who responded attended a performance measurement training. Of those, the majority felt the trainings provided useful information to create meaningful performance measures.³

Table 2. Training Questions Rank Ordered (for those that attended training)

	Strongly Agree	Agree	Disagree	Strongly Disagree	Agreed (%)
The information presented at the training was useful in determining meaningful performance measures.	7	16	3	0	86%
Generally, there were enough training, times and locations to schedule a training.	9	9	6	1	72%

Fifteen respondents provided 19 comments on what should be improved in training for next year. Responses were categorized and reported in ranked order (number of comments):

- provide more specific performance measurement examples (5)
- increase measurement meaningfulness and sophistication (3)
- offer more training times (3)
- provide training earlier in the year (2)
- continue to offer training next year (2)
- publish a frequently asked questions (FAQ) list to the web site (1)

Six respondents also provided comments about what not to change, however these were mostly general positive feedback.

Office Hours. Forty percent of those who responded went to at least one “Office Hours” for technical assistance. Several people attended more than once. Of those who attended, a clear majority felt that the technical assistance offered at the Office Hours had improved the development of their measures. Office Hour accessibility was generally good.

Table 3. “Office Hours” Technical Assistance Rank Ordered (for those that attended)

	Strongly Agree	Agree	Disagree	Strongly Disagree	Agreed (%)
The assistance provided at the Budget Office's Office Hours helped with PM development.	10	4	1	0	93%
Generally, there were enough Budget Office's Office Hours times and locations.	6	6	2	1	80%

Eight respondents provided 9 comments categorized and reported in ranked order (number of comments):

- continue to have office hours in the future (4)
- provide more locations and chances for office hours (2)

³ In addition to this instrument, every training concluded with a 10-item evaluation of the training. It examined the presenter, the information, and the overall usefulness. Those results were not reported herein.

- provide more time for office hours/ schedule appointments (2)
- various other comments (1)

Five respondents also provided comments about what not to change, however these were mostly general positive feedback. One respondent stated that while they did not personally attend the office hours, they saw good results from their staff who attended.

Measurement quality. Examining measurement quality found that collecting and using performance measurement demonstrates good government, and that their department/ agency’s efforts increased over the last year. However, somewhat lower levels of agreement were noted in the clarity of measures reported. More respondent’s felt that their measures were more clearly defined than other agencies’ measures.

Table 4. Measurement Quality Questions Rank Ordered

	Strongly Agree	Agree	Disagree	Strongly Disagree	Agreed (%)
Collecting and using performance measures demonstrates accountability.	15	17	4	0	89%
My department's performance measures improved over last year.	6	23	4	0	88%
I trust the data submitted in my department's performance measures.	11	19	5	1	83%
The type of measures available (input, output, outcome, efficiency, quality) were adequate to describe a program	9	20	6	1	81%
My department's performance measures were clearly defined.	5	21	8	2	72%
Other department's program offers used clearly defined performance measures	2	16	9	2	62%

Twenty respondents provided 25 comments and were categorized and reported in ranked order (number of comments):

- continued and consistent use of performance measures by management—not just a once a year budget exercise (5)
- programs were using ‘outcomes’ that were actually ‘outputs’ (5)
- increase the amount (number of measures) and quality of the data (4)
- difficult to determine a meaningful performance measures for my program (2)
- increase the narrative section size for more explanations/ detail (2)
- increase resources to provide data (IT support and department staff) (2)
- various other comments (5)

Ten respondents also provided comments about what not to change. These were mostly general positive feedback, however several noted that the two measure minimum requirement, of which at least one must be an outcome, should not change in the future.

Measurement reporting. There was high agreement that the performance measure presentation improved over last year, particularly in its organization and presentation. Quality and clarity also showed general improvement over last years efforts, however a large proportion believe that four measures is not enough to outline a program’s performance. Slightly more than half agreed that the utilization of performance measures increased over last year’s effort.

Table 5. Measurement Reporting Questions Rank Ordered

	Strongly Agree	Agree	Disagree	Strongly Disagree	Agreed (%)
The performance measure presentation improved over last year.	14	19	0	0	100%
The performance measure organization improved over last year.	13	19	1	0	97%
The performance measures are presented in a clear table.	8	24	3	0	91%
The performance measure clarity improved over last year.	6	22	5	0	85%
The performance measure quality improved over last year.	6	21	5	0	84%
The web-tool performance measurement section was easy to use.	12	16	7	0	80%
The performance measure ability to convey RESULTS purchased improved over last year.	2	23	7	1	77%
Four measures can adequately outline a program's performance.	4	18	10	4	61%
The performance measure utilization improved over last year.	4	16	12	3	57%

Twelve respondents provided 15 comments and were categorized and reported in ranked order (number of comments):

- make performance measurement a consistent, on-going process—not just an annual event (5)
- performance measurement needs to be talked about in every context and at public hearings (2)
- balance the quality and quantity of data reported—give more space/weight to performance measurement reporting in the program offers (2)
- various other comments (6)

OUTCOMES

An intermediate outcome examines what proportion of program offers included required outcome measures. According to data from the FY06-07 adopted budget, of the 499 program offers, 85% included at least one outcome measure. Several program offers contained more than one outcome measure. It should be noted that the quality or meaningfulness of these measures were not assessed.

Measurement utilization—Internal departmental utilization. Internal measurement utilization focuses on what the department/ agency collects and uses to manage their organizations. The majority of respondents believed their department used quality performance measures and regularly collected the needed data. However, the agreement begins to decline when asked whether the data gets reported regularly. Ultimately only about half of respondents felt that the performance data had an effect on their operations or that performance measurement led to any changes, even though they believed they were good measures and the data were collected.

Table 6. Measurement Utilization Questions Rank Ordered (Internal Departmental Use)

	Strongly Agree	Agree	Disagree	Strongly Disagree	Agreed (%)
My department’s program offers used quality measures.	6	27	3	0	92%
My department regularly collects data on our performance.	12	20	4	0	89%
My department regularly reports data on our performance.	6	22	8	0	78%
The operation of my department is based on our performance data.	3	17	15	1	56%
Performance measures have led to changes in the way my department operates.	4	16	15	1	56%

Measurement utilization—Priority-based budgeting utilization. This section focuses on how the performance measures were perceived to be used by working groups, officials and the public. Seventy-one percent of respondents felt that the measures aided the outcome teams in their ranking. This is the highest level of utilization that the performance measures are perceived to have. This was followed closely in informing citizens of the programs services delivered. This perception of utilization falls dramatically when asked if elected officials are using the performance measurement data in the development of the budget: the Chair’s Executive Budget had only a 28% agreement and the Board’s final adopted budget had 40% agreement.

Table 7. Measurement Utilization Questions Rank Ordered (Priority-Based Budgeting Use)

	Strongly Agree	Agree	Disagree	Strongly Disagree	Agreed (%)
My department program offer’s performance measures aided the outcome team ranking.	3	21	8	2	71%
My department program offer performance measures aid citizens understanding of the services delivered.	0	23	9	2	68%
My department program offer’s performance measures aided elected officials in developing the adopted budget.	2	10	11	7	40%
My department program offer’s performance measures aided the chair in developing the executive budget.	1	7	13	8	28%

DISCUSSION

For performance measures to achieve their outcomes and be utilized throughout the organization, they must continually be assessed for quality and usefulness. As was shown in the results, the foundation appears decent—respondents felt that training and technical assistance were adequate and that in most cases the performance measures were better than the previous year's work. Respondents clearly perceived that the quality of most measures is decent and the data are regularly collected in their department, however, the use of this information by department management and county administration is lacking.

Ultimately the return to performance measurement in Multnomah County and its integration into the Priority-Based Budgeting Process is a massive cultural shift that will take time and continued effort in order to achieve its outcomes. To purchase results in the budgeting process, one must know what those results are. Certainly there is room for improvement, especially in the quality and meaningfulness of the outcome measures. For this to occur, the results from the report herein must actually be used to improve processes next year.

This work identified several findings that can be used to improve the program's performance measures and advance the process in the FY07-08 budget. Recommendations for next year's process include:

1. offering more training and Office Hour times and locations,
2. provide training with a greater focus on the development of more meaningful outcomes,
3. integrate performance measures as part of a consistent and on-going management process, and not just as an annual budget event throughout the organization,
4. incorporate performance measurement language into the organizational culture (e.g., new employee orientation) so that staff, management, and officials share a common understanding of the role of performance measurement,
5. constantly use the language of performance measurement when discussing services, particularly at public hearings.

EVALUATION

This research demonstrates accountability and good government. Appropriate evaluation of program implementation, measurement of results, determination of cost-benefits, and continuous quality improvement are critical to maximizing public resources and making data-driven policy decisions. It took the Budget Office Evaluation staff approximately 14 hours to complete this research. Based on the Budget Office's FY06-07 program offer (#72018A), the fully loaded cost-per-hour averaged \$70.50. This project cost Multnomah County an estimated \$987 to complete. To assure quality, this project was performed in accordance with the American Evaluation Association's *Guiding Principles for Evaluators*.