

The Elements of Performance Measurement Reporting

Categories of performance measures

50. Performance measures consist of three broad categories of indicators—those that measure service efforts, those that measure service accomplishments, and those that relate efforts to accomplishments—and certain explanatory information. Although a clear division cannot be made in all cases among these categories of measures, they are helpful for understanding what a performance indicator is designed to measure. Performance measures should be reported for services the entity is responsible for providing, whether the governmental entity provides the service itself or contracts for it.

a. **Measures of efforts:** Efforts are the amount of financial and nonfinancial resources (in terms of money, material, and so forth) that are put into a program or process. Measures of service efforts also include ratios that compare financial and nonfinancial resources with other measures that may indicate potential demand for services, such as general population, service population, or lane-miles of road.

(1) *Financial information:* This information includes financial measures of expenditures/expenses. These measures include the cost of salaries, employee benefits, materials and supplies, contract services, equipment, and so forth, of providing a service. For example, measures of efforts may include the amount spent for education and the amount spent per full-time-equivalent student; the amount spent on public transit and the amount spent on public transit per commuter; the amount spent on road maintenance and the amount spent per lane-mile of road on road maintenance; and the amount spent for crime investigations and the amount spent per capita on crime investigations.

(2) *Nonfinancial information:*

(a) *Number of personnel:* Because personnel are the major resource for most government agencies, departments, programs, and services, indicators that measure the number of full-time-equivalent employees or employee-hours used in providing a service often are appropriate measures of resources used. These measures have the effect of removing wage, benefit, and cost-of-living differences from the resource inputs, and may facilitate comparisons over time and with other organizations. For example, measures may include the number of teachers in total or per student; the number of road maintenance workers in total or per lane-mile of road; and the number of uniformed officers assigned to crime investigations or the number per capita assigned to crime investigations.

(b) *Other measures:* These may include the amount of equipment (such as number of vehicles) or other capital assets (such as lane-miles of road or acres of park land) used in providing a service.

b. **Measures of accomplishments:** Accomplishment measures report what was provided and achieved with the resources used. There are two types of measures of accomplishments—outputs and outcomes. Outputs measure the quantity of services provided; outcomes measure the results of providing those outputs.

(1) *Output measures:*

(a) *Quantity of a service provided:* These indicators measure the physical quantity of a service provided. For example, measures may include the number of students promoted or graduated; the number of passenger miles provided by public transit; the number of lane-miles of road repaired; and the number of crimes investigated.

(b) *Quantity of a service provided that meets a certain quality requirement:* These indicators measure the physical quantity of a service provided that meets a test of quality. For example, measures may include the percentage of students graduated or promoted who have met a minimum prespecified standard of achievement; the percentage of buses meeting a prespecified on-time standard of achievement; the percentage of lane-miles of road repaired to a certain minimum satisfactory condition; and the percentage of criminal investigations performed that result in the identification of prime suspect. In some cases, meeting a quality requirement may turn an "output" indicator into an "outcome" indicator.

(2) *Outcome measures:*

(a) These indicators measure accomplishments or results that occur (at least partially) because of services provided. Results also include measures of public perceptions of outcomes. For example, measures may include the percentage of students achieving a specified skill-level gain in reading; the percentage of the population being served by public transportation; the percentage of lane-miles of road in excellent, good, or fair condition; and the clearance rate for serious crimes or the percentage of residents rating their neighborhood as safe or very safe.

(b) Outcome measures are particularly useful when presented as comparisons with results from previous years, entity-established targets or goals and objectives, generally accepted norms and standards, other parts of the entity, or other, comparable jurisdictions (both public and private). For example, measures may include 75 percent of the students achieving a specified skill-level gain in reading when the school district's objective is for at least 70 percent of the students to achieve the specified skill-level gain or where 65 percent of the students statewide achieve the specified skill-level gain; 25 percent of the population being served by public transportation when the transit system's objective is to serve at least 35 percent of the population or where the norm for similar transit systems is that 30 percent of the public is being served; 88 percent of the lane-miles of road in excellent, good, or fair condition when the entity's objective is for at least 85 percent of the lane-miles of road to be in excellent, good, or fair condition or where an average of 80 percent of the lane-miles of road were in excellent, good, or fair condition for the previous five years; and 25 percent of serious crimes cleared by indictment when the entity's objective is to clear 35 percent or where the national average is 21 percent.

(c) Sometimes the secondary effects of a service on the recipients, state, or community may be identified and may warrant reporting. These measures include significant indirect consequences, intended or unintended and positive or negative, that occur as a result of providing a service. For example, measures may include a decrease in the unemployment rate in a community as a result of a decrease in the school dropout rate (more students are staying in school and are not looking for employment); a decrease in traffic accidents because of an increase in the percentage of the population using public transit; a decrease in vehicle repair costs because of an increase in the percentage of lane-miles of road in good condition; and an increase in the reported crime rate because a new street patrol system results in a larger percentage of committed crimes being reported. These measures often are difficult to identify and to relate to the actual service being provided. This occurs because of an inability to establish a definite correlation between the secondary effects and the service and because extraneous factors may affect the results.

c. Measures that relate efforts to accomplishments:

(1) Efficiency measures that relate efforts to outputs of services: These indicators measure the resources used or cost (for example, in dollars, employee-hours, or equipment used) per unit of output. They provide information about the production of an output at a given level of resource use and demonstrate an entity's relative efficiency when compared with previous results, internally established goals and objectives, generally accepted norms or standards, or results achieved by similar jurisdictions. For example, measures may include the cost per full-time-equivalent student or the cost per student promoted or graduated; the cost per transit passenger or per passenger-mile; the cost per lane-mile of road repaired in total or repaired to good condition; and the cost per serious crime investigated or per arrest.

(2) Cost–outcome measures that relate efforts to the outcomes or results of services: These measures report the cost per unit of outcome or result. They relate costs and results so that management, elected officials, and the public can begin to assess the value of the services provided by an entity. For example, cost–outcome measures may include the cost per student who achieves a specified skill-level gain in reading; the cost per transit passenger arriving at his or her stop within a specific time schedule; the cost per lane-mile of road improved or maintained in excellent, good, or fair condition; and the cost per serious crime cleared by indictment.

Explanatory information

51. In addition to the preceding categories of performance measures, the elements of performance reporting also include explanatory information. Explanatory information includes both quantitative and narrative information that can help users to understand reported performance measures, assess the entity's performance, and evaluate the significance of underlying factors that may have affected the reported performance.

52. There are two primary types of quantitative explanatory information that can be reported with SEA measures.

a. *Factors substantially outside the control of the entity*, such as environmental and demographic characteristics. For example, measures may include the number of students in families below the poverty level; the density of population in the area where public transit is being provided; the percentage of trucks in vehicle traffic; and the unemployment rate.

b. *Factors over which the entity has significant control*, such as staffing patterns. For example, measures may include the teacher–pupil ratio; the number of buses in service per route–mile; the type of construction used for highways; and the number of police officers per capita.

53. Narrative information provided with performance measures can provide explanations of what the level of performance reported by the measure means, the possible effects that explanatory factors might have on performance, and actions that have been (or are being) taken to change reported performance. Explanations are particularly important when comparisons with other jurisdictions or among similar components within the same jurisdiction are reported. They are also important in conjunction with reporting secondary, unintended effects of a service.