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OFFICE OF GOVERNOR RONNIE MUSGROVE  
INTEROFFICE MEMORANDUM

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**TO:** BOYD  
**FROM:** RILEY  
**SUBJECT:** PERFORMANCE MEASURES  
**DATE:** 6/20/2000  
**CC:** FILE

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Per your request, I have obtained information regarding performance measures. This memo will present some of the issues and principles surrounding performance measures, including examples of such measures.

*Performance Measurement*

The assessment of a governmental entity's performance requires more than information about the acquisition and use of resources. It also needs information about the outputs and outcomes of the services provided and the relationship between the use of resources and those outputs and outcomes. Employing a variety of measures of inputs, outputs and outcomes, measures that relate efforts to accomplishments, and additional explanatory material will assist users of general purpose external financial reports to assess governmental performance more fully.

Performance measurement reporting is tied directly to the concept of managing for results. Performance information is needed for:

- setting goals and objectives
- planning program activities to accomplish these goals and objectives
- allocating resources to programs
- monitoring and evaluating results to determine if progress is being made toward achieving the goals and objectives, and
- modifying program plans to enhance performance.

Performance measures organize information for use by the decision-makers engaged in those activities. Through the measurement, analysis, and evaluation of performance data, public officials can identify ways to maintain or improve the efficiency and effectiveness of activities and provide the public with objective information on their results.

### *Other States' Performance Budgeting Process*

Several other states have adopted performance budgeting, which integrates strategic planning and performance measurement in the budget process. Performance budgeting can enhance financial management in the areas of accountability for program outcomes, an agency's long-term focus and its prioritization of resources.

Virginia's new Performance Budgeting initiative has been selected as a model for the nation by the National Performance Review (NPR), a government reform initiative headed by Vice President Gore. Virginia's Performance Budgeting process was designed to focus on customers and results. Agencies were required to identify the various customers of each service, program or process and assess the expectations that these customers have. This understanding of expectations then guided the agency in specifying the desired results. Once these two tasks were complete, the agency determined the resources needed to achieve these results and to develop a measurement system to monitor accomplishment of them.

Florida is changing the way it funds government programs from a process that emphasizes expenditures to one that emphasizes results. Florida's Government Performance and Accountability Act, passed in 1994, established several reasons for the state's budgeting reform, including: 1) agencies need to be accountable and their mission and goals should be clearly defined; 2) agencies should keep citizens informed of the performance and public benefits of programs; and, 3) agencies need to be more efficient and effective and to restructure ineffective program or eliminate unnecessary programs.

### *Examples of Performance Measures*

Good measures should be directional, in order to confirm that an agency is on track to reach the goals. They should be quantitative to show what has been achieved and how much more is to be done. Performance measures should also be worthwhile, adding more value to an agency's operations than they cost to collect and use.

Performance measures for different programmatic operations/agencies in other states are presented below. These measures focus on the outcomes of a program, i.e., the results of the program.

Florida's Department of Agriculture and Consumer Services: Forest and Resource Protection Program (Note: data presented for 1996-1997 Baseline, 1997-98 Actual and 1999-2000 Standard):

- Number/percentage of acres of protected forest and wildlands not burned by wildfires
- Number/percentage of threatened structures not burned by wildfires
- Number/percentage of State Forest timber producing acres adequately stocked and growing

Florida's Department of Corrections (Note: data presented for FY 98-99 and FY 99-00):  
Custody and Control Program:

- Number of escapes from the secure perimeter of major institutions
- Percentage of random drug tests that are negative
- Percentage of inmates who did not escape when assigned outside a secure perimeter

Florida's Department of Corrections (Note: data presented for FY 98-99 and FY 99-00):  
Community Corrections:

- Offenders who successfully complete supervision/work release (number), but are subsequently recommitted to DOC for committing a new crime within two years (number/percentage)
- Offenders supervised in the community who are ordered by the court to participate in programs, and the percentage of those that participate in programs as required

Virginia's Office of Finance, Department of Planning and Budget (Note: data presented for Base, 1997, 1998 and Target)

- Percentage difference between forecast and actual Medicaid expenditures (18 months out)

Virginia's Office of Health and Human Services, Department for the Aging (Note: data presented for Base, 1997, 1998 and Target)

- Number of units of home delivered meals and congregate meals provided (in thousands)

Virginia's Office of Health and Human Services, Department for the Rights of Virginians with Disabilities (Note: data presented for Base, 1997, 1998 and Target)

- Number of unsolicited formal and informal complaints about agency services
- Percentage of cases resolved in administrative forums

Virginia's Office of Health and Human Services, Department of Medical Assistance Services (Note: data presented for Base, 1997, 1998 and Target)

- Percentage of Medicaid children who are fully immunized by the age of two in accordance with the American Academy of Pediatrics immunization schedule
- Cost per eligible client in all Medicaid programs (dollars)

Virginia's Office of Health and Human Services, Department of Mental Health, Mental Retardation and Substance Abuse Services (Note: data presented for Base, 1997, 1998 and Target)

- Percentage of state hospital discharges readmitted within 30 days of discharge
- Average annual cost of treating a resident in a state mental health facility (\$ in thousands)

Virginia's Office of Natural Resources, Department of Environmental Quality (Note: data presented for Base, 1997, 1998 and Target)

- Percentage of environmental permits meeting statutory standards issued within processing time goals
- Percentage of permitted facilities brought into compliance with applicable federal, state and agency rules, laws and regulations

Virginia's Office of Natural Resources, Marine Resources Commission (Note: data presented for Base, 1997, 1998 and Target)

- Average Joint Permit Application processing time (in days)
- Average number of seafood inspections by marine patrol officers during year

Virginia's Office of Public Safety, Department of State Police (Note: data presented for Base, 1997, 1998 and Target)

- Conviction rate for arrests for driving under the influence
- Number of arrests made by Violent Crime Strike Force
- Conviction rate for narcotics-related arrests

Texas's Department of Commerce (Note: data presented for years ending 1996 and 1997)

- Number of businesses assisted by electronic information dissemination

- Number of job opportunities announced as a result of providing technical assistance and export assistance, trade promotional events and/or trade leads
- Number of jobs retained as a result of providing technical assistance and export assistance, trade promotional events and/or trade leads
- Number of job opportunities announced as a result of Texas Department of Commerce recruitment of out-of-state businesses

The following web sites offer links to the respective state's performance measurements and/or reports:

Florida – [http://www.fcn.state.fl.us/eog/govdocs/gapcomm/bench98/flbench\\_report.htm](http://www.fcn.state.fl.us/eog/govdocs/gapcomm/bench98/flbench_report.htm)

Illinois – <http://www.ioc.state.il.us/office/Project/download.cfm>

Texas - <http://www.lbb.state.tx.us/lbb/members/gaaintro.htm>