MFP Committee #2
April 13, 1998
Worksession

MEMORANDUM REPORT

April 9, 1998

TO: Management and Fiscal Policy Committee

FROM: Karen Orlansky KO, Director
Office of Legislative Oversight

SUBJECT: ***OLO Budget Project: Agency Approaches to Performance and Outcome Measures***

On March 3, the Council amended OLO's FY 98 Work Program to add projects related to the Council's review of agency FY 99 budget requests. This memorandum constitutes the first product related to Budget Project #1, which involves review of the progress made by the agencies (County Government, Montgomery County Public Schools, Montgomery College, M-NCPPC, and Washington Suburban Sanitary Commission) to develop performance and outcome measures.

The terms "performance measure" and "outcomes" often mean different things to different organizations. For purposes of this memorandum, OLO uses the umbrella term "performance/outcome measures" to reference the collection of various quantitative and qualitative data being used by the agencies to track and assess program, agency, and/or community-wide results or accomplishments.

This memorandum is organized into three parts:

- Part I provides a status report on the five agencies' efforts to develop and use performance/outcome measures.
- Part II identifies the program areas that OLO selected for additional analysis related to performance/outcome measures for discussion by the Council Committees during the upcoming FY 99 operating budget worksessions.
- Part III presents issues that OLO recommends the MFP Committee discuss on May 7, which is the scheduled date for the Committee's second worksession on performance measurement/outcomes. In addition, on May 7, OLO will provide the MFP Committee with a summary report of the different Council Committee discussions of performance/outcome measures during the operating budget worksessions.

PART I: AGENCY PROGRESS ON PERFORMANCE/OUTCOME MEASURES

This worksession will mark another in a series of meetings held by the MFP Committee with agency representatives to discuss the development and use of performance/outcome measures. While agency approaches to this task vary, there is a growing consensus that measuring performance and results is critical to making informed decisions about future activities.

The status of each agency's performance/outcome measurement effort is summarized beginning at © 1 (see chart below). The write-up for each agency:

- Summarizes the agency's general approach to developing performance/outcome measures, including definitions of key terms;
- Describes the agency's written products related to performance/outcome measures that the agency produced during the past year; and identifies what performance and outcomes-related data (if any) the agency published in its proposed FY 99 budget document; and
- Presents the agency's future plans for developing performance/outcome measures.

Selected examples of each agency's performance measurement/outcomes work are attached to each agency's summary.

Agency	Agency Summary begins at circle number:
County Government	1
Montgomery County Public Schools	18
Montgomery College	34
Maryland-National Capital Park and Planning Commission (M-NCPPC)	43
Washington Suburban Sanitary Commission (WSSC)	54

OLO's Observations on Agency Progress

Agency Approaches in General. *All five agencies are making a concerted effort to either develop new or improve existing results-oriented management, planning, and/or budget systems. There are some similarities, but also notable differences in how the agencies define and intend to use performance/outcome measures. In sum:*

- County Government is taking a "big picture" approach by defining an outcome to be a condition of well-being in the community. For the County Government, measuring outcomes crosses agency and program lines, and involves both the public and private sectors. While recognizing the value of measuring the timeliness and cost effectiveness of service delivery (the County refers to these as "program measures"), at least for now, the County Government's priority is on the more ambitious task of measuring broader community-wide outcomes. In addition, some County Government departments are in the process of developing their own results-based management systems.

- The Board of Education's efforts to measure MCPS performance revolves around the Success for Every Student Plan, which focuses on student achievement. The Plan, first adopted by the Board in 1992, defines outcome measures as the specific expectations for student achievement in different areas. This year, in addition to updating the Success for Every Student outcomes, MCPS plans to extend the development of outcome measures to the school system's business and instructional support operations.

- At Montgomery College, the Board of Trustees, President, faculty, and staff use outcome measures as part of the College's planning and budgeting process. The College defines an outcome measure as a concise and (generally) measurable indicator which is to be accomplished. The President and Board of Trustees annually approve collegewide and campus-based outcomes. The College also compiles an annual Accountability Report to the Maryland Higher Education Commission, which include data for specific outcome measures.

- At M-NCPPC, both the Montgomery County Park and Planning Department (MCPPD) and Central Administrative Services (CAS) have plans to develop a comprehensive set of performance indicators to use as both a management and budgeting tool. MCPPD is developing a strategic planning framework to guide their performance measurement activities, and plans to re-visit the Department's performance measurement definitions. (To date, MCPPD has defined performance indicator to mean a numeric measure of inputs, outputs, indicators, efficiency or quality measures.) This year, MCPPD plans to pilot the development of performance measures at the division level. CAS' priority is to develop efficiency and effectiveness measures for each major service area.

- The Washington Suburban Sanitary Commission (WSSC)'s outcome measurement effort follows a framework outlined by the American Water Works Association Research Foundation. WSSC defines outcome measure as a means of measuring program results or accomplishments. WSSC defines internal performance measures as those which focus on productivity and costs within the organization, and external performance measures as those which focus on service image and value among customers. WSSC's proposed FY 99 budget includes selected outcome measures for both the administrative and operations branches, with at least one measure from each bureau.

Lead Staff. *The agencies' performance measurement and outcomes efforts are being staffed in different ways. In sum:*

- The Chief Administrative Officer (CAO) provides over all direction for the County Executive's initiative, Montgomery Measures-Up! Each Executive branch department head is responsible for developing program measures within his/her department. In some departments, an individual is assigned to coordinate the development of program measures.

  The CAO has designated a three-member team, an Assistant CAO, the Director of the Office of Management & Budget, and the Chief, Accountability & Customer Service, Department of Health & Human Services, to facilitate the process within the Executive Branch. Dr. Mark Friedman, Director of the Fiscal Policy Institute provided initial consulting and training services to the County. Senior staff from all Executive branch departments attended training on developing performance outcomes in the Fall of 1997.

- MCPS' Department of Educational Accountability (DEA) compiles systemwide data to quantify progress made toward achieving the Success for Every Students outcomes. Working with the Superintendent, DEA produces the annual Success for Every Student report to the Board of Education. DEA also provides progress reports to Executive Staff on the Success for Every Student outcomes throughout the year. DEA is also working with the Office of Global Access Technology to track performance measures for the Global Access Project. The Chief Financial Officer is leading the effort to develop outcomes for the business and instructional support operations of the school system.

- At Montgomery College, the Office of Planning and Institutional Research (OPIR) has lead responsibility for compiling collegewide and campus-based outcomes data for the President and Board of Trustees. OPIR also prepares the College's annual Institutional Performance Accountability Report to the Maryland Higher Education Commission. In addition to OPIR's work, faculty committees develop outcome measures and benchmarks for their respective academic programs and disciplines.

- The Executive Director, M-NCPPC, is leading the Central Administrative Services' effort to develop performance measures. At the Montgomery County Park and Planning Department, the recently hired Chief of Management Services, working under the direction of the Director of Park and Planning, is coordinating the Department's outcome measurement effort. The Chief of Management Services plans to work with each division chief to develop performance measures for each division in the Department.

- At WSSC, the Office of Budget and Financial Planning, under the direction of the General Manager, is coordinating the agency-wide effort to develop and publish workload data and outcome measures. Individual bureau chiefs are responsible for developing outcome and activity measures for their own activities. The Office of Budget and Financial Planning staff are providing technical assistance to the bureau chiefs throughout the process.

Connection to the Budget Process. *The integration of performance measures/outcomes and the FY 99 budget process varied across the agencies. Specific examples are provided in the attachments to the agency summaries. In sum:*

- The County Executive's FY 99 operating budget message references the County Government's initiative to measure community-wide outcomes, and cites the selection of Young People Making Smart Choices as an example of the Executive's continued priority of children and youth. The Department of Health and Human Services is issuing a separate report on its departmental effort to produce outcome and program measures. The County Government's budget document includes a description of DHHS' outcomes work along with program (i.e., workload) indicators for most departments.

- MCPS publishes its annual progress report on the Success for Every Student outcomes in December. As part of the annual budget process, MCPS department directors are required to develop written strategies to support the goals outlined in the Success for Every Student Plan. The Board's FY 99 recommended budget includes summary cost and program data, and publishes the specific Success for Every Student strategies for each department.

- The College's Institutional Performance Accountability Report is submitted to the Maryland Higher Education Commission in June of each year. The College's annual planning and budget process begins with review of collegewide and campus-based goals, objectives, and outcome measures. Although it is not published as part of the proposed College budget, individual College units must develop outcome measures and benchmarks in their unit budget plans that support these collegewide and campus-based goals.

- The Planning Board Chair's budget message emphasizes the Commission's support for continuous efforts to achieve productivity improvements, which include benchmarking and studying best practices in other entities. The Commission's proposed FY 99 budget displays groups of two or three performance indicators for selected units within each division; most of these are workload data except that the Parks Department also presents some maintenance standards.

- WSSC staff report that the activity and outcomes data were used for some agency decision-making during the FY 99 budget development process. This year, the General Manager required all bureau chiefs to develop activity measures and three to five outcomes measures for their respective operations. WSSC's published FY 99 proposed budget includes a separate section on outcomes.

PART II: SUMMARY OF PROGRAM AREAS SELECTED FOR ADDITIONAL PERFORMANCE MEASURES/OUTCOMES DISCUSSION

OLO selected a number of topics for additional analysis related to performance measures and outcomes. For each topic, OLO will prepare separate memorandums that will be integrated into Council analyst's packets for Committee discussion during the upcoming FY 99 operating budget worksessions.

OLO selected this range of topics (listed in the table on the next page) with the following objectives:

- To provide a forum with different Council Committees for discussion of performance measures, outcomes and the budget process;

- To better understand the approaches being taken by the five major County and bi-County agencies to measure results;

- To focus on program areas with substantial annual budgets; and

- To select several programs for which there are published examples of performance/outcome measures from other local government jurisdictions.

Agency	Department/Program	Council Committee
County Government	Department of Health and Human Services	HHS
County Government	Fleet Management, DPWT	T&E
County Government	Department of Police (scope of work to be determined)	Public Safety
MCPS	"Success for Every Student"	Education
Montgomery College	Collegewide and campus based measures	Education
WSSC	Agencywide and bureau-level measures	T&E
M-NCPPC	Parks Operations - Maintenance	PHED

In addition, for County Government departments with annual operating budgets of $10 million or more, OLO requested answers to five standard questions concerning progress to date on department-level program measures and outcomes. OLO will compile the responses to these questions as part of our report back to the MFP Committee on May 7.

PART III: ISSUES FOR COMMITTEE DISCUSSION ON MAY 7

Attached (beginning at © 66) are three excerpts concerning performance and outcome measurement in the public sector. The first two articles come from a 1996 book, Organizational Performance and Measurement in the Public Sector, and the third is from a January 1998 report by the Panel on Improving Government Performance.

- In the first article (© 66), Arie Halachmi and Geert Bouckaert define performance measurement, discuss the criteria of a good performance measurement system, and identify the potential different uses and users of performance measurement.

- In the second article (© 71), Harry Hatry identifies problems that governments must address for successful implementation of performance measurement, and articulates common misperceptions and the "considerable danger of overexpectation" regarding what performance measurement can accomplish.

- In the third article (© 74), the National Academy of Public Administration's Panel on Improving Government Performance summarizes key points considered necessary for successful implementation of the Government Performance and Results Act (GPRA) at the federal government level.

These excerpts recognize the considerable benefits to be gained from the use of performance measurement in the public sector, but also identify many issues that must be addressed in order to implement successful systems. For example, Halachmi and Bouckaert observe that a performance measurement system can be:

⇒ An oversight tool used by the legislature or by various staff functions of the executive branch;

⇒ A budget decision tool, used to determine where to allocate scarce funds to achieve the greatest impact;

⇒ A management tool used by senior managers to fine tune an agency through corrective measures or to provide front line managers with feedback about their performance;

⇒ A planning tool that provides information by suggesting which operations need to be re-engineered to be more effective and efficient.

⇒ A communication tool that informs clients of the level of service achieved; and

⇒ A feedback tool that allows clients an opportunity to indicate how services meet or do not meet their needs.

The authors conclude that, "Given the many, and possibly conflicting, purposes performance measurement systems could serve, designing a system that meets the needs of all possible users is likely to be impossible."

OLO recommends that the MFP Committee use the May 7 worksession to discuss the issues raised in these articles and to clarify the Committee's position on the Council's needs, wants, and expectations concerning performance and outcome measures. OLO proposes the following specific questions for Committee discussion:

1. How do Councilmembers see using performance and outcomes measures to assist with the Council's legislative, budgetary, and oversight responsibilities?

2. What criteria do Councilmembers have for "useful" performance and outcomes measures?

3. What role should the Legislative Branch play in the process of identifying agency, inter-agency, and/or community-wide performance and outcomes measures?

4. Does it make sense for the Council Committees to review performance/outcomes data as part of the annual budget process or would it be more useful for the Council to conduct its review according to an off-budget cycle?

5. Is the Council willing to provide agencies with additional funds explicitly for the purpose of developing outcomes data or does the Council view the development of these data as something for which the cost should be "absorbed" by existing staff?

6. To what extent is it important to the Council for all five agencies to adhere to a common approach and common definitions?

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County Government

A. General Approach

The County Government's work to produce results-oriented performance measures consists of an inter-agency initiative called "Montgomery Measures Up!" as well as an effort to develop outcome and programs measures for individual departments.

Montgomery Measures Up! The County Government initiated Montgomery Measures Up! to measure progress toward achieving community-wide outcomes. According to County staff, Montgomery Measures Up! looks at the big picture across all County agencies and not just department-by-department. County staff believe that Montgomery Measures Up! represents a fundamental shift in thinking and planning within government because:

- it allows us to step back and look at what we are trying to achieve, the result we are seeking, and then decide the best way to achieve that result;
- it is data driven and focuses on results, not process;
- it promotes teamwork both within the government and the community; and
- it recognizes that all significant achievements are the result of government and community working together.

Montgomery Measures Up! follows the approach presented by Mark Friedman from the Fiscal Policy Studies Institute in "Developing and Using Performance Measures, A Step by Step Process." Mark Friedman provided training for all Executive branch department heads and key staff in September and October of 1997. Montgomery Measures Up! adopts the following working definitions:

Outcome: A condition of well-being in the community. This measure crosses over agency and program lines and public and private sectors. Examples: Young People Making Smart Choices, safe communities.

Indicator: A measure, for which data is available, that helps quantify achievement of a result. Example: rate of high school graduation, crime rate.

Program Measure: A measure of how well a specific department, division, or program service delivery is working. This measure addresses matters of timeliness, cost-effectiveness and compliance with standards. Examples: child abuse investigations initiated within 24 hours, police response time.

The County Government selected "Young People Making Smart Choices" as the first community-wide outcome to measure. The product from this effort is described below.

Individual Department Initiatives. Individual County Government departments and offices are at different stages of developing department-level outcomes and program measures. The Department of Health and Human Services has been working for several years on a comprehensive community-based effort to develop outcomes for the delivery of health and human services in the County. DHHS expects to publish a separate report on DHHS outcomes in April 1998.

OLO is compiling a status report on the progress made by all County Departments with annual operating budgets of at least $10 million. This information will be provided to individual Council Committees and summarized in a report back to the MFP Committee on May 7.

B. FY 98 Products

Montgomery Measures Up!. In March 1998, the County Government published its first "Montgomery Measures Up!" report. This report explains the County's general approach to measuring outcomes, and presents the results of the community-wide outcome of "Young People Making Smart Choices."

Nine County departments and offices worked jointly on Young People Making Smart Choices: the Department of Health and Human Services; Department of Police; Department of Recreation; Department of Public Libraries; Office of the Board of License Commissioners; Interagency Coordinating Board for Community Use of Public Facilities; Volunteer and Community Service Center; Office of Management and Budget; and Office of Human Resources.

The County proposes seven community-wide Indicators to quantify progress toward the outcome Young People Making Smart Choices. These include: rate of births to teen mothers; percent of 8th graders who smoke cigarettes; and rate of juvenile arrests for violent crimes. For each indicator, the report addresses four questions:

- What does this indicator measure?
- Why is this indicator important?
- Where are we now?
- What have we done so far?

Attached at © 5 is an example of information presented for one of the indicators, Percent of Eighth Graders Who Use Marijuana.

The second part of the report focuses on ten County-funded programs that share the common outcome of Young People Making Smart Choices. For each of these programs (e.g., Teen Court, Police Activities League Recreation Center, Youth Basketball), the report presents the program's goal(s); one to five program measures, a trend analysis, and a discussion of "what works." Each program discussion concludes with a recommended strategy and listing of government programs and private/non-profit organizations who contribute to the outcome. Attached at © 7 is an example of program measures for Teen Court.

The final chapter of the report identifies areas for improving data collection and reporting of community-wide indicators. The report states that a list of issues involving program measure data is in process of being developed.

Executive's Recommended FY 99 Operating Budget. The Executive's budget message references Montgomery Measures Up!; the overview to the Department of Health and Human Services budget describes DHHS' outcomes measures effort (described in more detail below); and for most departments, the budget publishes a list of "Program Indicators."

The budget document defines **Program Indicators** as "numerical data relating to program participants, levels or service, and other relevant measures of program use, efficiency or performance." Examples of program indicators published in the FY 99 budget document are: calls for service, traffic citations issued, and number of dog licenses issued (Police Department); trees pruned, signs installed/replaced, envelopes addressed (Department of Public Works and Transportation); and property tax bills mailed, vehicle accident frequency rate, and percent of paychecks requiring adjustment or re-issue (Department of Finance).

The introduction to DHHS' proposed FY 99 budget chapter describes the Department's effort to identify outcomes, indicators, goals, and program measures for the delivery of health and human services in the County. The budget document includes a summary list of Community Outcomes and Indicators, and presents two examples of the Department's program measure effort. (See © 10 for excerpt.) As indicated above, DHHS plans to publish a separate report on DHHS outcomes and program measures in April.

Future Plans

In the next year, the County Government plans to refine the measures identified for the outcome of Young People Making Smart Choices and in particular, to expand the community component. The County also plans to identify several other community-wide outcomes and develop indicators and related program measures. In addition, efforts to develop outcomes, indicators, and program measures for individual departments will continue in FY 99.

The County Government also plans to appoint a Standards Board. This Board will be responsible for approving the technical soundness of outcome indicators, program measures, and related data management systems. Membership on the Board is not yet decided.

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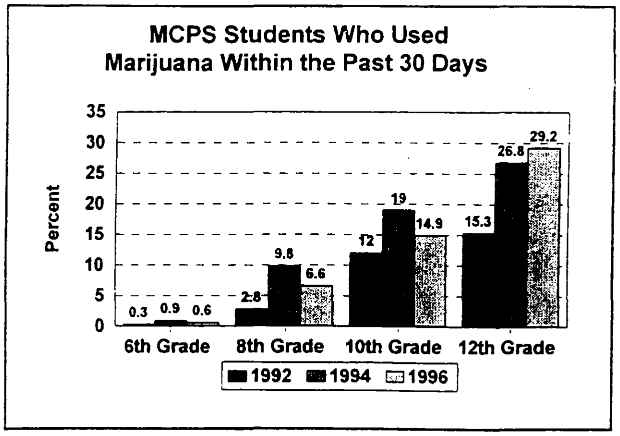
OUTCOME: Young People Making Smart Choices

INDICATOR: Percent of Eighth Graders Who Use Marijuana



WHAT DOES THIS INDICATOR MEASURE?

This indicator measures the percent of eighth graders in public schools who reported using marijuana within the past 30 days. Figures are from the biannual Maryland State Department of Education's Maryland Adolescent Survey, which surveys a sample of students in sixth, eighth, tenth and twelfth grades about cigarette, alcohol and drug use. Usage among eighth graders was selected because it is hoped that early prevention will prevent marijuana use at later ages.

WHY IS THIS INDICATOR IMPORTANT?

Not only is marijuana use illegal, but it can also become addictive and result in long-term neurological impairment. Some young marijuana users move to using harder drugs as they become older. Marijuana use appears to be much more prevalent among youths than among adults, based on reports of drugs used by county residents admitted to addiction treatment facilities. In 1997, 92% of juveniles admitted for treatment reported using marijuana, compared to 27% of adults admitted to treatment. More adults than juveniles appear to use cocaine, reported by 43% of adults admitted for treatment compared to 11% of juveniles.

WHERE ARE WE NOW?

Marijuana use among eighth graders increased from 2.8% in 1992 to 9.8% in 1994, and then dropped in 1996 to 6.6%. Decline in marijuana use was also reported by sixth and tenth graders. Among twelfth graders, however, marijuana use increased from 26.8% in 1994 to 29.2% in 1996.

Data for the three years from 1992 to 1996 show the increase in usage as adolescents age. In 1992 only 0.3% of sixth graders reported using marijuana within the past 30 days. Two years later, as eighth graders, 9.8% reported marijuana use in the past 30 days. Two years later, as tenth graders the percentage increased to 14.9%, increasing to 29.2% by twelfth grade. Between sixth and twelfth grade, the percentage of students who smoke marijuana increased from 0.3% to 29.2%.

Thus, it is important that the Montgomery County community slow the rapid escalation of drug use as children get older and encounter more and more drug use among their peers.

WHAT HAVE WE DONE SO FAR?

Montgomery County school officials attribute the drop in marijuana use reported in the 1996 survey to three major factors. First, the Montgomery Student Assistance Program, which provides student assistance teams for early intervention with students and their families, has been implemented in every middle school. These teams collect data on student difficulties or behaviors that may indicate drug abuse, notify the parents, express their concern and let them know what help is available. One step the family can take is to schedule an assessment to determine if there really is a problem. Second, the Montgomery County Department of Police has implemented a Community Outreach Program for alcohol and other drug abuse prevention in every middle school. Third, efforts to assure the full implementation in middle schools of the health curriculum, which includes substance abuse education, have resulted in more schools providing substance abuse education.

SOURCES

Maryland State Department of Education, *Maryland Adolescent Surveys, 1990-1996.*

Montgomery County Drug Epidemiology Network, *Trends in Alcohol, Tobacco and Other Drug Use, 1997 (draft)*

Rita Rumbaugh, Coordinator of Safe and Drug Free Schools, MCPS

OUTCOME: Young People Making Smart Choices

GOAL: To reduce the incidence of juvenile crime To prevent the development of violent juvenile crime

TEEN COURT

Teen Court is a diversion program for youth who have committed crimes, such as shoplifting, possession of alcohol and other misdemeanor offenses. A teen jury and adult judge hear cases and determine sentencing, which may include counseling, community service or service on the teen court. Teen Court is a collaborative effort of the Police Department (MCPD), the State's Attorney's Office, Public Defender's Office, Juvenile Court and the Department of Juvenile Justice (DJJ).

PROGRAM MEASURES

1. Percent of juveniles who qualify for Teen Court who consent to participation
2. Percent of juvenile offenders who are sent to Teen Court who complete their sentences
3. Percent of juvenile offenders who complete the Teen Court sentence and become repeat offenders

Teen Court is a new program and will be establishing baselines for the above measures. To measure the effectiveness of Teen Court, the re-offense rate for first-time offenders sent to Teen Court will be compared to similar offenders who do not go to Teen Court.

TREND ANALYSIS

The process of arresting juveniles, as mandated by law, differs from and is more complex than the guidelines used for adults. According to MCPD data, juvenile arrests for less serious crimes (thefts/shoplifting, vandalism, simple assault) declined by 10.6% between 1990 and 1996. Arrests for more serious crimes (murder, rape, robbery) declined by 34.3%. But only about half the juveniles who are caught offending are physically arrested; the other half are sent to the Department of Juvenile Justice for processing. Between 1993-1996, DJJ intakes increased by 44.3%. This data suggest that juvenile crime is increasing.

Montgomery County's Teen Court began in 1997. The teen offender comes before the Teen Court having acknowledged guilt. During the court session, a teen defense and prosecution attorney present the case to the teen jury and the adult judge. The teen jury decides a constructive sentence for the offender. For those offenders who complete their sentence, a Successful Completion report is sent to the pertinent agencies. Those who do not complete their sentence or who reject the teen jury sentence are returned to the referring agency for prosecution.

As of the end of October 1997, 150 teens have appeared before Teen Court of Montgomery County with all but five completing the court's sentence. It is too soon to know how many of these teens will go on to re-offend.

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WHAT WORKS

As juvenile crime has increased, citizens and authorities have begun to look for long lasting, effective answers to stem the tide of juvenile crime. Reaching young people who have committed crimes before they become hardened criminals is an essential step in reversing the trend and the first step in restorative justice. According to Wilson and Howell[1], juvenile justice professionals have reached a consensus that a comprehensive system of graduated sanctions based upon a set of core principles is the most effective strategy for reducing juvenile crime. The core principles are:

- immediate sanctions within the community for first-time, nonviolent offenders
- intermediate sanctions within the community for more serious offenders
- secure care programs for the most violent offenders

The literature on the characteristics of effective programs suggests that successful programs for delinquent youth have the following features[2]:

- opportunities for success and development of a positive self-image
- youth bonding to pro-social adults and institutions
- frequent, timely and accurate feedback for behavior
- reduced influence of negative role models

Teen courts have been cited[3] as promising immediate sanction programs. Teen courts contain several elements associated with effective graduated sanction programs–e.g., timely and accurate feedback for behavior, opportunities for success and contact with pro-social peers and adults. In addition, they have been judged to be effective interventions by officials in the jurisdictions where they have been implemented.[4]

The teen court model contains several features that mitigate risk factors for developing chronic, criminal behavior[5]. First, the community sends a clear message to first time offenders that such behavior is unacceptable, and peers reinforce that message. Second, the process offers young people the opportunity to explore adult roles that might be options for future careers. Finally, young people participate in a process that teaches them decision-making skills and their decisions are validated by adults.

STRATEGY

During FY 99, Teen Court of Montgomery County will set in place a system to measure its effectiveness in reducing the rate at which first time offenders go on to re-offend.

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[1] Howell, J.C., Ed. (1995). *Guide for Implementing the Comprehensive Strategy for Serious, Violent, and Chronic Juvenile Offenders*: Research and Program Develonment Division, Office of Juvenile Justice and Delinquency Prevention: Washington DC.

[2] Greenwood, P., and Zimring, F. (1985). *One More Chance: The Pursuit of Promising Intervention Strategies for Chronic Juvenile Offenders*. Santa Monica, CA: RAND Corporation. 140

[3] Hawkins, J.D.; Catalano, R.F. (1993) *Communities that Care: Risk and Protective Factor-Focused Prevention Using the Social Development Strategy. An Approuch to Reducing Adolescent Problem Behaviors*. Development Research and Programs, Inc.: Seattle, WA.

[4] Ibid.

[5] Allen, J.P., Philliber, S., Herrling, S., Kuperminc, G.P. (1977). Preventing teen pregnancy and academic failure: Experimental evaluation of a developmentally based approach. *Child Development*. 64, 729-742.

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COORDINATION OF EFFORTS

Teen Court is a collaborative effort of the Montgomery County Police Department, The State's Attorney's Office, the Public Defenders Office, Juvenile Court, and the Department of Juvenile Justice.

LEAD COUNTY DEPARTMENTS AND AGENCIES	*OTHER LEAD GOVERNMENT AGENCIES*
MONTGOMERY COUNTY POLICE DEPARTMENT	DISTRICT COURT OF MARYLAND, JUVENILE DIVISION
	DISTRICT COURT OF MARYLAND, OFFICE OF THE PUBLIC DEFENDER
	OFFICE OF THE STATE'S ATTORNEY
	STATE DEPARTMENT OF JUVENILE JUSTICE

Other partners who contribute to the outcome:

OTHER COUNTY DEPARTMENTS OR AGENCIES	*OTHER GOVERNMENT AGENCIES/DEPARTMENTS*	*OTHER PARTNERS*
Montgomery County Public Schools		Americorps
		District Court judges
		Volunteers
		Montgomery County Bar Association

9

Health and Human Services
Community Outcomes and Indicators

✰ SAFE ✰

Safe and Stable Families

- Incidence of reported child abuse and neglect
- Incidence of juveniles who run away from home
- Incidence of reported spouse abuse
- Incidence of reported of elder abuse
- Incidence of reported abuse of adults with disabilities

Safe Communities

- Percent of county residents who are crime victims
- Percent of seniors who have been victims of crime
- Rate of deaths from alcohol-related vehicle crashes

✰ HEALTHY ✰

Healthy Children

- Rate of low birth weight babies
- Rate of infant mortality rate
- Percent of immunized two-year old children

Healthy Adults

- Breast cancer mortality rate
- Lung cancer mortality rate

Healthy Older Adults

Indicators being developed.

Healthy Communities

- Rate of active infection with tuberculosis
- Rate of foodborne diseases and illnesses
- Rate of reported cases of AIDS

✰ SELF-SUFFICIENT ✰

Children Ready for School

Indicators being developed.

Children Succeeding in School

The department will work with MCPS to select appropriate indicators

Young People Making Smart Choices

- Rate of births to teen mothers
- Chlamydia infection rate among adolescents
- Percent of eighth graders who smoke cigarettes
- Percent of eighth graders who use marijuana
- Percent of tenth graders who engage in binge drinking
- Rate of juvenile arrests for nonviolent crimes
- Rate of juvenile arrests for violent crimes

The department will work with MCPS to develop appropriate education indicators such as:

- Attendance rate
- Graduation rate
- Percent of students enrolled in honors and advanced placement courses
- Drug and alcohol suspension rate
- School suspension rate for fighting
- Percent of students completing algebra by the ninth grade

Economically Secure Individuals and Families

- Percent of children living in poverty
- Welfare rate

Adults with Disabilities Participating in the Community

- Percent of youth with disabilities who get jobs or go to college after high school graduation
- Percent of adults with disabilities living in a nursing home

Older Adults Maintaining Independence

- Percent of seniors living in a nursing home
- Percent of seniors who volunteer

DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAM MEASURES

Although listed under the categories of safe, healthy and self-sufficient, programs can contribute to more than one outcome

HHS PROGRAM AND GOAL	PROGRAM MEASURES
SAFE	
Abused and Neglected Children To protect children from abuse and neglect To achieve long-term stability for children who are abused and neglected	• Percent of families whose abuse and/or neglect cases are reopened within one year of receiving protective services • Length of stay for children in temporary out-of-home placements
Child Care Services To support economic self-sufficiency among low and moderate income families	• Amount of child support received by families served by the Working Parents Assistance Program
Partner Abuse Services To increase the safety of victims of domestic violence To reduce violent behavior of abusers	• Percent of victims of domestic violence who establish *safer living conditions* after leaving the family residential shelter • Percent of court referred abusers who report a decrease in abusive behaviors at completion of treatment • Percent of court referred abusers who drop out of treatment
Adult Protection To protect frail elders and adults with disabilities from abuse and neglect	• Percent of frail elders and adults with disabilities who are reported to be victims of repeat allegations of abuse, neglect, self-neglect or financial exploitation within six months of a first report
Adult Foster Care To keep adults who are at risk for neglect, abuse and exploitation safe	• Percent of adults residing in foster care or group homes six and twelve months after placement • Percent of adults at high risk for neglect, abuse, or exploitation, made safer by placement in foster care or group homes
HEALTHY	
Foodborne Diseases and Illnesses To protect the public from foodborne illness	• Rate of reported foodborne diseases per 100,000 population in Montgomery County
Tuberculosis Control To prevent the spread of tuberculosis	• Percent of active TB patients placed on Directly Observed Therapy (DOT) • Percent of clients who complete DOT preventive therapy
Adult Addiction Services To reduce harm to individuals, families, and the community from substance abuse disorders To increase an individual's and family's ability to be self-sufficient	• Percent of clients successfully discharged from treatment • Percent of clients referred from the criminal justice system
SELF-SUFFICIENT	
Conservation Corps To increase school performance, high school graduation, and job acquisition	• Number of GEDs earned by corps members • Reading and math levels • Number of corps members placed in jobs • Number of corps members who return to school
Teen Parenting To ensure the health of babies born to teen parents To reduce teen pregnancy	• Percent of pregnant teens in high school receiving prenatal care in the first trimester • Percent of low birth weight infants born to high school teens • Percent of repeat pregnancies among teens in high schools • Percent of pregnant or parenting teens who complete the current school year and who graduate or receive a GED • Percent of infants born to high school students who have established legal paternity
Juvenile Drug and Alcohol Treatment To increase the percent of young people who successfully complete substance abuse treatment To reduce the percent of young people involved in the juvenile justice system	• Percent of clients who successfully complete treatment • Percent of clients reinvolved in the juvenile justice system at six and twelve months
Service for Homeless Single Adults To help homeless adults become self-sufficient	• Percent of homeless single adults sheltered • Percent of homeless single adults moving toward self-sufficiency through placement in transitional housing • Percent of homeless substance abusing individuals who engage in treatment
Adult Mental Health To increase stability for people with mental illness	• Percent of clients hospitalized in psychiatric facilities
Temporary Cash Assistance To increase employment for recipients and applicants To decrease cost per recipient	• Percent of welfare *recipients* who become employed • Percent of welfare *applicants* who become employed • Average monthly benefit cost per welfare recipient household

OUTCOME: Safe and Stable Families

GOALS: ***To protect children from abuse and neglect***
To achieve long term stability for children who are abused or neglected

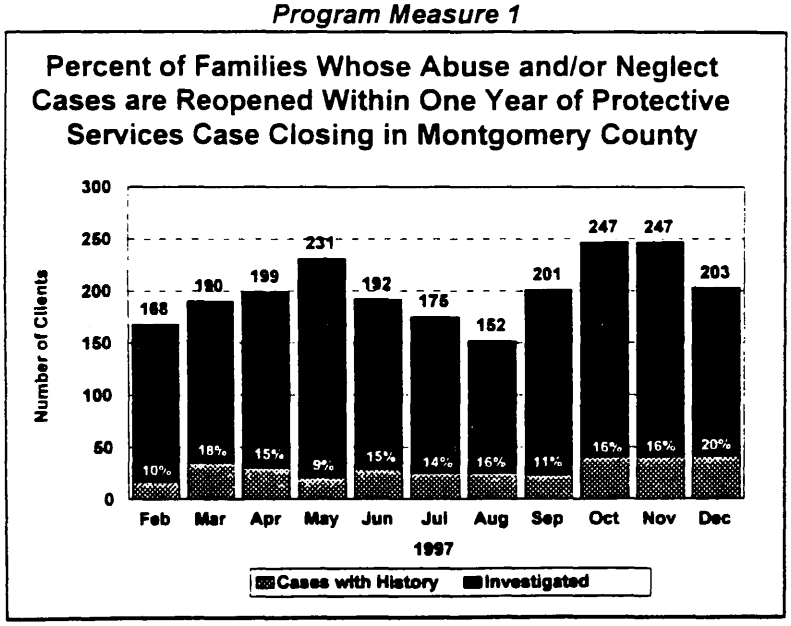
ABUSED AND NEGLECTED CHILDREN

Mandated by law to respond to reports of child abuse and neglect, the Department provides prevention, protective and remedial services for children referred and for their families, foster parents and adoptive parents. Services include child protective services, child foster care, adoption, in-home aide services and intensive short-term family preservation services to families with children at risk of removal from the home due to neglect or abuse.

PROGRAM MEASURES

1. Percent of families whose abuse and/or neglect cases are reopened within one year of receiving protective services.
2. Length of stay for children in temporary out-of-home placements.

Program Measure 1



Note: The data for Program Measure 1 was not collected prior to February, 1997. The Department will be refining the graph to reflect cases of *confirmed* abuse. The current graph reflects cases *reopened* for *investigation*.

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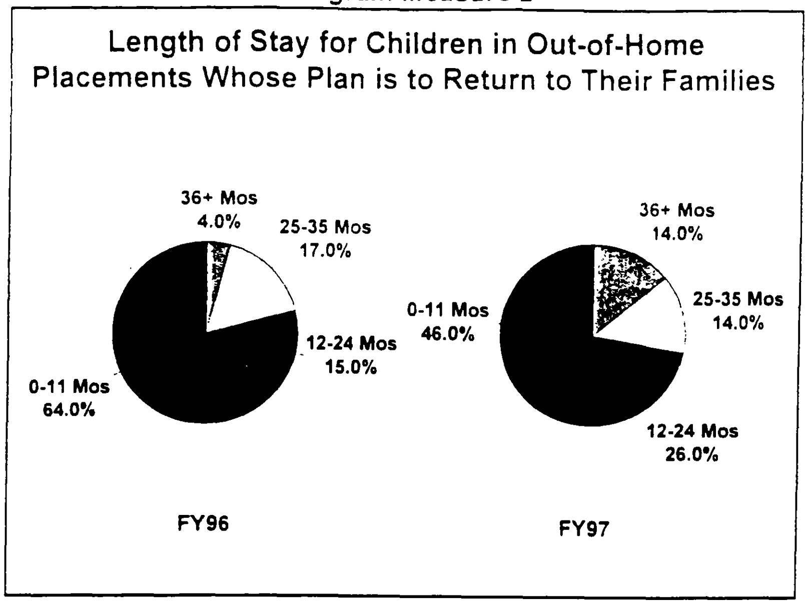
Program Measure 2



Note: The data for Program Measure 2 does not include children who are in an adoption, long-term foster care or independent living plan. It is based on cases open at the end of the fiscal year.

TREND ANALYSIS

The protection of children from maltreatment is one of the most grave responsibilities shared by government and community. Reported cases of child maltreatment have been increasing nationally, and in Montgomery County the incidence of abuse and neglect increased 30% in FY97. Children are entering out-of-home care at a younger age and with more serious problems, resulting from physical, sexual or emotional abuse, alcohol or drug exposure, poverty and homelessness.

In 1997, there were several highly publicized child abuse cases, not only in Montgomery County but also in the surrounding jurisdictions, which resulted in a dramatic 44% increase in referrals to protective services in Montgomery County. To assure that the Department is effectively meeting its child protection responsibilities, Montgomery County initiated an intensive review of local procedures and services.

Program Measure One

This measure monitors the percent of child abuse and neglect cases in Montgomery County which were reopened for *investigation* within one year of the case closing. The Department has refined its data collection techniques so, from now on, it can track cases where the abuse or neglect is *confirmed* in reopened cases. The Department will monitor this measure quarterly to determine whether children leaving the system remain safe. Success in this measure reflects whether services were effective and whether adequate family and community supports are in place to ensure the child's safety.

Program Measure Two

Local data for this measure is only available for 1996 and 1997. The graph shows that in Montgomery County, the percentage of children who have been in out-of-home placement for more than two years has increased from 21% to 28%, between 1996 and 1997, with those in placement for more than three years increasing from 4% to 14 %. Success in this measure is to reduce the length of stay in out-of-home placement without compromising the health and safety of the child, thus contributing to stability for the child. Successfully improving this measure is also partially dependent upon court decisions and legislative action regarding parental rights.

WHAT WORKS

To protect children from abuse and neglect and to achieve long-term stability for children who are abused and neglected requires: 1) a broad view of the problem, 2) family preservation services, 3) permanency planning and support services, 4) assessing the well-being of the child.

A Broad View of the Problem

Recent research views the issue broadly in terms of strengths and weaknesses in both the family and the community. Risk factors, such as substance abuse, domestic violence, mental health problems, homelessness and poverty, are strongly associated with abuse and neglect. Strategies which address these underlying concerns tend to be effective. Child protection requires addressing broader community issues such as community violence, substance abuse, failing neighborhoods and joblessness.

Child safety appears to be most likely to occur when it becomes the priority for the whole community. Strengths such as a strong connection to family and other caring adults, and strong connections to community can serve as protective factors for children. For example, a successful program in Cuyahoga County, Ohio, is building its system around the concept of neighborhood-based foster care. As a result, foster family recruitment has increased 45% and adoptive placements by 200%, while the number of children placed in institutions has been cut in half.

Family Preservation Services

The characteristics that most strongly predict failure in family reunification are a history of failed drug rehabilitation, previous involvement of child protective services, or previous removal of a child because of substance abuse. Family preservation programs attempt to eliminate the underlying causes of family dysfunction.

Essential services include mental health counseling, addiction services, parenting classes and concrete services, such as housing and medical care. Kansas has demonstrated success with its family preservation services, as measured by indicators such as child abuse and neglect incidents and the number of children removed from the home during program participation and within six months of case closure.

In the Montgomery County "Families Now" family preservation model, which provides for intensive, time limited (3 to 9 months) services, caseworkers carry small caseloads and assist families to resolve a variety of difficulties. The pairing of parent aides with social workers is a key component of the service. During FY97 this program served 250 children, only 19 (or 7.6%) of whom required placement in foster care following the provision of services. A newly formed unit that focuses on family reunification served 214 children, 64 (or 30%) of whom were reunited within 9 months of placement or a decision was made to change the plan to adoption. Results are not as successful for those families who require longer term services, frequently with court involvement.

Permanency Planning and Support Services

When children clearly will not be able to return to their families, adoption is often a goal. Support services, such as counseling and respite care, are often needed to provide the support that many families need after adopting a child with special needs. As a result of system changes in Montgomery County, adoptions were finalized for almost 100 children in FY96 and FY97, a 66% increase from about 30 per year in FY94 and FY95.

Assessing the Well-being of Children

In the past, success in working with families was measured by parental compliance with treatment plans and visitation schedules. The measure of success was not child focused. What is missing in the literature and practice is any clear method to track the well-being of the child who comes to the attention of the child welfare system. There has been no consistent or comprehensive way to evaluate the impact of services on the child. This component is essential to determine whether the services are effectively meeting the needs of the child. Until this is addressed, the responsibility for child protection cannot be met effectively.

STRATEGIES

To protect children from abuse and neglect and achieve long-term stability for children served by the program, Child Welfare Services will focus on the following strategies:

Case Assessment

- Ensure that staffing is adequate to meet the demand for investigation
- Implement model protocols for child protection services, including screening, intake, assessment and intervention.
- Strengthen communication and reporting procedures with Montgomery County Public Schools.

Treatment Intervention Strategies

- Provide a mechanism to follow up on cases where abuse/neglect is confirmed but which are closed because they do not meet the State criteria for mandatory continuing services.
- Ensure early intervention with high and imminent risk families, including new mothers and infants at high risk for neglect and out-of-home placement.
- Pilot a substance abuse and mental health prevention model with Head Start families.

- Develop a structured response system for families with substance abuse problems.

Integrated, Community-Based Services

- Provide child welfare services in decentralized locations and integrated with other services.
- Develop strong, community-based mentoring programs.
- Develop neighborhood-based foster and adoptive family recruitment and placement.
- Develop natural community-based supports for families at-risk.

COORDINATION OF EFFORTS

Programs within DHHS that contribute to the outcome:

LEAD PROGRAM

CHILDREN, YOUTH AND FAMILY SERVICES
• **Child Welfare Services**
    • Child Protective Services: Screening, Investigations, Assessment
    • Families Now
    • Parent Aide Services
    • Family Preservation/Systems Reform Initiative
    • Treatment Services: Child Foster Care Services
    • Adoption Services
    • Foster and Adoptive Parent Services

OTHER HHS PROGRAMS

CHILDREN, YOUTH AND FAMILY SERVICES
    • **Child Care**
    • **Infants and Toddlers Program**
    • **Linkages to Learning**
    • **Child and Adolescent Mental Health Services**
    • **School Health Services**

ADULT MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES
    • **Outpatient Addiction Services**
    • **Addiction Services Coordination**
    • **Adult Outpatient Mental Health Services**

CRISIS, INCOME AND VICTIM SERVICES
    • **24-Hour Crisis Center**
    • **Community Outreach**
    • **Prevention and Crisis Intervention**
    • **Public Assistance Benefits Certification**
    • **Rental Assistance**
    • **Shelter Services**
    • **Partner Abuse Services**
    • **Transitional Housing and Services**
    • **Victim Assistance and Sexual Assault Services**

PUBLIC HEALTH SERVICES
    • **Community Health Nursing**
    • **Specialty Medical Evaluations**

Other partners who contribute to the outcome:

OTHER COUNTY DEPARTMENTS OR AGENCIES	OTHER GOVERNMENT AGENCIES/DEPARTMENTS	OTHER PARTNERS
Office of the County Attorney	Maryland State Department of Human Resources	Reginald Lourie Center
Montgomery County Police Department	District Court of Maryland, Juvenile Division	CPC Health
Montgomery County Public Schools	Department of Juvenile Justice	Shady Grove Adventist Hospital /Sexual Abuse Center
Housing Opportunities Commission	State's Attorney's Office	Adult Addiction Services
	Circuit Court of Maryland	Community Ministries/ Friends in Action Program
		Court Appointed Special Advocate Program (CASA)
		Collaboration Council

SOURCES

"Perinatal Substance Abuse: The Impact of Reporting Infants to Child Protective Services" Pediatrics, Nov. 1997, MacMahon, Jr.

"Social Isolation of Neglectful Families: A Review of Social Support Assessment and Intervention Models," Diane DePanfilis, University of Maryland at Baltimore, Child Maltreatment, February 1996.

Kansas SRS Children and Family Services Family Preservation Outcomes Report, July 1, 1996-June 1997, Executive Summary

"Outcome in placements for adoption or long term fostering", Arch Dis Child March 1997, Holloway, J.S.

"Foster care: An Update", Journal of the American Academy of Child and Adolescent Psychiatry, April 1997, Rosenfeld, Pilowsky, Fine, Thorpe, Fein, Simms, Halfon, Irwin, Alfaro, Saletsky, and Nickman.

"Foster Care's Youngest: A Preliminary Report", American Journal of Orthopsychiatry, April 1997, Klee, Kronstadt, Zlotnick et al.

"Effectiveness of Family Preservation Services", Social Work Research, September 1997, Fraser, Nelson, Rivard.

"Risk and Protective Factor-Focused Prevention Using the Social Development Strategy", Developmental Research and Programs, 1993, Hawkins and Catalano

Montgomery County Public Schools

General Approach

The Board of Education's efforts to measure MCPS performance and outcomes revolves around the Success for Every Student Plan. Adopted in January 1992 and updated in April 1994, the Board describes Success for Every Student as "the school system's strategic plan for the advancement of quality education in the Montgomery County Public Schools."

As described in the published introduction to the Success for Every Student Plan:

> The plan provides the detailed framework for a series of systemwide efforts and school and departmental initiatives designed to concentrate attention on the achievement of specific outcome measures. It is a plan involving students, staff and community to improvement the achievement of all students within the Montgomery County Public Schools. Special and critical emphasis is placed upon addressing the needs of low- to average-achieving African American, American Indian, Asian American and Hispanic students, as well as students with limited English proficiency and special needs.

The model for the plan is that success for every student begins with establishing clearly defined student outcomes. The next step is to identify each student who is not achieving those outcomes. This is followed by intervening with appropriate strategies to improve each student's performance and the monitoring of results.

The Success for Every Student Plan uses the following definitions:

> **Outcome measures** are the expected results, meaning the specific expectations of the Success for Every Student Plan among the different achievement areas.
>
> **Benchmark** (as a noun) means a standard or point of reference in judging the quality of the education children receive. Benchmark (as a verb) means comparing MCPS students' achievements and its educational and work processes school-to-school, as well as comparing with other school systems, organizations, and businesses.

The Plan document itself includes the following components:

- **Vision and Goals**: The plan presents MCPS' agency-wide vision statement and four goal statements, which provide the foundation for the overall plan (© 22);

- **Outcomes**: The plan presents 12 specific outcomes (i.e., expectations) for student achievement. The achievement areas are further outlined by State Standards, Local Standards, and Goals for the Improvement of Minority Educational Achievement (© 23);

- **Strategies**: For each of the four major goals, the plan lists detailed actions and tasks to be taken to implement the Success for Every Student Plan. Tasks are assigned to specific units within MCPS and include timeline charts for implementation (An example of these strategies and associated timeline is attached at © 27); and

- **Assessments**: This section of the Plan explains what student performance data MCPS collects annually to measure progress on each of the 12 outcomes.

In September 1997, the Board reaffirmed the vision and four goals contained in the Success for Every Student Plan. Within that context, MCPS staff report that strategic planning activities are currently underway to update and restructure the outcomes and core strategies of the Plan. The Board expects to review and approve the updated strategies by the end of 1998.

Among other things, the Board plans to update the Success for Every Student Plan based on the findings and recommendations from the school systems' Future Search Conference, which was held in September 1996. The conference identified theme areas for the school system to incorporate into strategic planning, e.g., Lifelong Learning, Utilization of Technology, Academic Achievement and Individualized Learning. In-depth reports on each of the theme areas were completed in September 1997.

MCPS staff are also aiming to connect the school system's strategic planning effort to the Malcolm Baldridge Criteria for Performance Excellence. With the support of corporate partners, the MCPS Executive staff completed a self-assessment using the Baldridge Criteria. This exercise produced priorities for Continuous Improvement initiatives in the school system and the realignment of resources under the Deputy Superintendent to coordinate these efforts. In addition, the work being done to update Success for Every Student incorporates the Baldridge Criteria.

MCPS conducts internal benchmarking by comparing student achievement results from school-to-school. The comparison process also involves quantifying the "educational load" challenging each school.

Finally, MCPS continues its participation in a nation-wide school system benchmarking project that was initiated in 1996 by the Wake County Public School System in Raleigh, NC.

FY 98 Products

The Annual Report of Systemwide Outcome Measures: Success for Every Student Plan. This document contains results for each of the 12 Success for Every Student outcomes. MCPS issued the report for the 1996-97 school year in December 1997. A summary of the outcome data from the December report is attached at © 31.

The FY 99 Budget. MCPS' vision statement along with the four goals are published at the beginning of the FY 99 Citizens Budget. The Citizens Budget is reproduced as the first section of the Board's FY 99 proposed operating budget.

The budget documents makes frequent reference to the Success for Every Student Plan. In particular, the budget narrative for every division/department includes a section titled, "FY 1999 Strategies to Achieve Success for Every Student." As examples, the strategies for Elementary Schools and the Division of Transportation are attached at © 32.

Performance Measures for the Global Access Project: Team Report. In May of 1997, the Global Access Performance Measurement Team presented its recommendations for a performance measurement system to monitor and analyze the costs, schedule, and performance of the Global Access Project. The Team, jointly appointed by the County Council and Board of Education, represented a cross-section of the project's stakeholders, including MCPS staff, Council and Executive branch staff, parents and community members.

Future Plans

As indicated above, strategic planning activities are underway to update and restructure the outcomes and core strategies of the Success for Every Student Plan. As part of the update, the current outcomes will be reviewed to determine the extent to which they should be expanded, redefined, or improved to reflect all of the goals of the Plan. To date, the Success for Every Student accountability component includes only outcomes focused on Goals 1 and 2. There are no outcomes that focus on Goals 3 and 4 or for the business and instructional support operations of the school system.

In addition, key results will be added as well as metrics to measure the progress toward the outcome goals. The Board plans to review and approve updated strategies by the end of 1998.

Finally, the Department of Educational Accountability, working with the Office of Global Access Technology, is moving ahead to compile data and report on the priority measures identified by the Global Access Performance Measurement Task Force.

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Montgomery College

General Approach

Montgomery College uses outcome measures as an integral part of the College's planning and budgeting process. The College also reports some outcome-related data to the Maryland Higher Education Commission (MHEC).

The College uses the following definitions:

Objective or Outcome measure is a concise and measurable (generally) statement or indicator which is to be accomplished. MHEC uses the term "indicator" for the same purpose.

Benchmark or **assessment criteria** is the target the College is seeking to achieve for an outcome measure.

Montgomery College's mission statement, approved by the Board of Trustees in 1994, is attached at © 37. The College develops outcomes and benchmarks (that are consistent with the mission statement) for multiple purposes:

Planning and Budgeting: As part of the planning and budgeting process, College faculty and staff have developed collegewide and campus-based goals, objectives and outcome measures, and assessment criteria which have been approved by the President and Board of Trustees.

Priority objectives are established annually. Once they are approved by the President, individual College units must develop outcome measures and benchmarks in their unit plans that support these collegewide and campus-based goals, objectives, and outcomes. On an annual basis, all units must provide a self-assessment of progress made toward achieving the previous year's benchmarks.

Also, as part of the annual budget review process, College staff compile data on "key indicators of College productivity and efficiency." The College tracks key information on staffing, enrollment, and budget patterns along with comparative data on a range of issues. The list of key indicators is attached at © 38.

Evaluation of Academic Programs/Disciplines: Another set of College faculty committees are developing outcome measures and benchmarks for their academic program and discipline. On an annual basis, every College program and discipline is evaluated. Faculty members use the results to improve or eliminate course offerings and programs.

Maryland Higher Education Commission (MHEC) Requirements: The MHEC requires the College to develop benchmarks for specific outcome measures (indicators). The College reports the indicators to the MHEC as part of an annual Institutional Performance Accountability Report. This report also reviews significant trends and provides a self-assessment of Montgomery College's progress towards its stated goals in five areas: quality, effectiveness, access, diversity, and efficiency/allocation of resources.

FY 98 Products

Budgeting and Planning. Each year, the College adopts priority objectives for the upcoming planning and budget process. This document provides guidance to individual College units for development of FY 99 budget requests. It establishes specific priorities and assessment criteria for each priority. For example, one of the FY 99 priority objectives is:

> To increase enrollment through recruitment and retention efforts in Fall, 1998 by five percent over the Fall, 1996 enrollment.

For this priority objective, there are three benchmarks or assessment criteria :

1. Fall 1998 enrollment will reflect an increase of 18% (400 students) in the high school graduate cohort over the Fall 1996 level.
2. Fall 1998 enrollment will reflect an increase of six percent (200 students) in the cohort of new Montgomery County residents aged 20 and above as compared to Fall 1996.
3. Returning students in Fall 1998 will be two percent (200 students) above the number of returning students in Fall 1996.

All unit plans must include objectives that cross reference back to the overall College priorities.

Montgomery College Student Enrollment Profile, Fall 1997. As part of the College's budget review process, staff compile data on key indicators. The Office of Planning and Institutional Research publishes some of these data in an annual Student Enrollment Profile. The Executive Summary from the Student Enrollment Profile published in December 1997 is attached at © 40.

Institutional Performance Accountability Report. As required by the Maryland Higher Education Commission (MHEC), in June 1997, the College submitted its annual Institutional Performance Accountability Report. An excerpt from this report is attached at © 41.

Future Plans

The College plans to continue its current approach to using outcomes and benchmarks as part of the annual planning and budget process. The College will continue to refine and improve the process and specific indicators that are used to measure progress towards achievement of collegewide and campus-based objectives.

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MISSION

Montgomery Community College is a dynamic, open access, public education institution of superior quality instruction which is dedicated to academic excellence and committed to student success.

As a community-oriented, non-residential, multi-campus college, Montgomery Community College offers diversified postsecondary career and transfer educational programs, career training and support services at moderate cost primarily to the residents, businesses and other organizations within Montgomery County. Our credit and non-credit educational programs lead to the realization of diverse goals such as attainment of a two year degree or certificate, transfer to baccalaureate institutions, acquisition or enhancement of occupational skills, and pursuit of general knowledge.

From within our county, we educate students who bring to the College a rich aggregation of ethnicity, race, culture, age, experience and level of preparation. Development of social, cultural and civic values, attainment of basic literacy skills and lifelong learning opportunities are by-products of our College's broad mission and comprehensive curriculum. In recognizing the value of a diverse student population, Montgomery Community College not only provides a variety of programs and support services that foster the personal and professional growth of our students but also strives continuously, at all levels of educational programming, to meet the ever changing needs and interests of the community we serve.

Key Indicators Of College Productivity And Efficiency
Used During The Unit Plan And Budget Review Process

Staffing Patterns

1 Full time/Part Time Faculty Ratio
2. Full-time Equivalent Student per full-time budgeted position (Fall 1993-98) determined collegewide and by each campus for:
   - Faculty Ratio
   - Staff Ratio
   - Administrator Ratio
3. Student Faculty Ratio by campus and by instructional areas on each campus (Fall 1993 and projected to Fall 1999)
4. Percent of Instruction taught by full-time faculty determined collegewide and by each campus (1993 and projected to Fall 1999)
5. Full-time and part-time Instructional ESH determined collegewide, by each campus and by each discipline
6. Number of Positions in Facilities compared to national standards

Enrollment patterns

1. Actual student enrollment (Fall 1991 - Fall 1997)
2. Actual credit hours (Fall 1991 - Fall 1997) determined collegewide and by campus
3. FY 1998 Credit Hour Enrollment Projections
4. Enrollment Projections (FY'99-FY2003) by cohort and by collegewide and by campus)
5. Student Race/Ethnicity (Fall 1991 - Fall 1997)
6. Enrollment of US and non-US citizens (Fall 1991 - Fall 1997)
7. US citizen enrollment by Race/Ethnicity (Fall 1991 - Fall 1997)
8. Non-US citizen enrollment by Race/Ethnicity (Fall 1991 - Fall 1997)
9. Student Enrollment by age (Fall 1991 - Fall 1997)
10. Montgomery County Public Schools - Actual and Anticipated Graduates 1987-2003
11. Enrollment trend by cohort
12. Enrollment trend by discipline and program
13. Student Retention Data (Fall 1992 - Fall 1996)
14. Graduates by program area (FY'94-FY'97) determined collegewide and by campus
15. Graduation percentage (FY'92-FY'97
16. (A Student Enrollment Profile is completed each fall and is also available for use during the review- copy attached)

Budgetary Patterns

1. Discipline Cost Analysis - determined collegewide and by campus and by FTE, direct costs, indirect costs and total costs
2. Trend of expenditures by area (1995-98)
3. Trend of percent of budget by function (1996-98)
4. Trend of percent of budget expended for compensation
5. Trend of revenue by source

NACUBO Comparison

1. Salary and benefits as a % of Total Current Fund
2. Functional Expenditures per Credit FTE
3. Functional Expenditures per Total FTE
4. Full-time Staff and Credit FTES per Employee Category
5. Number of full-time employees by function and full-time employees in each function as a % of total full-time employees
6. Cost per FTES
7. Credit and non-credit FTES
8. Gross Square footage per maintenance staff

Maryland Association of Community Colleges Comparison

1. Dollar Amount Comparison by function and object
2. Expenditures per credit FTE and total FTE by function and object

EXECUTIVE SUMMARY
Fall 1997

- In fall 1997, student enrollment and credit hour enrollment both exceeded the projected figures.
- Collectively, Asian, Black and Hispanic students comprise more than one-half of all students enrolled at Montgomery College.
- Student enrollment continues to be more concentrated in the 18-24 age group and less concentrated in the 30-39 age group.
- In fall 1997, students were more frequently full-time students and less frequently enrolled for one or two courses, compared to last fall.
- The percentage of students enrolled in both day and evening courses increased this fall compared to last year.
- In fall 1997, the percentage of students reporting disabilities continued to increase.
- Montgomery College enrolled slightly more than one-quarter of the recent graduates from Montgomery County Public Schools.
- Four-fifths of all Montgomery County residents that attend MC live in the Upper Region or the Middle region of the County.
- In fall 1997, there are a greater number and higher percentage representation of International students at MC than ever before.
- Takoma Park showed the largest enrollment increase among students with visas.
- About one-half of all students are enrolled in transfer programs.
- Approximately one-half of all students attend MC either to explore a new career or academic area or to prepare for entry into a career.
- Over one-third of all students do not specify a major.
- In English, only 20% of the students tested qualified for EN101.
- Over one-half of the students tested in reading need developmental course-work.
- In math, approximately 70% of the students tested were placed in MA014 or MA015.

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4. Accountability Indicators

Maryland Higher Education Commission

1997 Indicators for Institutional Performance Accountability Report

Community Colleges

Montgomery College

Quality						
Indicator		1988 Follow-up Survey	1990 Follow-up Survey	1992 Follow-up Survey	1994 Follow-up Survey	**2000 BENCHMARK**
1	Student satisfaction with job preparation	**97.9%**	**99.0%**	**99.0%**	**100.0%**	**99.0%**
		Fall 1993	Fall 1994	Fall 1995	Fall 1996	**FALL 2001 BENCHMARK**
2	% of full-time faculty with terminal degree	**38.4%**	**37.9%**	**36.4%**	**36.0%**	**37.0%**
		1988 Follow-up Survey	1990 Follow-up Survey	1992 Follow-up Survey	1994 Follow-up Survey	**2000 BENCHMARK**
3	Student satisfaction with transfer preparation	**98.2%**	**96.7%**	**97.4%**	**98.2%**	**98.0%**
		1986 Employer Survey	1988 Employer Survey	1992 Employer Survey	1994 Employer Survey	**2000 BENCHMARK**
4	Employer satisfaction with CC graduate hires	**100.0%**	**99.0%**	**100.0%**	**99.0%**	**99.0%**
		AY 1992-93	AY 1993-94	AY 1994-95	AY 1995-96	**AY 2000-01 BENCHMARK**
5	CC transfer student success: GPA first year	**2.65**	**2.52**	**2.68**	**2.63**	**2.68**

1997 Indicators for Institutional Performance Accountability Report

Montgomery College

Effectiveness						
Indicator		1992 Cohort	1993 Cohort	1994 Cohort	1995 Cohort	**2000 COHORT BENCHMARK**
6	Second year retention rates	**69.7%**	**66.5%**	**66.5%**	**68.1%**	**68.0%**
7	Licensure exam passing rate Exam name	1992	1993	1994	1995	**2001 BENCHMARK**
	Health Information Tech	**NA**	**80.0%**	**60.0%**	**50.0%**	**80.0%**
	Exam name	1992	1993	1994	1995	**2001 BENCHMARK**
	Radiologic Technology	**87.0%**	**84.2%**	**90.0%**	**91%**	**90.0%**
	Exam name	1992	1993	1994	1995	**2001 BENCHMARK**
	Nursing (RN)	**87.0%**	**96.3%**	**93.4%**	**95.6%**	**96.0%**
	Exam name	1992	1993	1994	1995	**2001 BENCHMARK**
	Physical Therapy Assistant (No history, new program)					**90.0%**
		1989 Cohort	1990 Cohort	1991 Cohort	1992 Cohort	**1997 COHORT BENCHMARK**
8	Four-year transfer/graduation rate	**33.5%**	**33.0%**	**33.2%**	**33.4%**	**35.0%**
		AY 1992-93	AY 1993-94	AY 1994-95	AY 1995-96	**AY 2000-01 BENCHMARK**
9	# of students transferring to MD public four-year institutions	**1,510**	**1,497**	**1,516**	**1,470**	**1,500**
		AY 1992-93	AY 1993-94	AY 1994-95	AY 1995-96	**AY 2000-01 BENCHMARK**
10	Second year retention rate of remedial students	**72.9%**	**66.8%**	**70.0%**	**70.9%**	**71.0%**
		1988 Follow-up Survey	1990 Follow-up Survey	1992 Follow-up Survey	1994 Follow-up Survey	**2000 BENCHMARK**
11	Employment rate of graduates[1]	**2.0%**	**4.0%**	**6.9%**	**5.8%**	**5.0%**

[1] Employment rate represents the percentage of graduates who were seeking work yet, unable to find it.

Maryland-National Capital Park and Planning Commission (M-NCPPC)

A. General Approach

1. The Montgomery County Park and Planning Department (MCPPD)

MCPPD's work related to benchmarks and performance indicators started several years ago. In general, the Department's goal is to develop a comprehensive set of performance indicators that could be used as both a management and budgeting tool.

The Department has been using the following definitions, which were adapted from research and work by the International City Managers Association (ICMA).

> **Performance Indicator** is the numeric expression of a performance measure and can be inputs, outputs, outcomes, indicators and efficiency or quality measures. Performance indicators either alone or in combination with other data permit the systematic assessment of how well services are being delivered.
>
> **Outcome measure** identifies an event, occurrence, or change in attitude or condition that occurs as a result of the work of the agency.
>
> **Benchmark** (verb) is the process of determining best practices in other organizations and then evaluating all or part of the organization against these "best practices" standards.

In January 1998, the Commission hired a Chief of Management Services. One of the major responsibilities of the Chief is to develop, under supervision of the Director of Park and Planning and in cooperation with each Division Chief, performance indicators for each division of the department. The Department is currently developing a strategic framework to guide their activities. As part of their process, the Department plans to revisit the definitions listed above. It is anticipated that this process will be completed by the beginning of FY 99. (See section on Future Plans.)

The Management Services Division is also responsible for the Department's budget, employee services, contract administration, MFD, publications, and MRO operations. This Division also serves as the liaison to Central Administrative Services for Commission-wide administrative functions.

2. Central Administrative Services (CAS)

Under the direction of the Executive Director, CAS is also working to develop a comprehensive set of performance measures that could be used as both a management and budgeting tool. Given that the mission of Central Administrative Services is to support the Commission's operating departments, the Executive Director's focus is on developing measures of efficiency and quality for each service area, i.e., administrative, financial, human resources, and legal services.

B. FY 98 Products

1. Park and Planning Department

The Park and Planning Department decided to begin its performance measurement work with the master plan process and the regulatory development review process. This decision was made because approximately 90% of the Department's work must go through one of these two processes.

Master Plan Survey - In October 1996, staff completed a survey of master plan preparation time frames and community outreach techniques in 25 jurisdictions throughout the United States. The Department identified a benchmark of 2.6 years to complete a master plan in urban counties comparable to Montgomery County. The Department is using this benchmark to re-orient the master plan process.

Development Review Survey - In January 1997, staff completed a benchmark survey to identify methods of improvement used by other jurisdictions. Staff intend to use ideas identified from this survey to help streamline the process.

The FY 99 Proposed Budget - The Commission's proposed FY 99 budget reflects the reorganization of the Department which took effect in 1997. In the budget message, the Chairman states:

> Our mission is to prepare and administer a general plan for the physical development of the Regional District and to acquire, develop, maintain and administer a regional system of parks defined as the Metropolitan District. The Commission's vision is to create and maintain communities where people can enjoy an enriched quality of life.

Under a discussion of Commission processes, the Chairman writes:

> We encourage and support continuous efforts to achieve productivity improvements. The Department... continues its initiatives in benchmarking by studying "best practices" of other entities as it formulates progressive yet realistic goals for its operations. Planning is in the second phase of the Zoning Rewrite and the Development Authorization Process (DAP) will be streamlined by automating and tracking applications and related data. Parks continues innovative scheduling to reduce overtime cost and to absorb additional maintenance. ... Numerous outcome and productivity measures are noted throughout the budget document.

The proposed FY 99 budget shows funding and activities for the five divisions in the Department. The budget document displays groups of two or three performance indicators for selected units within each division. According to Department staff, these indicators precede the empirical framework and approach delineated below, and should be considered as interim measures.

For example, the performance indicators for the management and administrative support activity within the Community Based Planning division are the:

- number of master plan amendments adopted and approved;
- number of sectional map amendments adopted and approved; and
- number of master plans underway.

The data are shown for three fiscal years: FY 97 (actual), FY 98 (budget) and FY 99 (proposed). Several examples of performance indicators published in the budget for Planning Division activities are attached at © 48.

The Parks Division also presents performance indicators for selected sections or units. In addition to these indicators, the Northern and Southern Regional Management Divisions jointly defined a set of maintenance standards. These standards, published in the budget along with data on actual performance, are attached at © 51.

2. Central Administrative Services

The FY 99 Proposed Budget. The proposed budget for CAS includes performance indicators for many division activities. In most cases, the indicators represent measures of workload, although there are some measures of service effectiveness. For example, (see © 53), performance indicators for the Cash Management Division include:

- number of remittance advices;
- number of cash reports;
- total interest earnings; and
- average rate of return.

Performance indicators for the Legal Department include the number of opinions written and how long it takes to review contracts for legal sufficiency.

C. Future Plans

1. Park and Planning Department

The Director of the Montgomery County Park and Planning Department and the Chief of Management Services recently completed an anticipated implementation schedule for its performance measurement efforts for calendar year 1998. This work plan, which was presented to the Planning Board in early April, identifies the following activities and projected time frames:

Activity	Projected Time Frame
Internal/external assessment	January to June 1998
Define customized strategic approach	April to May 1998
Evaluate opportunities for collaboration	May to June 1998
Development Review Division pilot	FY 1999

The Director's intent is for the Department to define a new shared vision, goals, objectives and measures based on the reorganization put in place in 1997. This work will set the framework to develop performance measures for each division.

The Park and Planning Department expects to develop performance measures at the rate of at least one Division each year. Management Services will use the Development Review Division to pilot the development of performance measures at the division level. As indicated above, the Department recently completed a benchmark survey of the development review process to identify the average processing time in jurisdictions comparable to Montgomery County. Other performance indicators will focus on customer service, work program delivery and efficiency measures.

2. Central Administrative Services

The Executive Director plans to improve upon the performance indicators published in the FY 99 proposed budget. Specifically, the Executive Director wants to develop efficiency, effectiveness, and customer satisfaction measures for the major services performed by CAS.

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plans, sectional map amendments, and/or concept studies.

- Prepared more than 100 special exceptions and local zoning map amendments, 30 mandatory referrals, and processed 200 variances in a time sensitive manner to meet ordinance time limits and answer public inquiries.
- Completed a Transitional Work Program which enabled the Division to comply with the approved FY98 Budget, while implementing the geographic team orientation.
- Assumed a leadership position in the Department for the development of operational protocols, to further clarify shape, composition, and working relationships within a seamless organization.
- Initiated a proactive community building agenda, to implement the fundamental tenet of the reorganization to implement Master Plan policies, principles, and recommendations throughout the Department.
- Completed a Community Guide to facilitate public understanding and the use of the revised and streamlined Master Plan process. Convened public open houses to outreach the new process.
- Initiated public involvement in a wide variety of participatory activities to promote a better understanding of community issues and issue resolution.
- Developed a successful Purpose and Outreach Strategy Report prototype.
- Implemented the Illustrative Concept Plan approach to Master Plan preparation.
- Completed an bilingual Silver Spring telephone survey to identify community issues for use in Silver Spring Master Plan preparation.
- Prepared design principles for urban open spaces to establish design modules, performance criteria, and maintenance principles.
- Improved technical presentation capabilities to accomplish: **a)** refined rendering and animation techniques, **b)** improved presentation to the Planning Board and County Council, and **c)** improved graphic quality of selected reports.
- Prepared the annual Master Plan Assessment Report, and biannual Capital Improvements Review and Assessment Report.
- Provided significant staff commitment to four Countywide Planning initiatives: ICC Alternate Assessment, Rustic Roads Functional Master Plan, Master Plan for Bikeways and Trails, and the prerequisite environmental data collection to serve the upcoming Potomac sub-regional planning effort.

DIVISION ACTIVITIES

Management and Administrative Support

The Division Manager provides overall community-based program direction, management, and leadership and technical advice, resource allocation strategy, and quality control for the community-based planning effort. Administrative staff in this program provide support for the preparation of master plans and all staff reports for community-based planning activities, mandatory referrals, special exceptions, variances, and local zoning map amendments; also preparing and distributing Planning Board opinions, data entry, case file maintenance, scheduling, customer service, and administrative tasks as required. They also provide GIS and computer service to the Community-Based Division, and Interface with GIS and other Departmental computer technology.

Summary by Major Object

MANAGEMENT AND ADMINISTRATIVE SUPPORT	Actual FY97	Budget FY98	Proposed FY99
Personnel Services	$0	$382,580	$339,770
Supplies and Materials	$0	$0	$0
Other Services & Charges	$0	$32,000	$0
Capital Outlay	$0	$0	$0
Chargeback	$0	$0	$0
Total Expenditures	$0	$414,580	$339,770
Workyears	0.00	6.00	6.00

FY99 Major Changes

None.

Performance Indicators

Management and Administrative Support Activity	Actual FY97	Budget FY98	Proposed FY99
Master Plans/Amendments Adopted and Approved	9	3	2*
Sectional Map Amendments Adopted and Approved	4	7	2
Master Plans Underway	0	11	14**

*Includes Silver Spring CBD Sector Plan and Master Plan of Trails and Bikeways.

**Includes five Silver Spring Master/Sector Plans, four Potomac Master Plans, and prerequisite data collection for amendments to the North Bethesda, Gaithersburg Vicinity, Shady Grove, Germantown, and Clarksburg Master Plans.

Forest Resource Planning and Management
Manage the forest conservation program, coordinate forest conservation activities, and plan for forest conservation. With the proposed work effort, final revisions to the forest conservation legislation and technical manual will be proposed for approval of appropriate legislative, procedural, and/or regulatory bodies. Changes will be recommended that clarify the existing legislation and increase the effectiveness and efficiency in achieving program goals and objectives. Staff will continue to lead county forest conservation efforts and coordinate these with other local and state forest conservation activities. To a very limited extent, staff will continue efforts to develop the county-wide Forest Conservation Plan begun in FY98. We will also explore options for completion of a county-wide forest inventory.

Summary by Major Object

FOREST RESOURCE PLANNING AND MANAGEMENT	Actual FY97	Budget FY98	Proposed FY99
Personnel Services	$0	$63,760	$15,220
Supplies and Materials	$0	$0	$0
Other Services & Charges	$0	$0	$0
Capital Outlay	$0	$0	$0
Chargeback	$0	$0	$0
Total Expenditures	$0	$63,760	$15,220
Workyears	0.0	1.0	0.2

FY99 Major Changes
- None

Performance Indicators

Forest Resource Planning and Management Activity	Actual FY97	Budget FY98	Proposed FY99
Percent of Forest Retained in Easement	67%	67%	67%
Percent of Forest Planted to Compensate for Forest Loss	90%	100%	90%

Water Resources and Water Quality

Provide water quality and wetland expertise. Staff participates on the county Biological Monitoring Work Group as well as the Interagency Wetland Coordination Committee.

Provide expertise to the Patuxent and Middle Potomac Tributary Teams on local planning issues including land use, condition of natural resources, and resource protection strategies. This expertise will aid the Maryland Department of the Environment (MDE) and state and local interests in setting targets to prevent and reduce pollution in the Potomac and Patuxent watersheds. The teams collect data and develop methods to reduce nutrient loads from urban, rural, and agricultural lands in each tributary basin.

Participate in the work of the Patuxent River Commission (PRC), including implementation of Patuxent Policy Plan update and designation of a sub-watershed in each county. Participate with county agencies and Patuxent reservoir watershed counties to protect water quality for water supply and habitat, through the Reservoir Protection Agreement signed by M-NCPPC.

Develop a county-wide stream protection program in partnership with DEP. Develop criteria for water quality monitoring on golf courses and integrated pest management monitoring. Provide assistance to MDE in their management of high hazard dams.

Use GIS-based watershed models in assessing stream quality and also provide support in review of sensitive development projects, retrofit structures, and special protection area activities.

Upper Rock Creek/Olney Environmental Assessment
In FY99, an environmental inventory for the Upper Rock Creek and Olney Master Plan areas and adjacent sub-watersheds will be completed. An evaluation of the protection provided by the existing master plan and an environmental report to be completed in FY 2000 would document the results and recommend any additional work needed in future years.

The assessment will consist of:
a) Environmental inventory of existing conditions in the selected watershed area. Selected field inventories are conducted to establish the character of environmentally sensitive areas and prepare a wetlands functional assessment. The environmental inventory will be completed in FY99.
b) Environmental assessment/update:
Provide analysis for community-based evaluation on whether the environmental and park development objectives envisioned in the existing master plan are being achieved. Evaluate the need to update the plan for consistency with the state's Smart Growth initiative, achievement of watershed protection objectives, and re-

Inspection/Enforcement Unit

Plan enforcement is a critical component of the post-approval process. Staff monitor and enforce compliance of all aspects of approved preliminary and site plans, except public roads and stormwater management. This includes forest conservation plans. Sites are field checked at critical points during the construction process. Staff also respond to citizen complaints regarding plan features which may not function as originally intended. Fines for non-compliance of forest conservation plans are paid to the Forest Conservation Fund, Montgomery County Division of Revenue. Fines for other violations of approved plans are paid to the Commission's General Fund. Enforcement staff occasionally assume some plan review responsibilities to off-load other staff.

Summary by Major Object

INSPECTION/ ENFORCEMENT UNIT	Actual FY97	Budget FY98	Proposed FY99
Personnel Services	$0	$191,290	$186,820
Supplies and Materials	$0	$0	$0
Other Services & Charges	$0	$0	$0
Capital Outlay	$0	$0	$0
Chargebacks	$0	$0	$0
Total Expenditures	$0	$191,290	$186,820
Workyears	0.0	3.00	3.00

FY99 Major Changes

None.

Performance Indicators

Inspection/Enforcement Activity	Actual FY97	Budget FY98	Proposed FY99
Percent and number of Inspections Completed According to Code and Site Plan Enforcement Agreements	100% 1,300	100% 1,400	100% 1,500

Development of New Districts and Zones, and Comprehensive and Individual Amendments of the Zoning Ordinance

To develop new zoning districts and draft amendments to the Zoning Ordinance to better regulate land use and implement master plan recommendations as a part of the Community-Based planning effort. This work element involves the research, analysis, and preparation of both particular and comprehensive text amendments required by the County Council or Planning Board, or amendments identified by governmental agencies or Planning Board staff to address individual zoning issues, and the investigation of a variety of zoning or related issues that may lead to recommendations for one or more amendments to the Zoning Ordinance. This element includes monitoring the Transfer of Development Rights Program and reporting on TDR activity.

Amendments to the Zoning Ordinance are prioritized in the following order: 1) Amendments introduced by the County Council; 2) Amendments necessary to implement the master plan program through the Sectional Map Amendment process; 3) Amendments requested by the Planning Board; and 4) Amendments identified by other agency or Department staff. Comprehensive amendment activity must be balanced with the flow of single purpose amendments.

Summary by Major Object

DEVELOPMENT OF NEW DISTRICTS/ZONES/INDIV. AMENDMENTS OF ZONING ORDINANCE	Actual FY97	Budget FY98	Proposed FY99
Personnel Services	$0	$127,530	$183,650
Supplies and Materials	$0	$0	$0
Other Services & Charges	$0	$0	$0
Capital Outlay	$0	$0	$0
Chargeback	$0	$0	$0
Total Expenditures	$0	$127,530	$183,650
Workyears	0.0	2.00	2.00

FY99 Major Changes

None.

Comprehensive Zoning Ordinance Rewrite

A new project which began in FY98 and will conclude in FY01 is a rewrite of the Zoning Ordinance. This project will reevaluate, reorganize and rewrite the ordinance to meet the needs of the County and users of the ordinance. This four year effort will update the ordinance in phased modular increments, so that each module as completed can go "on line", while incrementally restructuring the ordinance to respond to immediate, as well as long term requirements..

MAINTENANCE STANDARDS AND PERFORMANCE

ACTIVITY	STANDARDS	PERFORMANCE
Trash, Regional		
In Season	7x Week	Meet
Out of season	2x Week	Meet
Trash, Local		
In Season	7x Week	3x to 6x Week
Out of Season		
Trash, Parkways		
In Season	7x Week	3x to 6x Week
Out of Season	7x Week	
Mowing	7x Week	7 to 10 days
Trimming	10 day cycle	10 to 14 days
Athletic Fields		
Regional	Daily	Meet
Recreational	Daily	Meet
Local	Weekly	7 to 10 day cycle
Landscape Maintenance		
Urban Parks	Weekly	7 to 10 days
Other Areas	Monthly	Meet
Custodial Rec. Center Buildings	Daily	6x week/as needed
Restrooms/Other	Daily	daily / as needed
Trails, Inspection		
Paved	Weekly	Meet
Unpaved	3 Months	As required
Trails, Maintenance		
Paved	As required	Meet
Unpaved	As required	Meet
Stormwater Facilities		
Inspection	Annual	
Maintenance	Monthly	Contracted out
Turf Maintenance		
Fertilizing	2x Year	Once a year/as needed
Overseeding	2x Year	Once a year/as needed
Aeration	2x Year	Once a year/as needed

MAINTENANCE STANDARDS AND PERFORMANCE

ACTIVITY	STANDARDS	PERFORMANCE
Courts		
Inspection	2x month	Meet
Maintenance	Monthly	Meet
Playgrounds		
Inspection	Monthly	6 times/Year
Maintenance	Monthly	6 times/Year
Graffiti		
Routine	Daily	Meet*
Offensive	Immediate	Meet*
Vandalism		
Normal	Daily	Meet*
Safety	within 24 hours	Meet*

*With prompt report.

Implemented July, 1992.

CASH MANAGEMENT

Summary of Annual Comparisons By Major Object	Actual FY96	Actual FY97	Budget FY98	Estimated FY98	Proposed FY99
Personnel Services	$184,352	$224,940	$233,000	$233,000	$232,300
Supplies & Materials	$1,844	$3,143	$3,000	$3,000	$3,400
Other Services & Charges	$20,370	$8,990	$2,000	$2,000	$2,000
Capital Outlay	$0	$0	$0	$0	$0
Other Classifications	$0	$0	$0	$0	$0
Total Expenditures	$206,566	$237,073	$238,000	$238,000	$237,700
Positions/Workyears Full Time	4/4.0	4/4.0	4/4.0	4/4.0	4/4.0
Positions/Workyears Part Time	0/0.0	0/0.0	0/0.0	0/0.0	0/0.0
Positions/Workyears Total	4/4.0	4/4.0	4/4.0	4/4.0	4/4.0

DIVISION OVERVIEW

The Cash Management Division has three major functions: processing of revenue transactions, management of investments and financial reporting of investments and revenues. Processing of revenue transactions involves the preparation/review of remittance advices and cash reports from all Commission facilities, recording transactions and maintenance of the Commission's pooled cash fund. Management of investments includes the preparation of daily cash flow analyses to determine cash needs and assist in formulating investment decisions. Financial reports are prepared to highlight investment activity (purchases, maturities and earnings) and to provide historical and projected information on tax collections and other revenues.

FY98 ACCOMPLISHMENTS

- Achieved interest revenue of $6.3 million, an all time high for the Commission.
- Utilized a new electronic service for tax withholding wires which is resulting in a per transaction savings and increased float.

FY99 MAJOR CHANGES

No major changes are proposed.

Performance Indicators

Cash Management Activity	Actual FY97	Estimated FY98	Estimated FY99
Number of remittance advices	20,562	20,700	20,900
Number of cash reports	22,347	22,500	22,700
Total interest earnings	$6,377,379	$6,500,000	$6,700,000
Average rate of return	5.566%	5.60%	5.70%
Total investment purchases	$3,112,937,066	$3,300,000,000	$3,400,000,000
Total maturities	$3,100,837,066	$3,250,000,000	$3,350,000,000

Washington Suburban Sanitary Commission (WSSC)

A. General Approach

Under the direction of the General Manager, WSSC's Office of Budget and Financial Planning is coordinating the agency-wide effort to develop and publish workload data and outcome measures. WSSC included some initial outcome measures in the agency's FY 98 proposed budget. During the past year, the Office of Budget and Financial Planning has worked with the agency's bureau chiefs to improve the process of developing measures, the measures themselves, and the presentation of the measures in the budget document.

WSSC's outcome measurement effort follows the general "Strategic Management" framework outlined by the American Water Works Association Research Foundation. The Foundation describes two types of performance measures: internal and external. Internal performance measures focus on productivity and costs within the organization; external performance measures focus on service image and value among customers.

WSSC has adopted the following working definitions for its performance measurement effort:

Mission: the desirable end result of any activity. Missions are generally broad and long-range in nature compared to objectives, which are more specific and immediate. A mission statement should respond to the following questions:

- Who is the intended beneficiary of the program, e.g., the customers?
- What is the product or service unique to the program? and
- Why is the product or service of benefit to customers or the public?

WSSC's adopted mission statement is: "To provide safe and reliable water, life's most precious resource, and to return clean water to our environment, all in a financially responsible manner."

Goal: a long-term, attainable target for an organization - its vision of the future. A goal statement should describe the purposes of the program or organizational unit. An example of a goal statement for WSSC's Operations Bureau is "To provide a reliable supply of high quality potable water to the WSSC."

Objective: a specific measurable and observable result of an organization's activity which advances the organization toward its goal. Objectives can be long-term or short-term. Examples of objectives for the Operations Bureau are: "To meet or exceed all EPA standards; To meet or exceed the requirements of the Safe Water Drinking Act."

Outcome measure: the degree to which an objective has been achieved. Outcome measures should reflect the actual results achieved and the impact or benefit of the services or programs, especially the effect on citizens, customers, or other users of the service. Outcome measures should:

- be based on program goals and objectives that tie to a statement of mission or purpose;
- measure program results or accomplishments;
- provide for comparisons over time;
- be reliable, verifiable, and understandable; and
- be monitored and used in decision-making processes.

Examples of outcome measures are: the percentage of customers satisfied with a service, error rate, response time, and the percentage of repairs requiring rework within a specified period.

Activity Measures: WSSC uses this term to encompass a variety of measures characterizing the operations of a specific organizational unit or activity. They can include measures of workload, efficiency, or productivity, and outcomes. Examples include the number of miles of water mains cleaned and lined, number of fire hydrants inspected per inspector, and the average number of days to respond to customer correspondence.

B. FY 98 Products

For the FY 99 budget, the General Manager asked each of the eight WSSC Bureau Chiefs to:

- submit activity measures for FY 96 (actual), FY 97 (actual), FY 98 (estimated) and FY 99 (projected); and
- develop a minimum of 3-5 outcome measures to monitor how well the bureau is fulfilling its mission and the effectiveness of particular activities.

Organizationally, there are four WSSC bureaus in the Administrative Branch and four bureaus in the Operations Branch. The measures had to relate to bureau goals and objectives and were required to be reported in the bureau office budgets.

WSSC's proposed FY 99 operating budget document includes selected outcome measures for both branches, with at least one measure from each bureau. Though not shown in the budget document, responsibility for each measure can be tracked to the division and sometimes to the section level.

WSSC published the outcome measures as part of a budget chapter titled "Major Accomplishments - Cost Reductions, Productivity Increases, Awards, and Outcome Measures." Excerpts of the outcomes measures published in this section of WSSC's budget are attached at © 57.

According to WSSC staff, the focus this year has been to concentrate on measures that are clear and understandable. To date, staff are relying upon data which are already routinely collected; no special data collection procedures are being used. There is no additional staff associated with the outcome measurement effort.

For most divisions, the proposed FY 99 budget also includes a selection of activity measures. While focusing primarily on workload, a division's activity measures sometimes also include efficiency or productivity, cost, and outcome measures. Examples include: the number of miles of water mains cleaned and lined; number of fire hydrants inspected per inspector; number of water main emergency shutdowns; average days to fill a position, and the percentage of positions filled within 90 days of vacancy. Examples of the activity measures provided for the Human Resources, Maintenance Reconstruction, and Water Operations divisions are attached at © 63.

C. Future Plans

In FY 99, WSSC plans to improve upon the outcome measures developed this year. The Office of Budget and Financial Planning will continue to coordinate the effort and provide technical assistance to the bureau chiefs.

In addition, the Commission will be implementing a new financial accounting system that will provide for activity based costing. Over time, this new system will allow for a more direct connection to be made between performance/outcome measures, budget decision-making, and the presentation of programs, results, and dollars in the budget document. It should also provide the basis for expanding the use of efficiency and productivity measures (cost per unit workload or workload accomplished per unit cost).

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OUTCOME MEASURES

ADMINISTRATIVE BRANCH

Goal: Minimize borrowing costs.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Achieve a cost of water/sewer bonds at least 25 basis points below the Bond Buyer Index on the date of issuance. (A basis point is an interest rate of one hundredth of one percent.)	Difference (in basis points) between the Bond Buyer Index and the cost of water/sewer bonds on the date of issuance.	46 basis points	41 basis points	25 basis points	25 basis points
Maintain Moody's and/or Standard and Poor's bond ratings of Aa1/AA.	Moody's/Standard and Poor's bond ratings.	Aa1/AA	Aa1/AA	Aa1/AA	Aa1/AA

Goal: Maximize investment returns within the constraints of Maryland law and adopted investment policy.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Achieve a rate of return on short-term investments that is at least 25 basis points above the 90-day T-Bill rate.	Difference between the return on short-term investments (in basis points) and the 90-day T-Bill rate.	69 basis points	44 basis points	25 basis points	25 basis points
Meet or exceed the 8% actuarial assumption for Retirement Fund investment returns on an annualized 10-year basis.	Annualized 10-year return on Retirement Fund investments as of December 31.	9.8%	10.6%	8.0%	8.0%

Goal: Provide financial reports that are useful, timely, and accurate.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Prepare monthly financial reports within 20 days of the end of the month and the annual report within 90 days of the end of the fiscal year.	Percentage of financial reports prepared on time.	100%	100%	100%	100%

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OUTCOME MEASURES
(Continued)

Goal: Maintain proper accounting in accordance with both GASB and GAAP.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Receive no finance-related external auditor recommendations.	Number of finance-related external auditor recommendations received.	1	N/A	0	0

Goal: Process financial transactions quickly and accurately.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Utilize at least 95% of available vendor discounts.	Percentage of available vendor discounts taken.	N/A	95%	95%	95%
Post at least 99% of customer remittances on the day received.	Percentage of customer remittances posted on the same day.	N/A	99.5%	99.0%	99.0%
Post at least 99% of customer remittances correctly.	Percentage of remittances correctly posted.	N/A	99.9%	99.0%	99.0%

Goal: Accurately bill and collect for all metered water use.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Base each bill on an actual rather than estimated meter reading.	Percentage of customer bills based on actual meter readings.	86%	86%	90%	90%
Collect all billed water and sewer use charges (estimated as well as actual).	Percentage of all billed water/sewer use charges collected (actual and estimated).	99%	99%	99%	99%

OUTCOME MEASURES
(Continued)

Goal: Accurately meter all customer water use.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Promptly install meters at all new properties connecting to WSSC's water and sewer system	Percentage of all new properties with meters installed within five days.	100%	100%	100%	100%
Periodically test and, if necessary, repair all high-use water meters (those serving properties whose average daily consumption (ADC) exceeds 20,000 gallons).	Percentage of all high-use meters tested annually, or if ADC exceeds 90,000 gallons, three times a year.	58%	100%	100%	100%
Promptly test and, if necessary, repair any large commercial meter whose last reading indicates "non-conforming" registration, that is, an ADC significantly below the property's ADC during a comparable prior billing period.	Percentage of all large commercial meters tested within two weeks of a reading that suggests non-conforming registration.	N/A	88%	88%	90%
Replace and subsequently test any small meter whose last reading reflects "non-conforming" registration, or whose remote is or appears to be inoperable. (A remote is a device for reading an inside meter from outside the premises.)	Percentage of all small meters with non-conforming registration or apparently inoperable remotes that are replaced.	N/A	77%	85%	85%
Replace and subsequently test any small meter whose age makes it highly likely that the meter is significantly under registering.	Percentage of all small meters whose age warrants replacement and that are, in fact, replaced.	27%	24%	27%	70%

Goal: Promptly and courteously answer all customer-billing inquiries.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Reduce to no more than 10% the rate at which customers abandon calls made on billing issues due to long waiting times.	Percentage of billing calls abandoned by customers due to long waiting times.	13%	23%	10%	10%
Respond within two weeks to at least 75% of all customer letters involving billing issues.	Percentage of all customer billing letters answered within two weeks of receipt.	78%	75%	75%	75%

OUTCOME MEASURES
(Continued)

Goal: Promptly issue to requesting contractors all permits required by WSSC's *Plumbing and Gasfitting Regulations.*

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Issue all requested plumbing and gasfitting permits within three days of contractor application.	Percentage of permits issued within three days of contractor application.	65%	70%	85%	100%

Goal: Provide a high level of technology services to the WSSC.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Maintain the availability of the main server by having service available 100% of the time that the production system is available.	Server availability as a percentage of the time that the production system is available.	95%	99.2%	99.6%	100%
Provide a consistent level of service by maintaining less than 75% utilization of the main server during the busiest hour.	Percentage utilization of the main server processor at the busiest hour.	71%	77%	79%	Less than 75%
Allow for growth in demand on the main server by keeping the average utilization of the main server processor below 55%.	Average main server processor utilization.	56%	51%	51%	Less than 55%

Goal: Reduce the cost of providing vehicle and equipment fleet services while maintaining or increasing quality and efficiency.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Reduce average vehicle and equipment downtime to 60 hours per shop visit or less.	Average downtime hours per shop visit.	97	74	68	60

OUTCOME MEASURES
(Continued)

Goal: Maintain or increase the quality and efficiency of graphics and other support services while reducing overall costs.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Earn a customer satisfaction rating of "excellent" for 90% of customer responses to the Support Services Quality Assurance Check (a survey form routinely provided to customers for evaluating printing and graphics services).	Percentage of customer responses on the Support Services Quality Assurance Check which are rated "excellent."	N/A	84%	87%	90%

OPERATIONS BRANCH

Goal: Manage facility and system projects so that they are completed on time and within budget.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Meet request to advertise (RTA) date on all projects.	Number of projects that met RTA date/total number of projects.	10/13	12/14	7/12	9/9
Keep the value of construction contract change orders less than 3% of the original contract value.	Value of construction change orders as a percentage of original contract value.	N/A	N/A	2%	2%
Complete 100% of Capital projects and Engineering Support Program projects by the scheduled in-service date.	Percentage of construction projects scheduled for completion in a particular fiscal year that are actually completed by their respective in-service dates.	86%	86%	100%	100%

Goal: Obtain land and rights of way required for WSSC projects on a timely basis.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
Acquire all property before the RTA date.	Percentage of acquisitions completed before the RTA date.	N/A	N/A	N/A	100%

OUTCOME MEASURES
(Continued)

Goal: Provide effective short- and long-range planning for the WSSC's water and wastewater systems to ensure public safety and sufficient future water and wastewater capacity.

Objective	Outcome Measure	FY'96 Actual	FY'97 Actual	FY'98 Approved	FY'99 Proposed
No wastewater basins in overflow status.	Number of wastewater basins in overflow status (total: 13 basins).	0	0	0	0
No wastewater basins in potential overflow status.	Number of wastewater basins in potential overflow status.	1	1	1	0
No water system zones having transmission/storage deficiencies that require authorization dependencies. (An authorization dependency limits or precludes development until specific WSSC facilities are constructed.)	Number of water system zones with transmission/storage deficiencies that require authorization dependencies (total: 4 zones).	0	0	0	0

ORGANIZATIONAL BUDGETS AND RESPONSIBILITIES

HUMAN RESOURCES DIVISION
(Continued)

PROGRAM INDICATORS

WORKLOAD DATA	FY'96 ACTUAL	FY'97 ACTUAL	FY'98 APPROVED	FY'99 PROPOSED
Employment applications processed (external)	3,661	3,695	5,658	5,658
Employment applications processed (internal)	1,759	1,809	2,100	2,100
Average days to fill a position	30	30	30	30
% of positions filled within 90 days of vacancy	100%	100%	100%	100%
On-site group training classes held	132	152	135	135
% of health care questions or problems resolved within 2 days	95%	95%	95%	95%
Human resources transactions processed	6,592	5,420	3,800	3,800
Educational assistance applications processed	279	246	225	225
Employee turnover rate	6.3%	6%	7%	6.5%
Employee newsletters released	14	11	20	20

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MAINTENANCE RECONSTRUCTION DIVISION
(Continued)

PROGRAM INDICATORS

WORKLOAD DATA	*FY'96 ACTUAL*	*FY'97 ACTUAL*	*FY'98 APPROVED*	*FY'99 PROPOSED*
Miles of mainline sewer televised	90.2	58.75	90.0	90.0
Sewer laterals inspected	460	459	500	500
Miles of sewer smoke-tested	26.2	5.85	30.0	30.0
Manholes inspected	650	958	2,275	2,275
Line blockage assessment (LBA) reviews completed	609	809	900	900
Non-LBA mainline reviews completed	724	1,174	900	900
Miles of pipes cleaned and lined	88	94	107	90
Miles of pipes cleaned and lined per authorized workyear	5	6	6	6

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WATER OPERATIONS DIVISION
(Continued)

PROGRAM INDICATORS

WORKLOAD DATA	*FY'96 ACTUAL*	*FY'97 ACTUAL*	*FY'98 APPROVED*	*FY'99 PROPOSED*
Distribution water sampling reported bacteriologically safe	100%	100%	100%	100%
Percent of time that all sampling and testing requirements are met	100%	100%	100%	100%
Percent of samples meeting SDWA and State standards	100%	100%	100%	100%
Number of bacteriological or chemical compliance violations	0	0	0	0
Data points monitored by Control Center	2,202	2,248	2,400	2,400
Workyears per mgd of flow	0.5	0.5	0.5	0.5
*Turbidity (fine, particulate matter in water), achieved 95% of the time, NTU**	.14	.13	.10	.10
Percent of time water meets EPA maximum turbidity limits	100%	100%	100%	100%

*Nephelometric Turbidity Units

Source: Organizational Performance and Measurement in the Public Sector, Quorum Books, 1996.

Introduction: Performance Appraisal and Rubik's Cube

Arie Halachmi, Geert Bouckaert

Studying management cannot be complete without examining the practices for assessing performance. After all, managers at all levels of an organization, regardless of the sector, are expected to monitor performance to determine how they and the organization are doing and what, if anything, requires their immediate attention. In the public sector, performance measurement is also an important element of the political process. The measurement of performance is not limited to monitoring activities inside an agency or to evaluating the quality of the goods and services it generates. Critical evaluation of interactions with various government and non-government entities outside the agency are just as important. With the growing demand for government to be more responsive, accountable, and frugal with resources, performance measurement is in the limelight.

From an administrative point of view, performance measurement is a subsystem that needs to be designed, managed, and evaluated periodically to make sure that it delivers a useful product. Organizational performance measurement is a system that consists of many elements with functional interdependencies. A typical system may include elements such as a complex set of procedures for collecting and processing data, timetables and protocols for distributing information about performance to users within and outside the organization, and an organizational learning mechanism to facilitate the continuous construction of new measures and updates of indicators. Considering its many internal and external uses for administrative, legal, communication, and accountability purposes, it is no wonder that the discussion about the proper attributes of a performance appraisal effort can go beyond a technical level to a rhetorical one.

Performance measurement systems might be compared with the Rubik's Cube. Like the original Rubik's Cubes, these systems have many components with distinctive shapes that must be matched properly to provide the correct picture. Matching the individual components is not a simple matter because all are linked, even though the linkages are not readily apparent. One must develop an understanding of the options and the limitations of the underlying mechanism and the dynamics of performance measurement. Without such insight, the system—like the Rubik's Cube—can get out of shape, get stuck, break down, and frustrate everybody involved with it. Thinking about performance measurement as a management tool that involves linkages as intricate as those of the Rubik's Cube is intriguing. In measuring performance, as in solving the Rubik's Cube, some individuals will do a better job than others in manipulating and matching the various components of the system. Just as some individuals are unable to solve the puzzle of the Rubik's Cube, some organizations will never be able to develop the proper performance measurement system. In some cases, frustrated managers will abandon efforts to measure performance and will thus deprive themselves and their organization of the opportunity to improve.

The purpose of this book is to help managers develop a better understanding of both the overt and covert parts of performance measurement systems.

WHAT IS A MEASUREMENT SYSTEM?

A measurement system consists of practices, procedures, criteria, and standards that govern the collection of data (input), the analysis of the data (throughput), and the compilation of the results into quantitative or qualitative forms (output). A measurement system may be characterized as simple or complex, temporary or permanent. Changes in the relationships among the elements of the system or in the attributes of the input, throughput, and output may result in a corresponding change in the character of the system.

Using a systems approach to describe the performance effort of any organization requires a study of the subsystems that comprise it. On the input side of the system are such issues as the reasons for collecting data, the criteria and standards, the laws and regulations governing what data should be collected, methods and frequency of collecting the data, the instruments used to collect the data, and who is in charge of collecting it. On the output side are such issues as the different kinds of reports that result from the measurement efforts, how the reports are communicated to primary and secondary users within and outside the agency, and the nature of the conclusions conveyed by the reports. The analysis—or throughput—involves studying how the raw data is converted into a measure of performance.

According to the Organization of Economic and Community Development (OECD), "The main objective of performance measurement in public organizations is to support *better* decision-making, leading to improved outcomes for the community; all other objectives are derived from this" (PUMA 1994:13). Agencies at different levels of government and in various countries may have different sets of performance objectives. As their circumstances change, public agencies may be asked to emphasize one or another dimension of their performance. For example, an agency might be asked to be more responsive, to be more efficient, to narrow (or increase) the scope of its mission, to improve the way it interacts with certain publics, or to cooperate more closely with other public or private entities. Thus, the performance objectives of an agency at a given point in time represent the priorities the organization gives—or is expected to give—to various aspects of its performance. Any change in performance objectives requires an agency to reexamine its performance measurement system. The agency would need to consider what data it collects, how the data is collected, what criteria and standards it uses, how the data is analyzed, and how it is reported. Without adequate measurement, managers and employees within the agency, other agencies and oversight bodies, interest groups, the public, or the courts may not be able to document changes in performance.

WHAT IS A GOOD MEASUREMENT SYSTEM?

Depending on the desired performance information, agencies may have to use more than one kind of measurement. With proper design, a performance measurement system may allow assessment of an agency's various attributes; for example, the size or sources of funding, the activities of its employees, the relationships among the different activities, and the resulting goods and services and how they are perceived by various stakeholders. A well-designed performance system may allow an agency to arrive at an index that represents the combination of several measurement efforts.

Though it is possible to enumerate some attributes of a good performance measurement system, any attempt to give a comprehensive answer to the question What is a good performance measurement system? is doomed to fail. One reason is that the quality of any measurement system is relative and is a function of many things that have nothing to do with organizational performance: for example, the availability and level of information technology, phenomenological considerations, and the philosophy of science. The second reason is that this question assumes that there is a finite set of circumstances under which either performance or its measurement may take place. Equipped with such knowledge, practitioners may develop a common set of specifications for measuring various kinds of performance at different levels of the organization. Researchers can follow these specifications with longitudinal and case studies to refine and improve the specifications. However, in most cases, we lack a finite set of information about organizational performance, nor do we know the conditions under which organizations may need to measure performance. Further, we may not have information about the end users or why they seek to conduct and have the results of the assessments. Consequently, there is little chance of developing an agreed upon set—let alone a common set—of performance measurements for most organizations in the service industry. Even so, this conclusion should not discourage us from attempting to develop a comprehensive list of the issues that should be considered before and during the development or revision of a performance measurement scheme.

PURPOSE AND PERSPECTIVE IN PERFORMANCE MEASUREMENT

Several writers (Halachmi 1982, 1992; Wholey 1983) point out that there are two postures of government management: (1) results (outcomes)-oriented management or (2) process-oriented management. Wholey (1983:5) suggests that the two postures might be conflicting. Thus, it is not surprising that various evaluative efforts (which are ways of assessing organizational performance) tend to focus either on the *results* or on the *process* for attaining the results.

The emphasis on results is illustrated by Vice President Al Gore's National Performance Review (NPR) and Osborne and Gabler's *Reinventing Government*. Here, desired results are the target, and the specifications of process are derived from the attributes of the desired results. This approach is consistent with the core teachings of Total Quality Management (TQM), namely, that what is essential is the outcome. It should be noted that—in the case of NPR—changing the process is one of the end results and that the greater the perceived change, the better the assumed results. As pointed out by President Clinton in his 1995 State of the Union Address, the achievements of NPR in 1994 included the elimination of the federal personnel manual and the specifications for ash trays.

An emphasis on process involves the efforts to reengineer the business processes of organizations (Hammer 1990, Hammer and Champy 1993). In the words of Mechling (1994:189), "Don't settle for 10 percent improvement when 100 percent and better is possible for those who are willing to utilize the enabling capacity of information technologies to fundamentally redesign the way the work of the organization is carried out." Evaluation of organizational performance in this sense involves an assessment of the effort to re-engineer the processes. As noted by Monteleone (1994:35), "If your organization isn't re-engineering at least five processes at a time, you are decidedly uncool."

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Selection of a focus on results or on processes cannot be justified without reference to the purpose of the assessment. A clinical approach to management—the one that is more concerned about the procedural aspects of the operation than about whether the patient survives—is not tolerated in the public sector or in the service industry. On the other hand, compromising the process to achieve better results (for example, by coercing a suspect to confess) cannot be tolerated either. The dilemma public administrators face when dealing with performance measurement is the dilemma of those manipulating the parts of the Rubik's Cube. The first must get results without violating the law. The latter must move the parts without breaking the inner mechanism of the cube or bending it out of shape. In either case, a thorough understanding of the process and how it relates to the desired result is necessary.

The reason an organization's performance is assessed determines the necessary perspective of the evaluation, that is, whether one is looking at process or impact (Halachmi 1992). A different perspective may generate a valid evaluation, but it may be useless. Measuring the ability of a car to survive a collision will probably not help determine whether or not the car is energy efficient. Similarly, examining the changes in teachers' proficiency in specific subject areas may not help determine the proficiency of students in a particular grade. Having more proficient teachers is a necessary but not a sufficient condition (nor is it the only condition) for attaining the desired student proficiency. Students' achievements may be poor because of a variety of reasons: some students may have learning or behavioral problems; teachers may be responsible for subjects they were not trained to teach; there may not be enough contact hours; parents may show little interest or support.

Proper measurement (deciding what to measure, how to measure, and when to measure) of school performance in the above example requires a thorough understanding of the end user of the performance measurement data and the intended use of the data. A good performance measurement system matches the perspective for taking the measurements with the purpose for which the measurements are taken.

PRIMARY AND SECONDARY USES AND USERS

For every set of performance measures, there may be primary and secondary end users and uses. These primary and secondary users may be internal or external to the agency, depending on the specific data used for assessing performance, its level of aggregation, the organizational level at which the data is collected, and where the performance report is compiled. Primary and secondary users might be agency managers, elected or appointed officials, legislators, auditors, public interest watch groups, unions, private interest groups, individuals, the courts, and representatives of other governments, countries, or international organizations. In many cases, the secondary end users (and uses) do not create any problems for those who produce the performance report. However, the availability of raw data to untrained users may be a source of trouble. For example, most journalists who report on government agencies have minimal background in most areas of government involvement and little proficiency in understanding statistics. As secondary users of data, some journalists may reach unreasonıle conclusions and then communicate those conclusions to policy makers ıd the public as facts. For example, under the bold headline "Younger hildren's Risky Behavior Pointed Out in State Health Survey," a newsıper reported some survey results (Snyder 1990) and noted that "nearly ılf of Tennessee s elementary school students are not sure how the AIDS rus is spread." The survey included the responses of students in the third rough the fifth grades (ages 7-10). The reporter made no effort to find ıt whether the children should have the information or why they should ıve it. Leo (1990) provides other examples where data is misrepresented, tentionally or inadvertently.

Those who generate the data about the performance of organizations ıould not be overly concerned about secondary users and secondary uses the data. However, it is not always clear that they know who the priary users are or what may be the primary uses of the data they generate. aving a good idea about the primary users and the intended use of the ıta may prevent problems that result from the use of the wrong level of ;gregation in reporting on achievements—for example, reporting on perırmance at the school level instead of at the system level (or the other ay around).

Unfortunately, confusion about the purpose of the measurement enıurages data that is more conducive to the needs of the secondary users an to the primary users. One of the most common cases is the tendency devise measures that facilitate dealing with external auditors (e.g., summary evaluations) instead of developing measures that are more conducive improving performance or developing the program under consideration .g., formative evaluations).

Performance measurement can be used for oversight by the legislature by various staff functions of the executive branch. It can be a budget ecision tool, determining where to allocate scarce funds to achieve the eatest impact. It can be used by senior managers to fine-tune the agency rough corrective measures or to provide front-line employees with feedıck about their performance. It can provide information for planning by ıggesting which operations need to be re-engineered to be more effective ıd efficient. It can be a communications tool, informing clients of the vel of service achieved. For clients, it can be a feedback tool, allowing em an opportunity to indicate how services meet or do not meet their eeds.

Given the many, and possibly conflicting, purposes performance easurement systems could serve, designing a system that meets the needs all possible users is likely to be impossible. As illustrated in the case of erformance appraisal of the individual employee (Halachmi 1993), the mptation to use the performance appraisal exercise to collect data for hers may backfire, reducing the appraisal's usefulness and increasing its ıst.

Good performance measurements are geared to meet the specific needs

of specific users. Pragmatically, that means before designing the instrument for measuring performance, the designers must agree about each one of the following elements: (1) the organizational level at which performance is measured; (2) the frequency of expected reports, the intervals between data collection efforts, and—if necessary—sampling procedures; (3) the data to be collected and the data that constitutes the core of the report; (4) the intended users and intended uses; and (5) who is responsible for collecting the data, compiling the performance report, and disseminating the information to the intended users.

When there is an agreement on these five points, it is easier to design a cost-effective measurement system and to ensure the internal validity of the performance measurement. Targeting users and uses can induce continuous refinement of the instruments and data interpretation as practitioners and researchers accumulate experience. Measurements designed to assess specific aspects of an agency's performance can be modified more easily in response to changes in operations, mandates, core technology, intended use, or intended users. Measurements designed to accommodate the needs of several agencies may slow such refinements and do injustice to organizations that assume a proactive rather than a reactive approach in dealing with their environments. The benefits of having a higher level of internal validity should be considered along with the cost (i.e., the corresponding loss of the external validity of some measurements) of targeting specific users and specific uses. The reduced ability to generalize from one agency (as a subsystem) to other agencies (or subsystems) has a direct bearing on the cost of performance assessment and decision making at the system- and super-system levels. If for no other reason, sensitivity to constraints that result from targeting performance measurements for specific uses suggests that some precaution should be taken to prevent intended or unintended abuse and misrepresentation of the data. Thus, the reporting of data about performance should include disclaimers and other pertinent information to discourage the ignorant and unscrupulous from invalid use or misinterpretation of the data.

COST AND INTERFERENCE WITH OTHER ACTIVITIES

Gabris (1986:3) notes that although management techniques can improve productivity, they can also decrease performance if they are applied or implemented incorrectly. Introducing a performance measurement system or making changes in it as time goes on has the potential of hitting each of the snags on Gabris's list. Specifically, Gabris (1986) discusses the following traps:

- Process Burden: the procedural and control requirements associated with the implementation and maintenance of a technique that takes employees away from their actual responsibilities (Gabris 1986:6).

Georgia Giant Syndrome: management techniques that work only under rigorous and closely supervised control conditions. If control conditions are not met, the technique may not live up to expectations and potential (Gabris 1986:8).
Internal Incapacity: the result of superimposing a technique on an organization that lacks the in-house capacity to implement and monitor the technique beyond its initial phases (Gabris 1986:10).
Credibility Anxiety: many management techniques piled on top of one another, even though they do not work well. New management techniques are expected to produce dramatic and quick results. When results do not materialize after a short time, top-level appointed and elected officials deem the techniques' application a failure. The common response is then to try ι different set of techniques (Gabris 1986:13).

It is easy to see how the introduction of a performance measurement ·stem could trigger any one of the above traps and the corresponding ·rformance dysfunctions. In particular, it is important to reduce—if not iminate—the possibility that activities undertaken solely to measure ·rformance will interfere with activities geared to serve the ultimate mis- on of the agency or any of its subunits. Indeed, concerns about such ·terference were expressed by several speakers when the American So- ety for Public Administration debated whether or not to go on record in ıpport of the proposed Government Performance and Review Act of ·93. Specifically, many practitioners were concerned that having to com- ile performance indicators would be too time consuming and would pre- ude administrators from managing the daily activities of their agencies.

A related concern is that, in the absence of additional appropriations to ffset the cost of performance measurement (Halachmi 1995:31), the ·gency may have to siphon resources that are earmarked for current oper- tions, reducing the overall ability of the agency to maintain its present ·vel of operations. Thus, a congressional mandate to implement a per- ·rmance measurement system to improve performance may lead to the pposite results.

A good performance measureme·nt system is not only cost-effective, but ansparent. It adds few tasks and involves managers only occasion- ·lly—and then as users rather than as producers of the data. New informa- on technology has the potential to harvest or retrieve the necessary data nobtrusively and as a by-product of the regular activities. However, to ıobilize this potential, the agency must plan and involve all members of ıe organization. Without such involvement, is there the risk that those roducing the data used for performance measurement will feel threatened y it. Designing a system that does justice and is fair to all members of the rganization requires members' participation in all stages of the system's ·evelopment. A promising approach for reducing the cost of designing and

implementing a performance measurement system while enhancing employees' level of comfort with it involves a deliberate effort of organizational learning (Halachmi 1995).

Another way of reducing the cost of performance measurement and increasing its benefits involves a thorough study of performance measurement practices in other agencies, at other levels of government, in other sectors of the economy, or in other countries. Although, as noted, performance measurement should be geared to serve specific users or uses, there is no reason to spend resources to reinvent the wheel. Learning from the experiences (successful and unsuccessful) of others can save some of the cost of establishing a performance measurement system. Such studies may also reveal that it is possible to compare the performance results of one agency with those of related entities. In cases where historical data is irrelevant, such a comparison may be the only way of telling whether a given level of performance is progress or regression.

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Foreword

Harry P. Hatry

Is performance measurement really here to stay? Is it merely another management fad? Will it merely be window dressing with little substantive use of the performance information? These are the sixty-four-dollar questions for performance measurement.

On the bright side, the field of performance measurement has not yet been assigned an acronym (although limited use has been made of initials such as SEA for Service Efforts and Accomplishments and GPRA for the federal 1993 Government Performance and Results Act). Nevertheless, many hurdles exist before performance measurement can be presumed to be a real success for public administration and management.

An amazing amount of interest and activity is occurring at all three levels of government: federal, state, and local. But, as John Greiner points out in his chapter, probably the most typical use of performance measurements is "merely to decorate a budget document." The ultimate purpose of performance measurements is to use the measurement information to help make improvements—whether to expand, delete, or modify programs. This use still appears to be highly limited. However, some important exceptions exist that have been present for many years and thus are not usually thought of as being part of performance measurement, although they should be. These exceptions include the extensive use of reported crime data and crime clearance rates by police departments; data on amount of losses due to fires; data on traffic accidents, injuries, and deaths; and extensive data on incidence of morbidity and mortality. Such data are routinely collected and widely used by agencies at all three levels of government. These set precedents for the future. While debates often occur over the accuracy of some of these numbers, they are widely accepted as part of "everyday life" for the managers of these programs.

The great thing about performance measurement is that it is inherently logical. Management textbooks emphasize that managers should regularly receive feedback on the results of their activities. This is intuitively believed to be a necessary element for decisions about future activities. This applies to the public sector no less than to the private sector.

We have seen since the early 1970s numerous improvements in the technical aspects of performance measurement. Tools such as surveys of customers and trained observer ratings, as well as much greater computational ability for processing and tabulating data, are now practical. As John Greiner points out, current and likely near-future advances in technology mean that computers, videotape, and other electronic means can be used to greatly speed up and enhance the ability of public officials and their staffs to obtain performance information on their programs.

A major problem in many existing performance measurement systems is "aggregationitis." This is the tendency of public agencies to calculate and report, especially to elected officials and the public, only aggregate performance data. Performance data that have been used in budget submissions, and subsequently be reported to the legislative body, are fraught with this problem. But aggregate information hides tremendous amounts of information and can be extremely misleading. Note the tale of the man who drowned in a lake whose average depth was twelve inches; the data on the average depth ignores the additional information that many parts of the lake were much deeper—and dangerous.

In the 1970s we worked to develop measurement procedures for social service and mental health programs. Our inability, as a result of computer limitations, to provide outcome data for different categories of clients (based on demographic and client-problem characteristics) greatly hampered our ability to provide program personnel and elected officials with timely feedback as to which categories of clients had good outcomes and which had poor outcomes. Computer limitations no longer can be used as an excuse for not providing breakout data. To take meaningful action, managers and elected officials need to know under what circumstances, and for whom, their programs work well or not well.

Two other major problems exist today that need to be overcome for performance measurement to be fully successful. The first is that it requires resources (staff time and dollars) to collect meaningful performance data. For the existing performance data noted earlier (such as crime, crime clearances, accidents, and health data), development costs for establishing the data collection procedures were absorbed many years ago. Little pressure has been present since then to cut off the costs needed to provide those data on a routine basis. Governments today, however, are quite reluctant to spend any additional money for data collection activities such as surveys of customers, ratings of conditions by trained observers, and modifications of agency Management Information System (MIS) procedures. (Although governments seem quite willing to spend many dollars on new computer-related technology.)

For most programs, feedback from customers appears to be an indispensable way to obtain data on key aspects of program performance. This idea, not accepted in the 1970s and even into the 1980s, is considerably more accepted now. Nevertheless, the reality is that few public programs believe they are in a position to undertake regular annual feedback on even a sample of program customers in order to assess performance. Even if an enlightened agency starts doing this, the financial support for continued annual surveys is likely to be tenuous. Such data collection procedures are far from being institutionalized in most government agencies at any of the three levels of government. Agencies may believe they are undertaking a major effort in taking such surveys once every few years, but this is not sufficient for managerial usefulness.

The emerging acceptance of mail surveys, along with acceptance of response rates such as 50 percent (rather than 75 percent or higher), means that low-cost mail surveys, combined with multiple mailings and possibly telephone follow-ups to achieve higher response rates, is likely to produce greater acceptance of customer surveys in the future. Note that for human service programs that routinely record customer names and addresses, regular mail surveys are likely to be a low-cost and practical survey procedure.

The final problem I will discuss here is the considerable danger of overexpectation regarding what performance measurement can accomplish. Misperceptions are widespread among program personnel themselves and are even worse among elected officials and the media. Performance measurement information seldom explains *why* the measured results are the way they are and certainly doesn't intimate what can be done to improve results. For such information, more in-depth evaluations are needed. Public officials usually assume that data on outcomes indicate that the program itself was to blame or to be praised for the measured results. Few outcomes result only from what the program does. Usually many other factors affect outcomes, factors over which the program usually has limited control External economic conditions, weather conditions, behaviors by customers, etc., all can have an important effect on outcomes. Public programs will have some influence on outcomes but only partial influence.

This has considerable implications for "accountability," a word that is usually used quite loosely. In reality, accountability for performance is shared by many sectors. Whether we are addressing health programs, recreation programs, traffic accident prevention programs, social service programs, environmental protection, sanitation, etc., each program area is likely to have an important but only partial role. The public programs cannot be fully blamed or given credit for failures or success.

This does *not* mean that performance measurement is not vital. Just as managers of any sports teams (whether football, baseball, basketball, or whatever), need to know what the score is, so do public managers and the public. The scores do not tell *why* a team is winning or losing, but they provide vital information to managers and team officials for helping guide their future actions to try to improve their success.

This lack of full accountability means that certain uses for performance information, such as pay-for-performance programs, need to reflect this reality. In the business sector, chief executive officers often receive compensation at least partially related to their business' bottom lines, such as profit and loss, and market share. These executions clearly have only partial effect over those results. Many other factors affect a business' performance, such as national and international economic conditions. Stockholders implicitly accept that their executives may receive a windfall because the company has fortuitously profited, or receive lower compensation because of major external problems, even though the executive many have performed admirably in the face of adversity. Any attempt at pay-for-performance in the public sector needs to recognize these realities.

Program managers need regular performance information. Staff that deliver services to the public need this information to help them know how well they are doing. Upper-level department officials need this information. Elected officials need this information. And the media and public should have access to this information. At the same time, however, all parties need to understand the limitations as to what these data tell and what they do not tell. Such understanding and reasonable expectations will help to avoid what otherwise could be a catastrophic failure of performance measurement as the reported data begin to confront elected officials and the public.

In my view, performance and measurement will truly have arrived when public managers routinely hold "How Are We Doing?" sessions after receiving their quarterly performance reports. The managers and their staffs would routinely use the performance information to identify where their programs are doing well, where not well, and use that information to help them identify improvement actions. Perhaps such a time is just around the corner.

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Source: Effective Implementation of the Government Performance and Results Act, NAPA, 1998.

EXECUTIVE SUMMARY

The National Academy of Public Administration's Panel on Improving Government Performance has maintained interest and involvement in implementing the Government Performance and Results Act (commonly referred to as GPRA or the Results Act) starting with support of the legislation as it moved through Congress in 1993. The panel continues to believe that transforming the focus within the federal government from managing activities focused primarily on input indicators to a focus on achieving specific results can improve the attainment of programs' goals — a key objective of the Results Act.

In 1994, the panel issued its first report, *Toward Useful Performance Measurement*, based on its review of the pilot projects at that time. The purpose of the current report is to review the ongoing, but still very early, phases of GPRA implementation and offer the panel's findings, recommendations and conclusions for effectively implementing the act and achieving its potential benefits.

There are four key elements for successful implementation of the Results Act: 1) sustained political commitment and enthusiastic leadership and visible involvement by senior management for whom performance management should be a high priority; 2) adequate resources and priority for data collection, information management technologies, training, and analysis; 3) broad acceptance of performance indicators data for assessing program results; and 4) effective and objective use of performance information upon which to base long-term budgetary and program decisions to improve agency and program performance.

Better information about program results will enable managers to improve performance, assist the legislative and executive branches in making informed choices in allocating scarce resources and setting priorities, and help government communicate with the public about what government actually produces to meet our public and national needs.

CONCLUSIONS AND RECOMMENDATIONS

Following are key points, consolidated from the report's many findings, recommendations and conclusions, that the panel considers necessary for successful implementation of GPRA's management reform. It should be recognized that, just as GPRA is a work-in-progress, the panel's evaluation is also a continuing work-in-progress.

1. Results-based management can work. Let's do it.

After examination of the broad array of results-based information and the many implementation actions taken so far, principally during this year, by both the executive branch and Congress, the panel concludes that the Results Act is soundly framed and that results-based management can be effectively implemented in our federal government. The panel sees no fundamental obstacle to achieving the management reform and the benefits anticipated by the act. But it is difficult. It will take consistent management attention, resources, and time.

2. Much has been done this year, after a slow start, in Congress and in the executive branch.

The panel is pleased with the amount of GPRA-related activity under way after a slow start, particularly during this year. The executive branch and Congress have made substantial progress as agencies developed the required plans and performance indicators, and as a result of the exchange of correspondence initiated by congressional leaders with OMB. Some of the results are indicated by the constructive follow-up review of and consultation on strategic plans, including coordinated reviews to provide consistency among committees and reduce the burden on the agencies. These actions are encouraging and should be continued on that constructive basis.

3. We are in the early part of a long-term and difficult work-in-progress. Congress, the President, and the agencies must have realistic expectations; they must be patient and encourage and support the work being done.

Good progress has been made during this year, and some examples of the beneficial effects of results-based management already exist. We are still in the start-up phase of this important management reform. Especially during this start-up phase of GPRA, it is important that unreasonable expectations and premature judgments be avoided. Overreaction to or politicization of startup actions and results could seriously hinder implementation of results-based management. Many of the initial draft strategic and performance plans are weak and deficient; improvements should be encouraged by constructive consultation and criticism. We have a long way to go to develop fully and use effectively the resulting management systems and program performance information. The job will not be easy. It will vary across agencies depending on their previous experience with planning and program evaluation, on the difficulty of defining suitable performance indicators, on legislative and executive branch consensus on their missions and goals, and on judgment of their priority.

Long-term constructive involvement of the executive branch and Congress is needed to support, encourage, and stimulate product improvement and collection of the necessary information. Such activity does not come free. Congress, the President, OMB, and the agencies will have to provide adequate resources to produce and use quality information on program results.

4. **"Buy in" is vital. Successful GPRA implementation must start with the visible and committed involvement of the top levels of the executive branch and Congress. Stimulated by that senior leadership, the entire organization – program, management, and functional offices at all levels – should realize the importance of and commitment to results-based management.**

The visible involvement and leadership of agency senior level managers in GPRA implementation is a major requirement in gaining commitment of the entire organization, including importantly involvement of the program managers working with other management and functional officers. However, agency top leaders' involvement has been uneven, and survey data have indicated that middle managers' training, involvement in and understanding of the act's requirements has been limited. These inadequacies require correction.

Decisions by top management are key to defining missions, establishing long-term goals and annual targets, and providing the resources and flexibility to achieve the goals and targets. Such strong top leadership involvement is essential in assuring all working levels that the resulting information will be valued and used to improve program performance and that their benefits will ultimately be recognized at higher levels in the executive branch and that they will be constructively used in the Congress.

If executive branch and congressional leadership do not consistently convey the importance of results-based government, GPRA implementation will be viewed as a paper, image building exercise rather than a process dedicated to achieving major management reform.

5. **Don't make premature judgments that would penalize agencies and programs. There will always be limitations to the information being produced.**

How the new information generated under the act will be used in the executive branch and in Congress could determine, to a large extent, the act's success.

Annual measurement of outcomes, a major new requirement of GPRA, can be difficult for many federal programs. The state-of-the-art in outcome measurement is weak. Outcome measurement may never be perfect, but it should improve over time.

It is essential that the President, Congress, the agencies, the public and the media avoid excessive expectations on what the new outcome performance indicators can tell them, even after those indicators are defined. Such data will only tell the "score" and whether the program outcomes are improving or not. The indicators won't tell why. Information on the "why" will require in-depth analysis and evaluation of what is influencing the result. Many factors will have to be considered to fully define what caused the results.

Agency leaders and program managers have expressed concern that such new performance information may fuel an "I gotcha" atmosphere. If the information is used that way, especially before the performance indicators are fully defined and evaluated, it could lead to game-playing by those setting the goals and preparing the information to avoid being "got." That would certainly not serve to achieve the Results Act goals of performance and management improvement.

6. State and local governments and many federal agencies share responsibilities for missions and goals. Performance partnerships are needed to achieve integrated and collaborative results-based management to meet those goals and eliminate unneeded overlap.

State and local governments, tribal organizations, and, in many cases, the private sector share federal mission objectives. The obvious examples of situations involving intergovernmental responsibilities are in social areas such as education, housing, crime reduction, employment, and drug abuse reduction. In many, the goal is to change behavioral patterns. Achieving such a goal requires integration of program activities among several federal agencies and, often, in close association with state and local agencies. Where local, state, or tribal governments bear major responsibility for implementation, the role of those entities should be heavily weighted in the GPRA process.

However, significant overlap of activities also exists among federal agencies. That could indicate duplication, but it could also indicate complementary and/or fragmented missions that play contributory roles. In any case, integration and collaboration on missions, goals, and performance measurement are required.

With few exceptions, the panel finds almost no consideration of these various fragmented, overlapping, intergovernmental responsibilities in the strategic and performance plans being developed under GPRA. That deficiency must be addressed by senior leadership in the administration, in the executive branch agencies including OMB, and in Congress. Performance partnerships will have to be worked out with state and local agencies and among federal agencies to assure achievement of the performance results required while also working to eliminate unneeded overlap.

7. The draft strategic plans of most agencies reviewed by the panel lacked consideration of major requirements. Some read like publicity or vision documents. Achieving meaningful and useful agency plans will require constructive criticism within the executive branch, especially by OMB, and in the legislative branch, including GAO.

Many agency draft strategic plans lacked consideration of elements that would normally be required in sound planning. Most plans did not indicate consideration of changes in the operating environment, alternative ways of attaining the mission goals, or the effect of related interagency or private sector roles. Such issues should be addressed.

Strategic planning should examine potential future influencing factors. The rule should be, "Don't be surprised, be prepared, anticipate and plan for such influences." Planning should also always look for better ways of accomplishing the job. These are difficult issues to address openly and frankly in government. They could suggest changes in program legislation or in policy decisions in both the executive and legislative branches of government. They could involve changes – in work assignments, in the facilities used, and in contract or grant arrangements – that could produce political problems and disagreements.

Again, the constructive encouragement, support and assistance of senior leadership in the executive and legislative branches is essential to stimulate a frank agency, interagency, intergovernmental approach in effectively implementing results-based management reform.

8. **OMB has an important role in leading and providing guidance, assistance, and proactive review of agency activities and their planning, performance measurement, and budgetary products required to meet GPRA and broad results-based management requirements. In addition, OMB should play a major role in identifying programs with related and overlapping mandates among agencies and levels of government. This will require strengthening such management capability in OMB or identifying others for that function.**

To date, OMB has played a significant role in providing agencies with guidance in various forms – memos, management circulars, committees, meetings. It has also provided the central executive branch leadership in GPRA implementation, including working with Congress to encourage effective consultation. OMB staff also discussed with congressional staff criteria for evaluation of strategic plans based on the requirements under GPRA. But it was not involved with and has not supported the numerical "scorecard" rating system applied in congressional reviews and used in media reporting of the resulting plan evaluations. OMB has provided great flexibility to the agencies in establishing their activities and developing their plans. This is a realistic approach considering agency differences.

However, more is needed. An institutional base is needed to help agencies improve the quality of results-based management across government. That role should include identifying exemplary agency approaches and innovations, promoting improvements in measurement methods, and facilitating the exchange of information among agencies, state and local governments with related missions, and programs with similar or overlapping functions. As lessons are learned, OMB should clarify and further specify requirements in strategic and performance plans. OMB also needs to maintain priority attention on the Results Act requirements where other legislation could inhibit attainment of the required program information. The panel recommends that OMB be strengthened to perform such an ongoing management assistance role or, if that is not possible, that other resources for fulfilling such functions be identified and supported.

TO CONCLUDE

The panel recognizes that the necessary changes are not without significant political and administrative costs to clarify goals and reallocate resources for the planning, measurement, validation, tracking and analysis. There are also potential political conflicts that may emerge over goals and priorities. In many agencies, management will have to be structured to meet requirements of results-based management including continuing congressional and stakeholder discussion, and assuring proper consideration of related activities among federal agencies, various levels of government, and the private sector. Continuity of attention and involvement of all participants is essential. The effort of all participants should be directed at assuring steady improvement in the entire process of results-based management to gain the potential benefits of the Results Act. Based on available information, the panel concludes that results-based management and its potential benefits can be achieved within our federal government.

MFP Committee #2
April 13, 1998
Worksession

MEMORANDUM REPORT

April 9, 1998

TO: Management and Fiscal Policy Committee

FROM: Karen Orlansky KO, Director
Office of Legislative Oversight

SUBJECT: ***OLO Budget Project: Agency Approaches to Performance and Outcome Measures***

On March 3, the Council amended OLO's FY 98 Work Program to add projects related to the Council's review of agency FY 99 budget requests. This memorandum constitutes the first product related to Budget Project #1, which involves review of the progress made by the agencies (County Government, Montgomery County Public Schools, Montgomery College, M-NCPPC, and Washington Suburban Sanitary Commission) to develop performance and outcome measures.

The terms "performance measure" and "outcomes" often mean different things to different organizations. For purposes of this memorandum, OLO uses the umbrella term "performance/outcome measures" to reference the collection of various quantitative and qualitative data being used by the agencies to track and assess program, agency, and/or community-wide results or accomplishments.

This memorandum is organized into three parts:

- Part I provides a status report on the five agencies' efforts to develop and use performance/outcome measures.
- Part II identifies the program areas that OLO selected for additional analysis related to performance/outcome measures for discussion by the Council Committees during the upcoming FY 99 operating budget worksessions.
- Part III presents issues that OLO recommends the MFP Committee discuss on May 7, which is the scheduled date for the Committee's second worksession on performance measurement/outcomes. In addition, on May 7, OLO will provide the MFP Committee with a summary report of the different Council Committee discussions of performance/outcome measures during the operating budget worksessions.