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Inside this Brief

- **Background**
- **Oregon Performance Measure Guidelines**
- **For More Information**
- **Staff Contact**

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Background Brief on...

Program Evaluation

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Background

In an era when state governments are finding it increasingly difficult to balance their budgets, citizens and policymakers want to see results from state-supported programs. It is critical that taxpayers and policymakers receive objective, nonpartisan assessments about agency performance. Program evaluation and analysis attempt to measure the effectiveness and efficiency of government programs by identifying quantifiable indicators of program performance. Such evaluation can demonstrate results for successful programs and identify problems in programs that are not succeeding. It covers such activities as reviewing or developing objectives, collecting and analyzing data, and implementing results. Some programs readily lend themselves to this approach while others, such as social action programs, are more difficult to quantify.

Oregon Performance Measure Guidelines

The 2001 Oregon Legislature passed House Bill 3358 which mandated the Oregon Progress Board (OPB) to establish guidelines, based on best practices, for state agencies to link performance measures to Oregon Benchmarks. The law requires these guidelines be established in consultation with the Legislative Fiscal Office, Secretary of State Audits Division, and Department of Administrative Services (DAS). House Bill 3358 directs DAS to use these guidelines to ensure “the development of a statewide system of performance measures designed to improve the efficiency and effectiveness of state programs and services.” These guidelines are designed to create a uniform approach to identifying and reporting agency performance and to provide a minimum level of quality control. The 23 member panel, including three legislators, released its report titled *Performance Measure Guidelines for State Agencies* in 2002.

In October 2002, the OPB released *Ten Ideas for Improving Oregon State Government Performance and Accountability*. The report, requested by Senator Steve Harper, provides Oregon decision-makers with promising practices used elsewhere to improve public sector performance and accountability. The ten ideas listed offer a mix of executive and legislative branch initiatives:

- 1) Provide the public with regular, high-quality information regarding agency performance
- 2) Expand the use of performance audits
- 3) Publicly rank agencies on how well they meet performance expectations
- 4) Create incentives to encourage agencies to achieve performance targets
- 5) Require state agencies to develop strategic plans as part of a comprehensive planning approach

- 6) Implement performance agreements between the governor and agency directors
- 7) Implement performance agreements between agency directors and their managers
- 8) Expand performance contracts between public agencies and providers of goods and services
- 9) Incorporate measurable outcomes into all state grant programs
- 10) Provide stronger incentives for employees to achieve performance targets

The OPB believes if successfully implemented, any of these ten ideas could be another important step forward in advancing a results-based agenda in Oregon.

Making Government Work for Oregonians: A Plan for Achieving Results-Based Government was released in January 2004 by the Advisory Committee on Government Performance and Accountability.

Only two members of the 18 member committee appointed by Governor Kulongoski were from the government sector, while 16 members were from the private sector. Of the seventeen committee recommendations, six overarching priorities were identified for immediate consideration:

- > Budget: Develop clearly identified priorities for the budget that reflect the cost-effective achievement of outcomes.
- > Performance Measures: Deepen and broaden the process for applying performance measures across government with particular emphasis on cross-agency collaboration.
- > Boards and Commissions: Review relationship of boards and commissions to core functions with the potential outcome of elimination, consolidation, or alternative structures. Ensure remaining government boards and commissions are accountable to the Governor.
- > Streamline regulations: Identify and streamline regulations and processes dealing with business start-ups, land use, and expansion of existing businesses.

- > Government Operations: Improve the efficiency of internal government operations and business services required to support core functions.
- > Agency Head Expectations: Implement written expectations for agency heads that focus on program and administrative outcomes and accountability to the Governor.

An element of DAS Budget and Management Division's 2005-07 Budget Kickoff was the report *Performance Measure Guidelines for Oregon State Agencies*. The document, which was included in the division's March 15, 2004 presentation to state agencies, lists eight performance measure expectations and criteria:

- > Key performance measures should gauge progress toward achieving agency goals and pertinent high-level outcomes, including Oregon Benchmarks.
- > Key performance measures should focus on the key indicators of agency success.
- > Agencies should use Government Accounting Standards Board definitions.
- > Key performance measures should have targets.
- > Key performance measures should be accurate and reliable.
- > Key performance measures should link to specific organizational units.
- > Key performance measures should include customer satisfaction and efficiency indicators.
- > Key performance measures should allow comparisons with others wherever possible.

For More Information:

The performance guidelines, benchmarks, and other information are available on the OPB website at <http://www.oregon.gov/DAS/OPB/docs/> and <http://www.bam.das.state.or.us/DAS/BAM/docs/> *Legislating for Results*; NCSL, December 2003

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