

Performance Measure Review

Legislative Budget Office

OBRS Training
June 4th & 6th 2019

Our Goal Today

1. Re-familiarize ourselves with Performance Measures used in the budgeting process
2. Process to add, delete or change a Performance Measure

Common Base of Performance Measures

- This Common Base should be used in both the Strategic Plan and in the Budget Submission.
- Legislators pick which Performance Measures will appear in the Appropriation Bills.

Which Performance Measures?

1. Performance Measures from last year's Strategic Plan
2. Performance Measures from last year's Annual Budget Request
3. Any Performance Measures added to your Appropriation Bill or otherwise added by the Legislature
4. Additions, deletions, changes approved by LBO and DFA

EQUALS a “Common Base” of Performance Measures

Performance Measures

Must be:

- Reliable
- Meaningful
- Trackable
- Cost Efficient (to gather)
- Reviewed and Updated
- Timely

Could this be Better?

Successful execution of the agency's business and operational functions to include: a) Executive leadership; b) Administrative support of the executive staff, appointed Board members, and legislative advisors; c) Coordination, planning, and budgeting between all divisions; d) Creation and publication of policy, procedures, and special reports on key initiatives and goals; e) Communications and outreach to agencies, governing authorities, and private sector companies which conduct business with the agency; and f) Support of administrative services needed for all internal agency units including business processes and personnel.

(1 = achieved)

Could this be Better?

An Acceptable Annual Budget Request and 5-Year Strategic Plan to the Legislative Budget Office & the Department of Finance and Administration & an Unqualified Audit by the State Auditor's Office

Performance Measures

- Output Measures
- *Outcome Measures*
- Efficiency Measures

Program Output Measures

- Outputs are the services (sometimes goods) provided by an agency in order to meet its goals and objectives
- Output measures are the means of quantifying or counting the amount of services provided by an agency
- In other words, “How much service did you provide?”

Program Output Measures

Examples of Program Output Measures:

- Public water systems surveyed and inspected (number of)
- Hunting and fishing licenses sold (number of)
- Paternities established (number of)
- Abuse and neglect investigations conducted (number of)
- Solid waste permits processed (number of)
- Elderly and disabled persons served (number of)
- Recipients enrolled in program (number of)
- Amount of state matching funds awarded (dollars)
- Heroin seized by law enforcement (number of pounds)

Program Outcome Measures

- Outcomes are assessments of the **result, effect or consequence** that will occur from carrying out a program or activity
- They are tools to assess the effectiveness of an agency's performance and the public benefit derived from it
- **In other words, “What are the results of your outputs and activities?” or**
- **“What good did the money the Legislature gave you actually do?”**
- **The “Gold Standard” of Performance Measures**

Program Outcome Measures

- Performance can be determined by comparing actual outcomes to targeted outcomes set forth in the Appropriation Bill

Program Outcome Measures

Examples of Program Outcome Measures:

- Public water systems in compliance with EPA standards (percentage)
- Offender recidivism rate within 12 months (percentage)
- Released Offenders Finding Jobs in Vocation Studied (percentage)
- Reduction in deaths per mile of interstate highway from previous year (percentage)
- Mississippians living in areas where air meets federal air quality standards (percentage)
- Decrease in the rate of Tuberculosis in the population (percentage)
- Persons rehabilitated and holding a job for at least 6 months (percentage of)

Outputs Verses Outcomes

- The differences between outcome measures and output measures are shown in the following examples:

The number of patients treated and discharged from a state mental hospital (output measure)

is not the same as

The percentage of patients treated and discharged who are capable of living independently (outcome measure)

The number of vaccinations given (output measure)

is not the same as

The reduction of the disease in the population (outcome measure)

Program Efficiency Measures

- Efficiency measures are the ratios that identify the effectiveness or productivity of a program
- Program efficiency measures are expressed in a quantifiable form (a number, usually a percentage)
- Program Efficiency measures are generally expressed in unit costs, units of time, or other ratio-based units associated with producing a desired outcome or output

Program Efficiency Measures

Examples of Program Efficiency Measures:

- Average cost to inspect a public water system (Dollars)
- Average cost per hunting license to issue (Dollars)
- Time to issue hunting license by contracted vendor (Days)
- Frequency of each public water system inspection (Years Between Inspection)
- Average time to approve or deny air quality permits (Days)
- Average caseload per social worker in the foster care program (Cases per Worker)
- Cost to house an inmate per day – maximum security (Dollars)

Policy on Approval of Performance Measures

- § 27-103-129 (1) of the Mississippi Code requires that both LBO and DFA jointly approve Performance Measures.
- Any deletions or changes to an existing Performance Measure contained in an appropriation bill can only be made with the approval of both House and Senate Appropriation Subcommittees.

Streamlined Procedure for Approval of Performance Measures

1. Send a joint e-mail to both your LBO and DFA budget analysts
2. List the Performance Measure you want added, deleted or changed
3. Provide a detailed justification on which your request can be evaluated
4. When (and if) both offices give their approvals via return e-mail

New Streamlined Procedure for Approval of Performance Measures

5. Your LBO Analyst will then make the approved additions, deletions or changes in the Online Budget Request System (OBRS) and you make use these changes in your Strategic Plan.

- This should speed up the process greatly