

# PERFORMANCE MANAGEMENT-MEASUREMENT AND THE OREGON BENCHMARKS

### The Oregon Benchmarks

Oregon has adopted a comprehensive approach to Performance Management and measuring state government performance and societal-level outcomes. At the broadest level, the state's 20-year strategic vision was first established in 1989 with *Oregon Shines*. This document established the blueprint to jumpstart Oregon's economic recovery, and helped guide the economic diversification and growth that occurred in the 1990's. By the mid-1990's, Oregon's economic expansion was well under way. In 1997, the state broadened the strategic vision, taking a more holistic approach to quality of life. This revision, known as *Oregon Shines II*, focused on community and environmental factors, as well as economic issues. A third revision, *Oregon Shines III*, is currently in process.

To monitor progress in achieving the strategic vision, the state adopted the Oregon Benchmarks. These Benchmarks are quantifiable measures of societal level outcomes that can be monitored over time to track progress in addressing economic, social and environmental issues. The Benchmarks are organized into seven broad categories: economy, education, civic engagement, social support, public safety, community development and environment.

### The Key Performance Measure (KPM) System

Linked to and supporting the Oregon Benchmarks, state agencies use performance measures to track and report progress in carrying out their respective missions. The broadest level of agency specific metrics are known as Key Performance Measures (KPM's). These KPM's report broad program and policy outcome statistics, including measures on customer service and efficiency.

The KPM system is used by all agencies and the results are reported to policy-makers as part of the budget development process. Though not the only factor, performance measurements help policy-makers decide how to allocate state resources. As part of the budget development process, the Legislature adopts performance-measurement targets based on funding levels approved in the agency budgets.

In 2006, primary responsibility for administering the KPM system became a joint effort of the Legislative Fiscal Office (LFO) and the Budget and Management Division (BAM) of the Department of Administrative Services. The foundation for moving the KPM system forward is an increasing emphasis on performance metrics at all levels of government, and re-focusing the KPM system towards a more comprehensive performance management approach. The Key Performance Management process is expanding to create richer and more useful performance data, and re-focusing on performance and process improvement. This change has resulted in a number of key achievements:

- **Migrating the KPM reporting system to the Web, and aligning the KPM system timetables to statewide budget development:** In 2008, a database system was created to replace the old paper system. The traditional performance reporting timetables were also advanced significantly to align the KPM system more closely to the budget development process. The new system will allow for tracking KPM iterations over time; producing a variety of standard and custom reports; eliminating the four paper forms the system previously required; more timely access by both BAM and LFO analysts; new management reports, and documentation tracking. The new system was built with existing resources and staff and no additional costs were incurred. The next version of the system is currently under development.

## Performance Measures/Benchmarks

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- **Significantly Increased Technical Training and Assistance:** Agency engagement with performance management methods has increased dramatically in 2008. BAM and LFO co-host quarterly performance management round table meetings that provide both information and training to various agency personnel. Performance-improvement related technical training and assistance to agencies has also increased significantly. These services and innovations include:
  - Assisting agencies in responding more completely and effectively to performance-related budget notes.
  - Collaboratively creating the first of a new generation of performance measures. This new generation include “reporting-only” measures; measures shared between or among agencies and indices for more complex processes and outcomes.
  - Providing specific technical assistance and guidance in Continuous Process Improvement.
  - Streamlining the process for administrative changes to KPM’s.
  - Training on Policy Package development. Recognizing the need for better development of Policy Packages, a very successful series of training programs were presented on using a Business Case model for creating Policy Packages. The positive response to this program clearly demonstrates the interest and need for additional business skills training within the system.
  - Providing, in collaboration with LFO, the first of a series of informational training programs on the KPM system for the legislature’s Joint Ways and Means Committee.

Finally, below the reported performance measures are a series of agency internal measures used by state managers to evaluate their program-specific outputs. Managers use these internal measures to make system and structural changes in program performance. Fiscal staff use them to monitor workload outputs, caseload levels and other budget related information. These internal measures are used continuously to evaluate fiscal needs within agencies, both for planning and implementation purposes.

### **The Committee on Performance Excellence**

Senate Bill 1099 (2008) establishes a ground-breaking new committee to help support and guide ongoing performance improvement efforts throughout State government. This nine-member committee includes two legislative members, two executive branch managers, three members from the public and two represented state employees.

The Committee will be engaged in a number of essential activities, such as: providing policy review, recognizing and recommending funding for proposals that advance performance excellence in state agencies; advising agencies on Performance Management/Measurement activities and practices; and advising and consulting with the Governor and Legislature on system-wide issues related to continuous process, product and program improvement efforts within state agencies.