

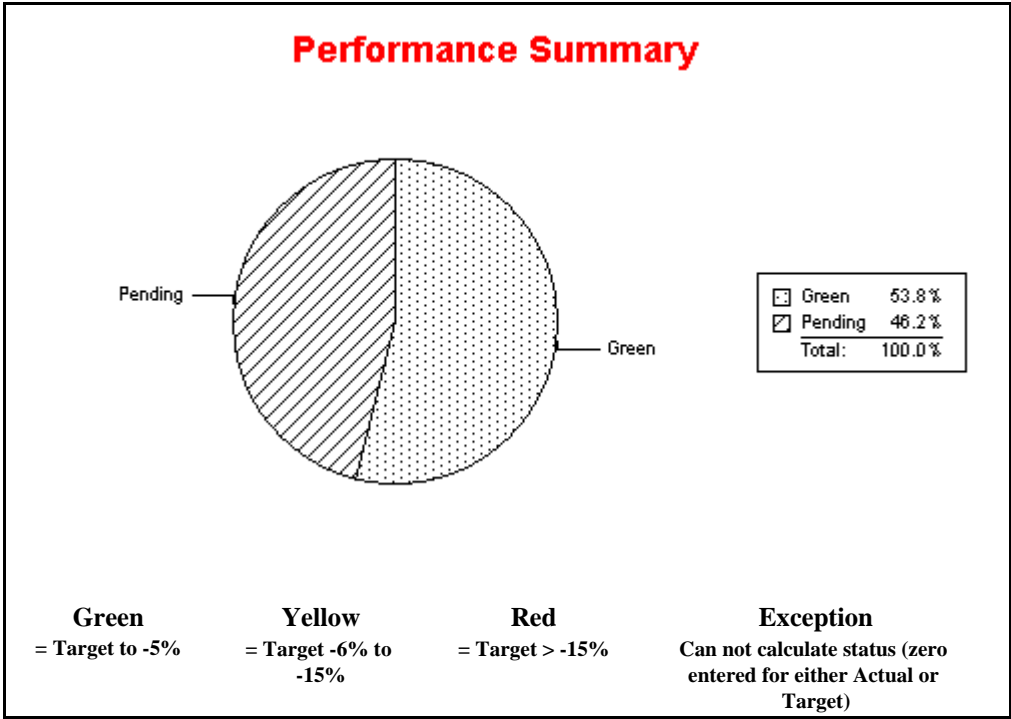
STATE TREASURER, OFFICE of the
Annual Performance Progress Report (APPR) for Fiscal Year (2007-2008)
Proposed KPM's for Biennium (2009-2011)

Original Submission Date: 2008

2007-2008 KPM #	2007-2008 Approved Key Performance Measures (KPMs)
1	Oregon Public Employees Retirement Fund Net Performance of 5-Year Rolling Average Compared to Policy Benchmark
2	Common School Fund Net Performance of 5-Year Rolling Average Compared to Policy Benchmark.
3	Oregon Short-Term Fund Returns Compared to Benchmark
4	Expense to Assets Ratio for the Oregon Short-Term Fund Compared to Institutional Money Market Funds.
5	Local Government vs. State Agency Participation in the Oregon Short-Term Fund.
6	Local Government vs. State Agency Dollars in the Oregon Short-Term Fund.
7	Banking Service Costs Average per Transaction.
8	Net Tax Supported Debt per Capita
9	Oregon School Bond Guaranty Program Estimated Savings for School Districts, ESD's, and Community Colleges Over Life of Bonds.
10	Oregon School Bond Guaranty Program Bonds Outstanding.
11	Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.
12	Growth of the Oregon 529 College Savings Network
13	Total Saturation of 529 Network Accounts by County

New Delete	Proposed Key Performance Measures (KPM's) for Biennium 2009-2011
NEW	<p>Title: Oregon Debt Issuance Activity Levels of transaction volume and total state and local government debt outstanding by fiscal year.</p> <p>Rationale: Existing KPMs do not capture overall transaction volume and debt outstanding of state and local governments.</p>
DELETE	<p>Title: Oregon School Bond Guaranty Program Estimated Savings for School Districts, ESD's, and Community Colleges Over Life of Bonds.</p> <p>Rationale:</p>

STATE TREASURER, OFFICE of the		I. EXECUTIVE SUMMARY	
Agency Mission: To provide financial stewardship for Oregon.			
Contact: Linda Haglund, Deputy State Treasurer		Contact Phone: 503-378-4000	
Alternate: Sally Wood, Controller		Alternate Phone: 503-378-4990	



1. SCOPE OF REPORT

All major program areas of the Office of the State Treasurer (OST) are addressed by the Key Performance Measures discussed in this report.

2. THE OREGON CONTEXT

State agency customers look to OST for services supporting their banking, debt management, and investment activities; local governments look to OST for investment and debt related services; the citizens of Oregon look to OST to save and invest funds for higher education purposes. The Key Performance Measures listed in this Annual Performance Progress Report focus on maintaining a high level of customer satisfaction, taxpayer

savings, and providing cost-effective services for all customers.

3. PERFORMANCE SUMMARY

OST is meeting the expected results of all Key Performance Measures. For some Key Performance Measures, targets are defined as performance against established benchmarks that are customary in the field. While these are not listed as future targets, OST includes these when performance data is available. This methodology was approved during the 2005 Joint Committee on Way and Means. Specific target information, where appropriate, is provided with each Key Performance Measure narrative.

4. CHALLENGES

OST notes several challenges in fulfilling its mission to provide financial stewardship for Oregon. These challenges include the local and national economy and financial markets, the ability of customers to utilize debt management tools, and continuing to provide low cost services to customers. While OST has historically been very successful in providing positive overall investment results with respects to its benchmarks, the local and national economy and financial markets, specifically the interest rate environment and equity prices, directly affect the ability to achieve OST's program goals. In addition, Oregonians' ability to participate in the cost-effective College Savings program is a direct result of their ability to save for their children's education. Different regions around the state may feel more effects from economic conditions and prevent them from beginning a college savings account or continuing to invest in a current account. OST has provided new and innovative debt management tools the last few years to help obtain the lowest cost of financing as a means of responding to critical needs of the state. These new debt management tools have resulted in savings to taxpayers, but, depending on their financial ability, customers may not be able to utilize them.

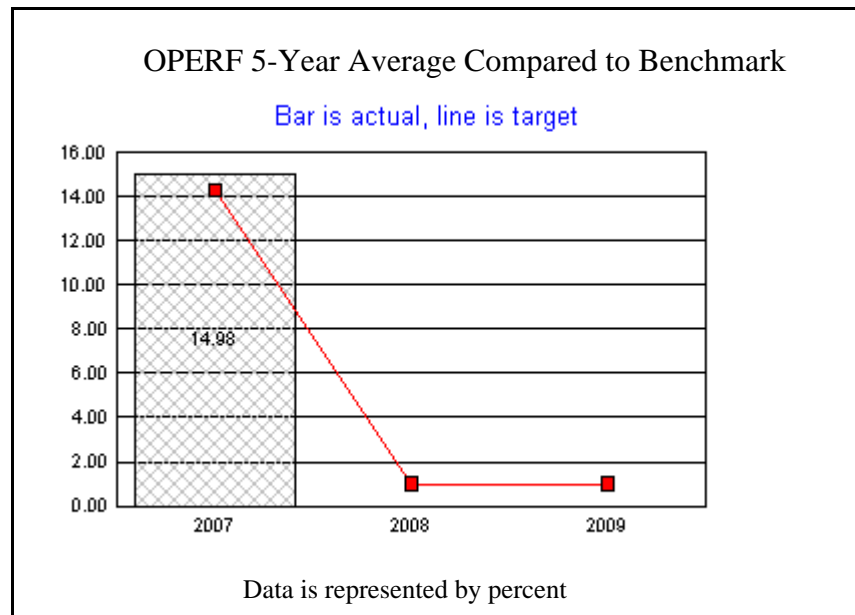
Several OST programs were established to harness the state's purchasing power and a key goal is to provide efficient services to customers at a low price. One challenge is to continuously train customers on newer techniques and concepts to keep up with ever changing technologies designed to minimize staff time and reduce cost. Customers have multiple levels of knowledge and sophistication to keep pace with changing private sector solutions in financial markets.

5. RESOURCES AND EFFICIENCY

OST's budget for fiscal year 2008 was \$13,386,142. Two key performance measures can be considered efficiency measures. The first is KPM #7, Banking Service Costs Average per Transaction. The second is KPM #4, Expense to Assets Ratio for the Oregon Short-Term Fund Compared to Institutional Money Market Funds. As financial stewards of the state's funds, OST continually evaluates the most cost-effective manner to structure service delivery. As the state's centralized service provider for investment and banking services, OST looks for ways to leverage buying power from large dollars under management and number of transactions to keep costs as low as possible, thus freeing the maximum amount of funds for program use. This ultimate measure of success is the level of fees OST charges for services. A low level of cost/fee reflects cost effective management of all program elements. Banking service charges are consistently lower than are available on a direct basis and investment management cost for our internally managed money market fund (OSTF) remain lower than competing private market funds with a similar

investment objective.

KPM #1	Oregon Public Employees Retirement Fund Net Performance of 5-Year Rolling Average Compared to Policy Benchmark	2007
Goal	To exceed the actuarial discount rate approved by the PERS Board, while applying the investment standards established in ORS 293.721 and 293.726.	
Oregon Context	Maintain a high level of customer satisfaction.	
Data Source	State Street Bank, Custodian and Performance Analytics	
Owner	Investment Division, Ron Schmitz, 503-378-2565	



1. OUR STRATEGY

Invest the portfolio in a broadly diversified pool of investments to balance the risk and return characteristics of the portfolio.

2. ABOUT THE TARGETS

Policy boards determine appropriate target for this asset class. The goal is to meet or beat the established benchmark, net of fees.

3. HOW WE ARE DOING

OPERF outperformed the benchmark by .69% which adds several hundred million dollars to the portfolio for beneficiaries.

4. HOW WE COMPARE

OPERF was in the top 5% of all large public funds for the five year period ended 12/31/2007.

5. FACTORS AFFECTING RESULTS

OPERF outperformed across all asset classes from bonds to real estate. The portfolio's asset allocation, with an emphasis on private equity relative to the exposure of our peers, was also a helpful factor.

6. WHAT NEEDS TO BE DONE

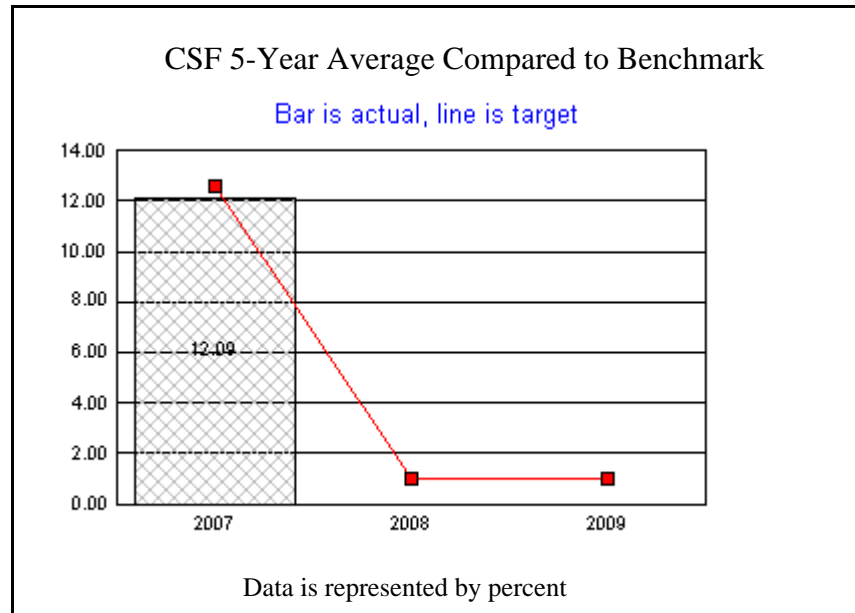
The market environment in 2008 is much less benign. The portfolio will be challenged to maintain the extraordinary level of performance generated in years past. We continuously monitor the portfolio guidelines for the appropriate risk/reward profile.

7. ABOUT THE DATA

Data Cycle: Calendar year.

This measure is reviewed monthly by the Oregon Investment Council (OIC) through monthly Flash Reports. More detailed performance analysis is conducted quarterly. Performance results are provided by independent third parties. State Street Bank and consultants provide the raw numbers and consultants provide evaluation and analysis to the OIC.

KPM #2	Common School Fund Net Performance of 5-Year Rolling Average Compared to Policy Benchmark.	2007
Goal	Optimize the long-term investment return and distributions while enabling the CSF to grow its asset base in real terms.	
Oregon Context	Maintain a high level of customer satisfaction.	
Data Source	State Street Bank, Custodian and Performance Analytics	
Owner	Investment Division, Ron Schmitz, 503-378-2565	



1. OUR STRATEGY

Invest the portfolio in a broadly diversified pool of investments to balance the risk and return characteristics of the portfolio.

2. ABOUT THE TARGETS

Policy boards determine appropriate target for this asset class. The goal is to meet or beat the established benchmark, net of fees.

3. HOW WE ARE DOING

The five year performance of the fund is under its benchmark. Equity managers are below their respective indices while the fixed income portfolio is exceeding expectations for the five year period.

4. HOW WE COMPARE

The Common School Fund is ahead of peer funds as measured by Trust Universe Comparison Service.

In the universe of funds under \$1 billion the results are well of the average fund while the results for all Master Trusts is just slightly ahead of the median fund.

5. FACTORS AFFECTING RESULTS

The fund recently switched from passive index funds to a more active portfolio structure. 2007 was a difficult year for active managers. This tends to run in cycles. We had previously been in a cycle in which active managers were out performing.

6. WHAT NEEDS TO BE DONE

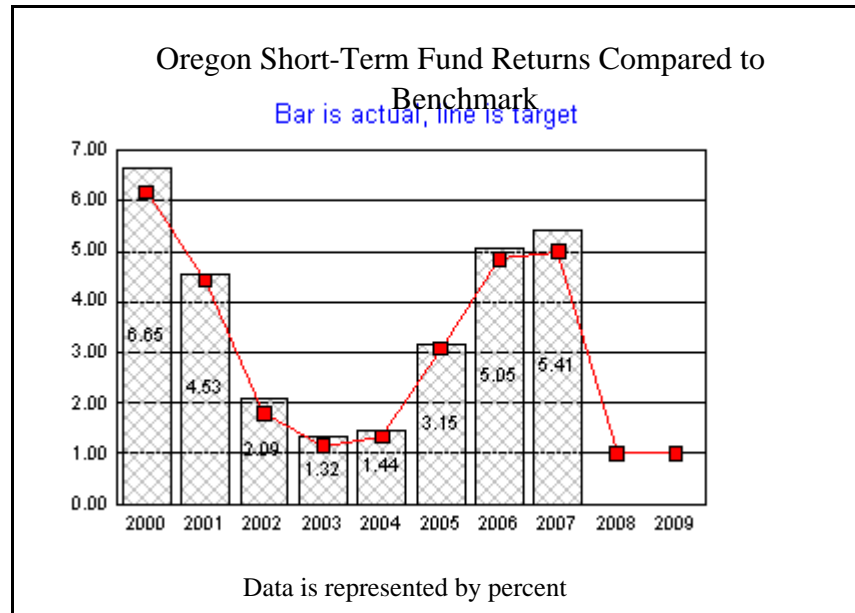
In 2008, at the direction of the Oregon Investment Council, the fund was more broadly diversified with the addition of active equity managers used in the OPERF portfolio. We feel that the best course of action is to ride out the current market volatility and wait for the expected level of outperformance to once again assert itself.

7. ABOUT THE DATA

Data Cycle: Calendar year.

This measure is reviewed monthly by the Oregon Investment Council through monthly Flash Reports. More detailed performance analysis is conducted quarterly. Performance results are provided by independent third parties. State Street Bank and consultants provide the raw numbers and consultants provide evaluation and analysis to the OIC.

KPM #3	Oregon Short-Term Fund Returns Compared to Benchmark	2000
Goal	Outperform the 91-day US Treasury-bill return net of fees.	
Oregon Context	Maintain a high level of customer satisfaction.	
Data Source	State Street Bank provides portfolio and index performance data monthly.	
Owner	Investment Division, Ron Schmitz, 503-378-2565	



1. OUR STRATEGY

Monitor and exploit credit and maturity advantages to beat the passive benchmark.

2. ABOUT THE TARGETS

Policy boards determine appropriate target for this asset class. The goal is to meet or beat the established benchmark, net of fees.

3. HOW WE ARE DOING

In 2007, OST's Investment Division has met its goal of beating the benchmark return. Beating the benchmark meant additional revenue to the OSTF of over \$43 million in 2007.

4. HOW WE COMPARE

Given differing objectives and restrictions, it is not possible to make direct comparisons to peers. However, eVestment Alliance analytics indicate the return on the Oregon Short-Term Fund, net of fees, ranked in the top quartile of the Lipper money market fund universe of over 300 institutional funds.

5. FACTORS AFFECTING RESULTS

The housing crash and credit crisis that emerged in early-2007 and escalated in the summer has resulted in dislocations throughout the capital markets, leading to rising levels of defaults, spread widening across all sectors except US Treasuries and an extreme lack of liquidity. The return of capital, not the return on capital, is the primary goal for investors. The spread widening of government sponsored entities (GSE's) and credit has presented opportunities for increased income and, thus, investment returns and value-added. Securities with maturities greater than three months are marked-to-market on a monthly basis, therefore market/interest rate risk and credit risk will impact total returns.

6. WHAT NEEDS TO BE DONE

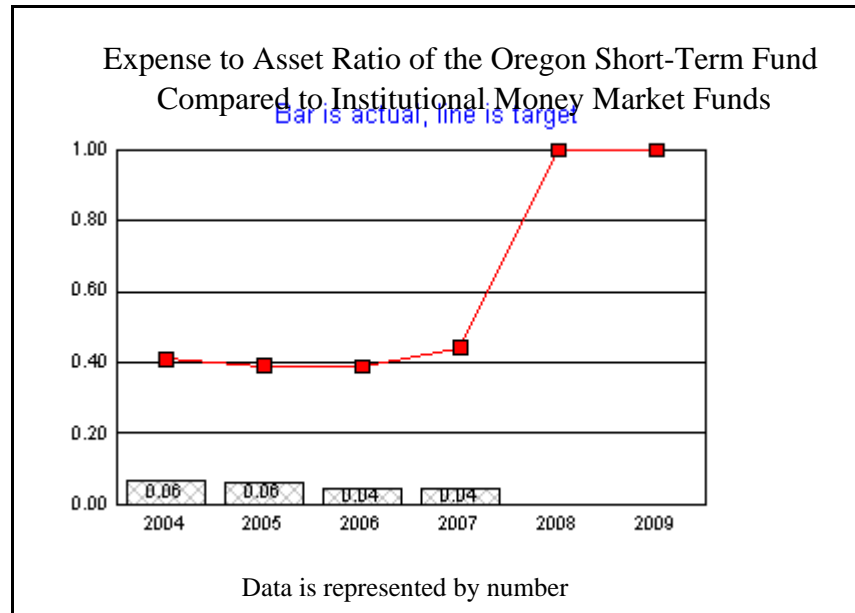
We are continuously addressing the portfolio guidelines to ensure appropriate risk management. It should be noted that on an absolute basis, Actual exceeds Target in all periods.

7. ABOUT THE DATA

Data Cycle: Calendar year.

Performance results are provided by independent third parties. State Street Bank and consultants provide the raw numbers and consultants provide evaluation and analysis to the Oregon Investment Council.

KPM #4	Expense to Assets Ratio for the Oregon Short-Term Fund Compared to Institutional Money Market Funds.	2004
Goal	Provide investment and banking services that are cost-efficient compared to external sources.	
Oregon Context	Maintain a high level of customer satisfaction.	
Data Source	Internal accounting and independent analysis of external costs by a third party consultant - Strategic Investment Solutions.	
Owner	Investment Division, Ron Schmitz, 503-378-2565	



1. OUR STRATEGY

Keep costs low by providing internally sourced services rather than contracting with outside vendors.

2. ABOUT THE TARGETS

Specific information about external cost levels are not known in advance.

3. HOW WE ARE DOING

The Oregon Short-Term Fund consistently provides low-cost investment and banking services to state agencies and local governments.

4. HOW WE COMPARE

During 2007, the expense ratios of over 300 institutional money market mutual funds ranged from 0.03% to 1.53% with an average of 0.442%.

5. FACTORS AFFECTING RESULTS

The Oregon Short-Term Fund is operated not-for-profit and as such should provide services at a lower cost than external, for-profit companies.

6. WHAT NEEDS TO BE DONE

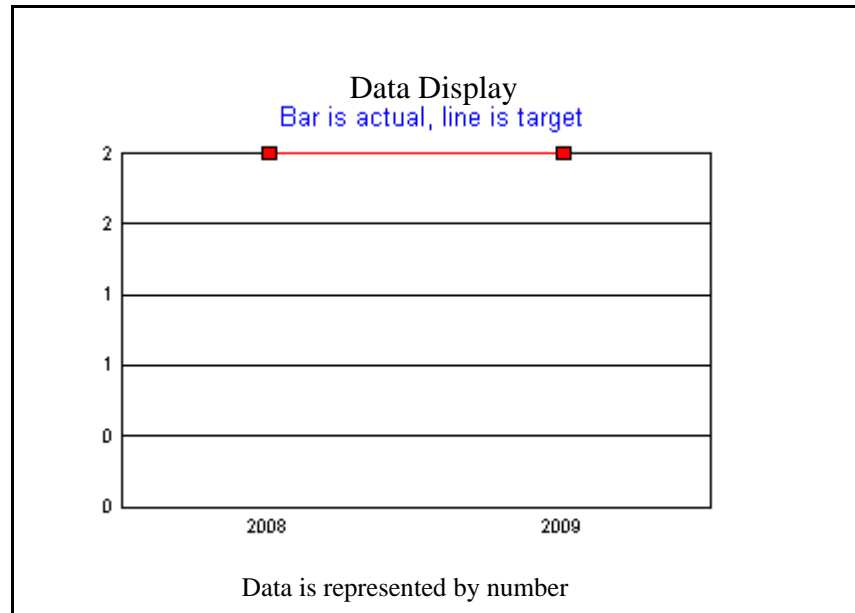
The Oregon Short-Term Fund will continue to be a diligent low-cost provider of investment and banking services to state agencies and local governments.

7. ABOUT THE DATA

Data Cycle: Calendar Year.

The external data is independently constructed by Strategic Investment Solutions, a third party consultant, using the Morningstar money market mutual fund data base. Internal costs are based on the charges billed to state and local government customers.

KPM #5	Local Government vs. State Agency Participation in the Oregon Short-Term Fund.	2000
Goal	Improve customer satisfaction with Treasury services.	
Oregon Context	Maintain a high level of customer satisfaction.	
Data Source	Management Report.	
Owner	Finance Division, Darren Bond, 503-378-4633	



1. OUR STRATEGY

2. ABOUT THE TARGETS

3. HOW WE ARE DOING

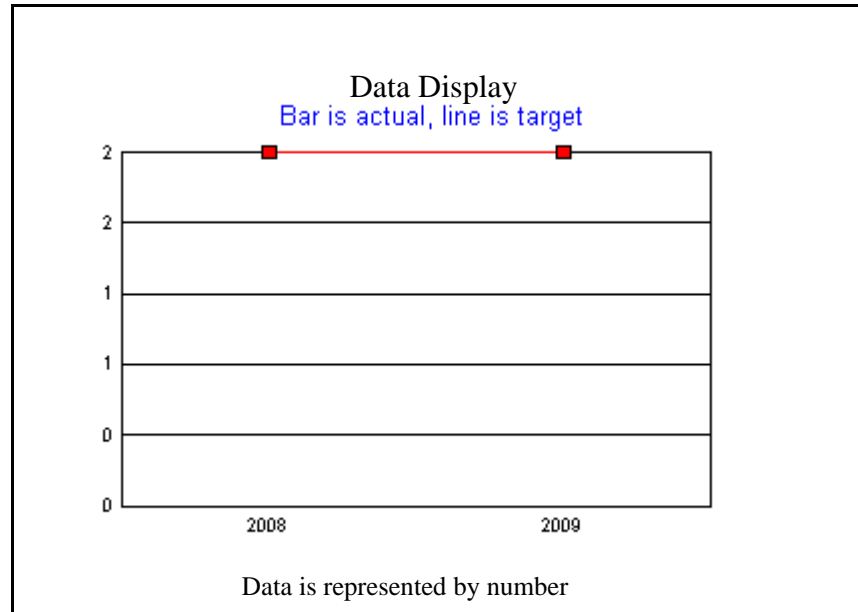
4. HOW WE COMPARE

5. FACTORS AFFECTING RESULTS

6. WHAT NEEDS TO BE DONE

7. ABOUT THE DATA

KPM #6	Local Government vs. State Agency Dollars in the Oregon Short-Term Fund.	2000
Goal	Improve customer satisfaction with Treasury services.	
Oregon Context	Maintain a high level of customer satisfaction.	
Data Source	Management Report.	
Owner	Finance Division, Darren Bond, 503-378-4633	



1. OUR STRATEGY

2. ABOUT THE TARGETS

3. HOW WE ARE DOING

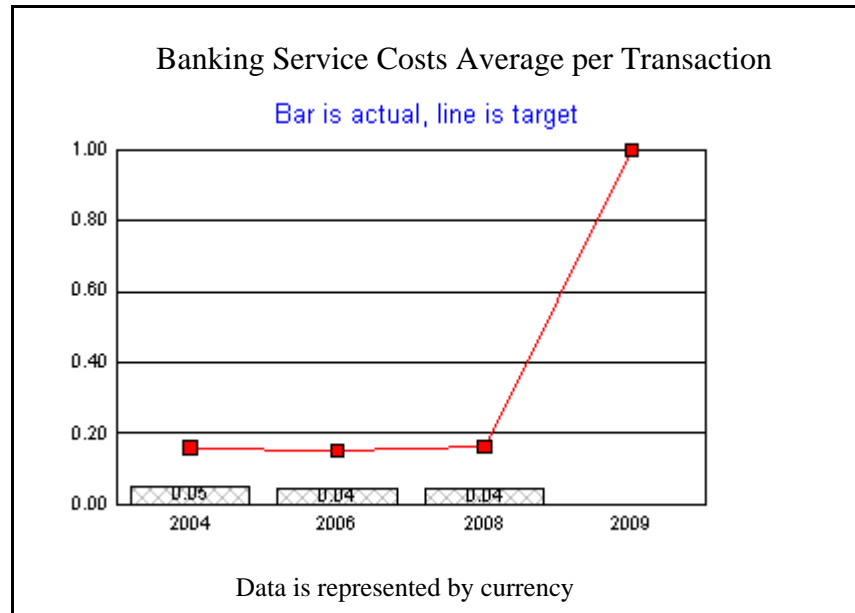
4. HOW WE COMPARE

5. FACTORS AFFECTING RESULTS

6. WHAT NEEDS TO BE DONE

7. ABOUT THE DATA

KPM #7	Banking Service Costs Average per Transaction.	2004
Goal	Control costs relative to the procurement of banking services.	
Oregon Context	Provide cost-effective banking for state and local government customers.	
Data Source	Long form analyses.	
Owner	Finance Division, Darren Bond, 503-378-4633	



1. OUR STRATEGY

Aggressive management of bank services contracts. Educate and assist agencies in determining cost-effective cash management practices.

2. ABOUT THE TARGETS

3. HOW WE ARE DOING

4. HOW WE COMPARE
5. FACTORS AFFECTING RESULTS
6. WHAT NEEDS TO BE DONE
7. ABOUT THE DATA

2. ABOUT THE TARGETS

Target is a discount to the standard bank pricing. Goal is to maximize discount to the standard price while ensuring quality service delivery.

3. HOW WE ARE DOING

The State of Oregon enjoys significant pricing advantages from its primary banking services provider.

4. HOW WE COMPARE

This KPM compares the standard (or “shelf”) pricing realized by most of the bank’s commercial and government customers and highlights the significant savings achieved through central banking of all state agencies.

5. FACTORS AFFECTING RESULTS

The Finance Division of OST aggressively manages the state’s banking services relationships. OST receives top quality support from banks who meet regularly with us to both understand the state’s needs and to share developments in the industry that might advantage the state. OST’s centralized banking structure allows for significant economies of scale to be achieved while still allowing agencies the flexibility needed to best meet their business needs.

6. WHAT NEEDS TO BE DONE

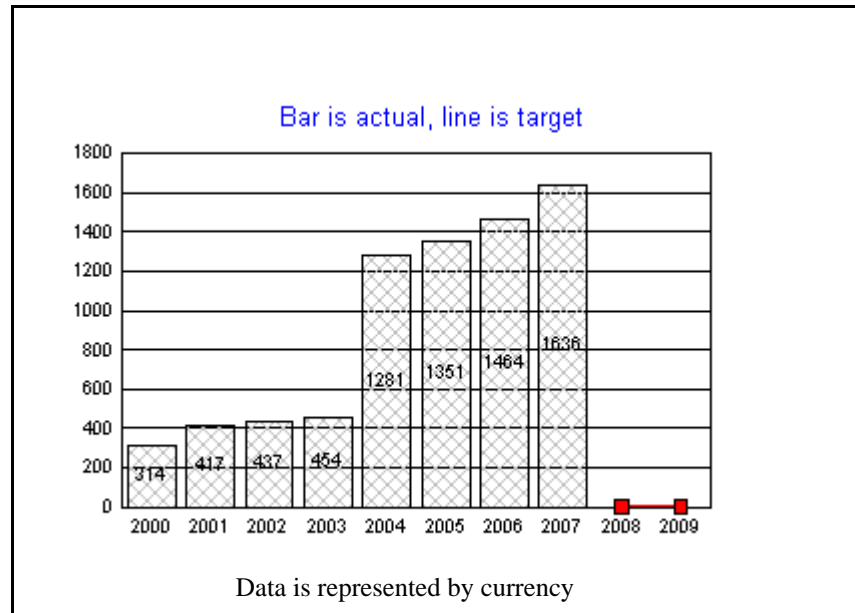
Continued attention will be paid to setting appropriate expectations and holding banks accountable.

7. ABOUT THE DATA

Data Cycle: biennial.

Data from banks on their "shelf pricing" is compared to the pricing we actually receive according to long form analyses from US Bank.

KPM #8	Net Tax Supported Debt per Capita	2004
Goal	Maintain State net tax-supported debt per capita at a prudent level.	
Oregon Context	State infrastructure and facilities are financed at a pace that is budgetarily sustainable.	
Data Source	Moody's Medians, as reported in annual State Debt Policy Advisory Commission Reports	
Owner	Debt Management Division, Laura Lockwood-McCall, 503-378-4930	



1. OUR STRATEGY

Monitor and report annually to Governor and legislature regarding prudent new bonding levels through preparation of State Debt Policy Advisory Commission reports.

2. ABOUT THE TARGETS

3. HOW WE ARE DOING
4. HOW WE COMPARE
5. FACTORS AFFECTING RESULTS
6. WHAT NEEDS TO BE DONE

2. ABOUT THE TARGETS

Not applicable. Keeping net tax-supported debt per capita at levels that are sustainable is necessary in order to maintain high credit ratings on the state's bonds, which in turn allows the state to borrow for necessary improvements at attractive long-term interest rates.

3. HOW WE ARE DOING

Net tax-supported debt per capita has increased significantly since 2004.

4. HOW WE COMPARE

Oregon's net tax-supported debt per capita of \$1,636 ranked 11th among the 50 states as reported by Moody's Investor's Service for 2007. The median state net tax-supported debt per capita in 2007 was \$889.

5. FACTORS AFFECTING RESULTS

Net tax-supported debt per capita has increased significantly since 2004 owing to issuance of bonds to fund state pension liabilities, to help close the budget deficit of the 2001-03 biennium, and to address high-priority capital projects such as new correctional facilities, the state hospital, and transportation improvements throughout Oregon.

6. WHAT NEEDS TO BE DONE

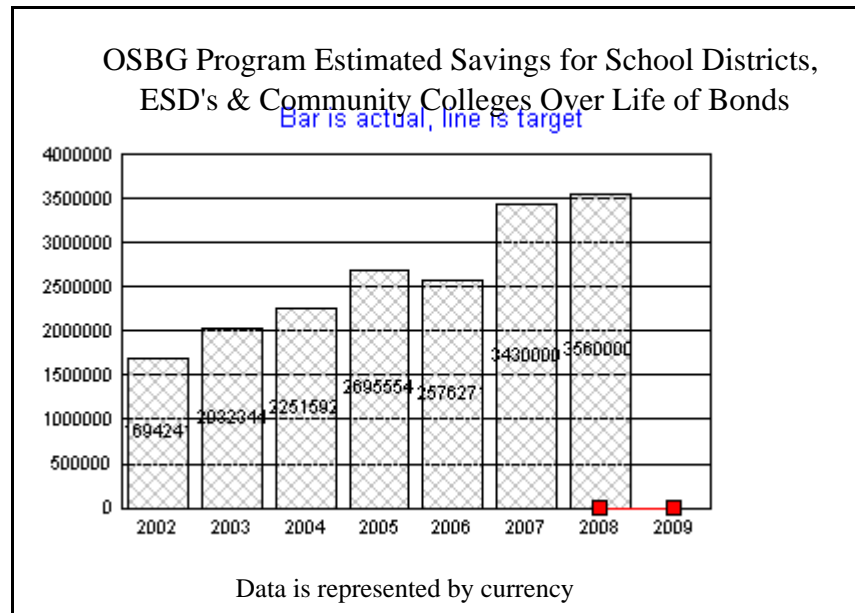
Provide information to the Governor and Legislature for continual monitoring and allocating the state's bonding capacity to high priority capital projects, assuring debt remains at affordable and sustainable levels.

7. ABOUT THE DATA

Data Cycle: Calendar year.

This data is compiled and published on a lagging calendar year basis by Moody's Investors Service. More detail on the underlying components of net tax-supported debt can be found in annual State Debt Policy Advisory Commission reports, at <http://www.ost.state.or.us/divisions/DMD/SDPAC/Index.htm>.

KPM #9	Oregon School Bond Guaranty Program Estimated Savings for School Districts, ESD's, and Community Colleges Over Life of Bonds.	2002
Goal	Lower the borrowing costs for Oregon school districts.	
Oregon Context	Reduced property taxes for Oregon taxpayers.	
Data Source	Debt Management System and internal spreadsheet model maintained by Debt Management Division.	
Owner	Debt Management Division, Laura Lockwood-McCall, 503-378-4930	



1. OUR STRATEGY

Promote use of state guaranty program to school districts, education service districts and community colleges.

2. ABOUT THE TARGETS

Unable to provide target data. School districts, education service districts and community colleges use the program if they have voter authorization to sell general obligation bonds and if state has a higher bond rating than they could achieve independently, resulting in lower bond costs.

3. HOW WE ARE DOING

The Oregon School Bond Guaranty (OSBG) Program continues to play an important role in helping save Oregon taxpayers' dollars, as evidenced by the growing annual interest savings on bonds issued by school districts around the state who have participated in this program. The state's recent bond rating upgrade increases the value of the guaranty program.

4. HOW WE COMPARE

Not applicable for this measure.

5. FACTORS AFFECTING RESULTS

The estimated savings for Oregon School Bond Guaranty participants is determined by many factors, including the number and size of school district borrowings in the state, which in turn is determined by the ability of various school districts to receive voter authorization for the sale of general obligation bonds. In addition, school districts who are in a position to sell general obligation bonds will only use this program if their general obligation credit rating is lower than the State's general obligation rating.

6. WHAT NEEDS TO BE DONE

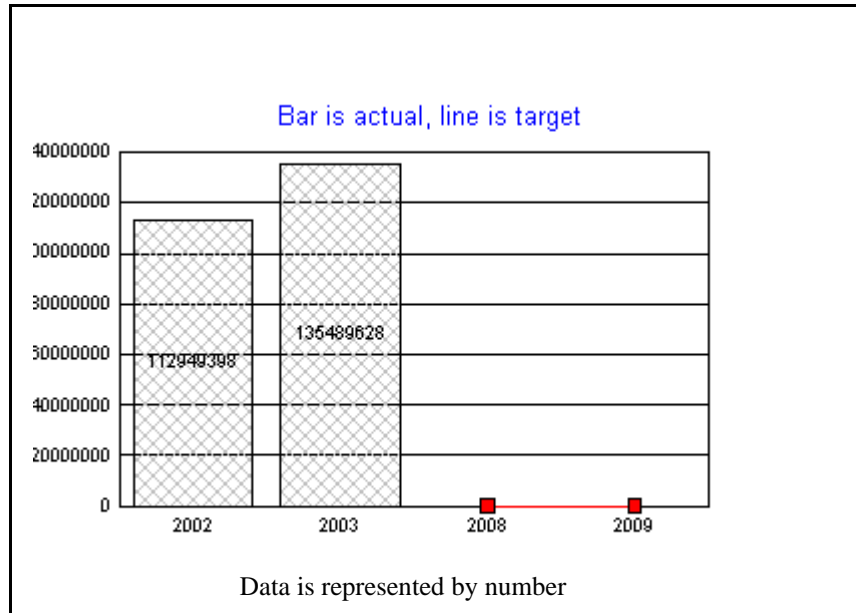
Continued monitoring of bond elections by school districts in Oregon to identify potential users of the program, coupled with periodic marketing of the program to school business officers and others in the municipal bond market.

7. ABOUT THE DATA

Data Cycle: Oregon FY.

Data comes from the Debt Management System and an internal spreadsheet model maintained by the Debt Management Division. KPM calculations are reviewed by OST's internal auditor.

KPM #10	Oregon School Bond Guaranty Program Bonds Outstanding.	2002
Goal	Lower the borrowing costs for Oregon school districts.	
Oregon Context	Reduced property taxes for Oregon taxpayers.	
Data Source	Debt Management System and internal spreadsheet model maintained by Debt Management Division.	
Owner	Debt Management Division, Laura Lockwood-McCall, 503-378-4930	



1. OUR STRATEGY

2. ABOUT THE TARGETS

3. HOW WE ARE DOING

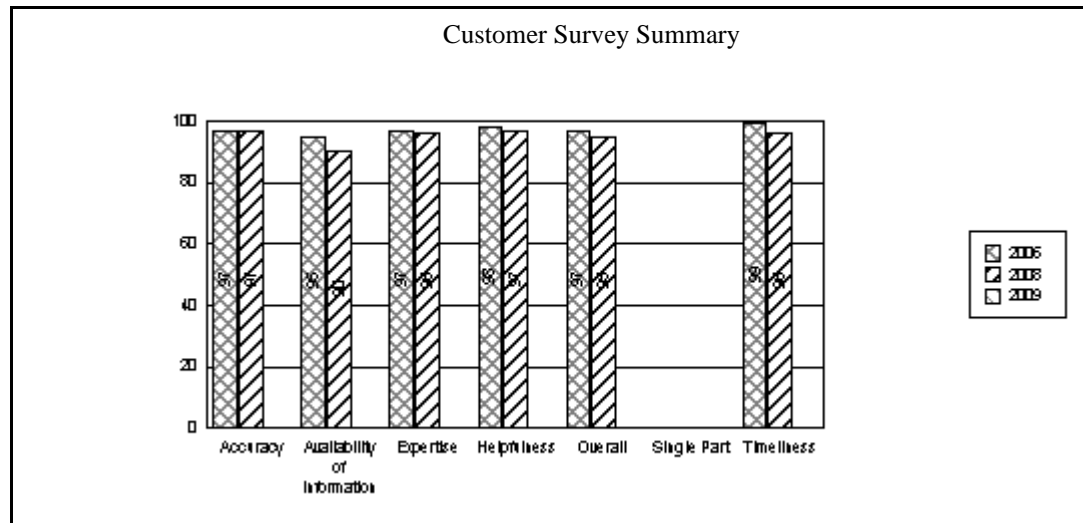
4. HOW WE COMPARE

5. FACTORS AFFECTING RESULTS

6. WHAT NEEDS TO BE DONE

7. ABOUT THE DATA

KPM #11	Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	2006
Goal	To provide excellent customer service.	
Oregon Context	Maintain a high level of customer satisfaction.	
Data Source	Customer survey data.	
Owner	Executive Division, Linda Haglund, 503-378-4000	



1. OUR STRATEGY

Monitor customer survey data for decline. If found, analyze to determine cause. Take corrective action if appropriate.

2. ABOUT THE TARGETS

Targets have been established at the 100% level in all categories. While this may never be possible, the target offers stretch goals for the agency.

3. HOW WE ARE DOING

Results in all categories suggest OST is achieving the goal to provide excellent customer service. Overall most categories continue to score above 95%. The Availability of Information score was at the 90% level indicating an area that needs attention. Availability of Information has been a strategic priority during the last two years, as OST continues to provide ever expanding services to our customers. OST is currently developing new information systems to further expand our availability of information to our customers.

4. HOW WE COMPARE

To date, no comparison benchmarks have been developed.

5. FACTORS AFFECTING RESULTS

OST utilizes this data in the strategic planning process and reinforces with employees the need to provide excellent customer service. Previous surveys and direct customer focus groups have recognized the needs of customers and have directed our improvement efforts in providing information to our customers.

6. WHAT NEEDS TO BE DONE

Continue to listen to our customers through surveys and direct contact to strategically align our services with their needs.

7. ABOUT THE DATA

ABOUT OUR CUSTOMER SERVICE SURVEY

- a) Survey name – Oregon State Treasury Customer Survey utilizing two web-based (Survey Monkey) surveys one for Investment & Finance and the other for Debt Management.
- b) Surveyor - Treasurers Office staff
- c) Date conducted – March 2008
- d) Population – “Consumers”. State agency, local government and private business that use services provide by Investment, Finance, and Debt Management divisions.
- e) Sampling frame – All primary customers of Investment and Finance divisions; entire Debt Management Division contact database.
- f) Sampling procedure – a combination of convenience sample and census were used (all primary Investment Division customers; all primary

Finance Division customers; all Debt Management Division customers).

g) Sample characteristics –

a. Population – estimated at 1,400

b. Sample size (Investment – 23, Finance – 46, Debt – 1142) – total 1211

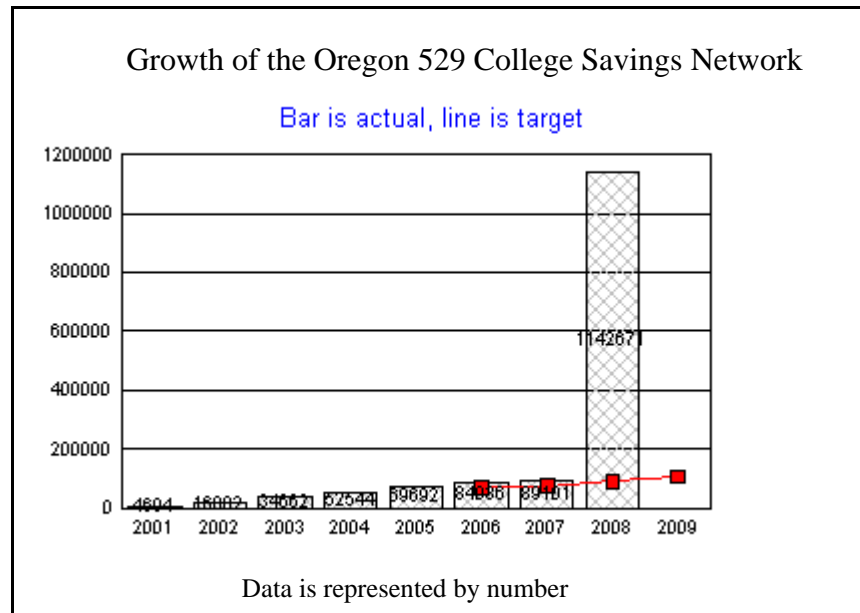
c. Number of respondents – 96

d. Response rate – 8%; Note: Response rate for Investment & Finance 52%, response rate for Debt Management 5%. OST is expanding the sample size to reach a broader audience not only within our primary customers but in the case of the Debt Management division, with their entire broad based contact list. The challenge is to balance the broad based surveys, which increases the chance of low response rates, to specific primary customer targets which may reduce the range of input suggestions and ideas for improvement.

e.

h) Weighting – equal weighting for all divisions

KPM #12	Growth of the Oregon 529 College Savings Network	2001
Goal	Increase the number of college savings accounts statewide.	
Oregon Context	Help Oregon families save for the college education of their children.	
Data Source	Quarterly progress reports received from college savings program managers.	
Owner	Oregon 529 College Savings Network, Michael Parker, 503-373-1903	



1. OUR STRATEGY

Increase promotion and awareness activities statewide.

2. ABOUT THE TARGETS

Targets will increase year after year as the awareness of the college savings program increases.

3. HOW WE ARE DOING

Because the Oregon 529 College Savings Network has been able to reduce fees to participants and hire top-quality fund managers, account growth has exceeded the targets.

4. HOW WE COMPARE

Because each state is so different it is difficult to draw meaningful comparisons; however, industry data last year showed Oregon's program grew at a faster rate than the national average.

5. FACTORS AFFECTING RESULTS

Lower fees and improved investments have certainly made the Oregon program more attractive to potential and current investors.

6. WHAT NEEDS TO BE DONE

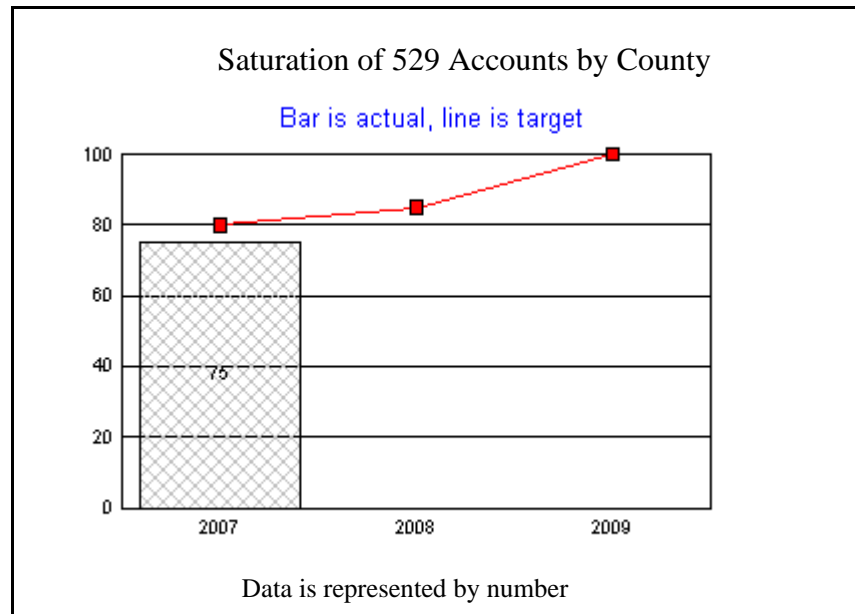
Continue the focus on lowering fees and offering investments that help families achieve their college savings goals.

7. ABOUT THE DATA

Data Cycle: Fiscal year.

Quarterly progress reports received from college savings program managers. KPM calculations are reviewed by OST internal audit staff.

KPM #13	Total Saturation of 529 Network Accounts by County	2007
Goal	Achieve a 1.0% saturation rate of college savings accounts for total population over the age of 18 by county.	
Oregon Context	Help Oregon families save for their children's college education.	
Data Source	Quarterly progress reports received from college savings program managers and population data obtained through the Population Research Center at Portland State University.	
Owner	Oregon 529 College Savings Network, Michael Parker, 503-373-1903.	



1. OUR STRATEGY

Increase promotion and awareness activities statewide.

2. ABOUT THE TARGETS

Targets will increase year after year as the awareness of the college savings program increases.

3. HOW WE ARE DOING

Because the Oregon 529 College Savings Network has been able to reduce fees to participants and hire top-quality fund managers, account growth has exceeded the targets.

4. HOW WE COMPARE

It is difficult to draw meaningful comparisons across states.

5. FACTORS AFFECTING RESULTS

Lower fees and improved investments have certainly made the Oregon program more attractive to potential and current investors.

6. WHAT NEEDS TO BE DONE

Continue the focus on lowering fees and offering investments that help families achieve their college savings goals.

7. ABOUT THE DATA

Data Cycle: Fiscal year.

Quarterly progress reports received from college savings program managers and population data obtained through the Population Research Center at Portland State University. KPM calculations are reviewed by OST's internal auditor.

Agency Mission: To provide financial stewardship for Oregon.

Contact: Linda Haglund, Deputy State Treasurer

Contact Phone: 503-378-4000

Alternate: Sally Wood, Controller

Alternate Phone: 503-378-4990

The following questions indicate how performance measures and data are used for management and accountability purposes.

<p>1. INCLUSIVITY</p>	<p>* Staff : The current KPMs were discussed and developed by senior managers of OST in preparation of the agency budget presentation for the Joint Committee on Ways and Means. Other managers were involved as well to further refine these measures.</p> <p>* Elected Officials: Additional measures were presented and OST was requested to provide three new measures for 2007-09 to the Joint Legislative Audit Committee for Oregon Public Employee Retirement Fund (OPERF), the Common School Fund, and the Oregon 529 College Savings Network.</p> <p>* Stakeholders:</p> <p>* Citizens:</p>
<p>2 MANAGING FOR RESULTS</p>	<p>As an agency, OST looks to develop measures that reflect outcomes to advance the agency mission and program goals. Thus these measures are to a varying degree imbedded in the daily activities of staff as they make decisions and plans for the future.</p>
<p>3 STAFF TRAINING</p>	<p>OST's management staff continues to reinforce performance measures through internal discussions and through the annual strategic planning process.</p>
<p>4 COMMUNICATING RESULTS</p>	<p>* Staff :</p> <p>* Elected Officials:</p>

	<p>* Stakeholders: OST communicates results throughout the year to its stakeholders. These include:</p> <ul style="list-style-type: none">• Investment performance reports to the Oregon Investment Council, the Oregon Short-Term Fund Board, and the Oregon 529 College Savings Board.• Debt management reports to the State Debt Policy Advisory Commission, Governor, and Legislature.• Various reports to the Legislature and through budget presentations to the Joint Committee on Ways and Means. <p>* Citizens:</p>
--	--