

**LFO Revised Budget Form #107BF04c
Office of the State Treasurer
Annual Performance Progress Report (APPR)
for Fiscal Year 2006-07**

Original Submission Date: September 27, 2007

2005-07 KPM#	2005-07 Key Performance Measures (KPMs)	Page #
1	Oregon Short-Term Fund Returns Compared to Benchmark	4
2	Net Tax Supported Debt per Capita	5
3	Oregon School Bond Guaranty Program Estimated Savings for School Districts, ESD's, and Community Colleges Over Life of Bonds	6
4	Oregon School Bond Guaranty Program Bonds Outstanding	8
5	Oregon School Bond Guaranty Program Number of Issues by Year	10
6	Local Government vs. State Agency Participation in the Oregon Short-Term Fund (OSTF)	11
7	Local Government vs. State Agency Dollars in the Oregon Short-Term Fund (OSTF)	12
8	Banking Service Costs Average per Transaction	13
9	Expense to Assets Ratio for the Oregon Short-Term Fund Compared to Institutional Money Market Funds	14
10	Growth of the Oregon 529 College Savings Network	15
11	Education and Training – Percent of Employees Receiving 20 Hours of Education and Training Annually	16
12	Oregon College Savings Plan Customer Satisfaction Rating	17
13	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.	18

OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

I. EXECUTIVE SUMMARY

Contact: Linda Haglund, Deputy State Treasurer	Phone: 503-378-4000
Alternate: Sally Furze, Controller	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.

KPM Progress Summary	Key Performance Measures (KPMs) with Page References	# of KPMs
KPMs MAKING PROGRESS at or trending toward target achievement	All OST measures except KPM#12	12
KPMs NOT MAKING PROGRESS not at or trending toward target achievement		-
KPMs - PROGRESS UNCLEAR target not yet set	KPM #12: no customer survey done in 2007; new measure of account saturation replaces this KPM for 07-09.	1
Total Number of Key Performance Measures (KPMs)		13

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

OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

I. EXECUTIVE SUMMARY

Contact: Linda Haglund, Deputy State Treasurer	Phone: 503-378-4000
Alternate: Sally Furze, Controller	Phone: 503-378-4990

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 USED AND EFFICIENCY

OST's fiscal year budget for 2007 was \$13,386,142. Two key performance measures can be considered efficiency measures. The first is KPM #8, Banking Service Costs Average per Transaction. The second is KPM #9, 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.

OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #1	Oregon Short-Term Fund Returns Compared to Benchmark	Measure since: 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, 503-378-4111	

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 2006, as in the previous six years, OST's Investment Division has met its goal of beating the benchmark return. In 2006 alone, the incremental increase totaled over \$18 million.

4. **HOW WE COMPARE**

Given differing objectives and restrictions, it is not possible to make direct comparisons to peers. However, Lipper Analytical Services does indicate the Oregon Short-Term Fund, net of fees, has outperformed the money market fund averages.

5. **FACTORS AFFECTING RESULTS**

With the increase in interest rates since 2003, the level of value-added has also increased. Securities with maturities greater than three months are marked-to-market on a monthly basis, thus market/interest rate risk and credit risk will impact returns.

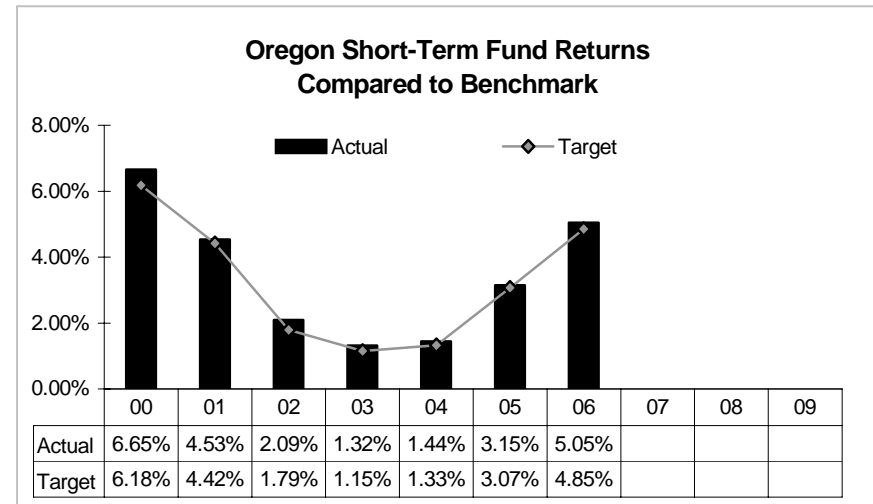
6. **WHAT NEEDS TO BE DONE**

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.

This measure is reviewed monthly by Treasury staff and quarterly by the Oregon Short-Term Fund Board. The data is independently constructed by a third party, State Street Bank.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #2	Net Tax Supported Debt per Capita	Measure since: 2000
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

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 \$1,464 ranked 11th among the 50 states as reported by Moody's Investor's Service for 2006. The median state net tax-supported debt in 2006 was \$787.

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 as well as transportation improvements throughout Oregon.

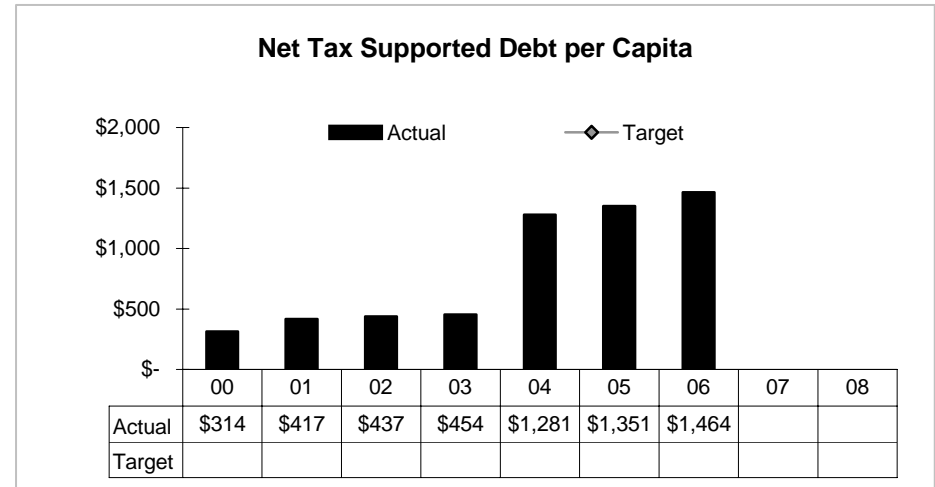
6. WHAT NEEDS TO BE DONE

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>.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #3	Oregon School Bond Guaranty Program Estimated Savings for School Districts, ESD's, and Community Colleges Over Life of Bonds	Measure since: 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 guaranty program continues to play an important role in helping save Oregon taxpayers' dollars, as evidenced by the significant estimated annual interest savings on bonds issued by school districts around the state who have participated in this program.

4. HOW WE COMPARE

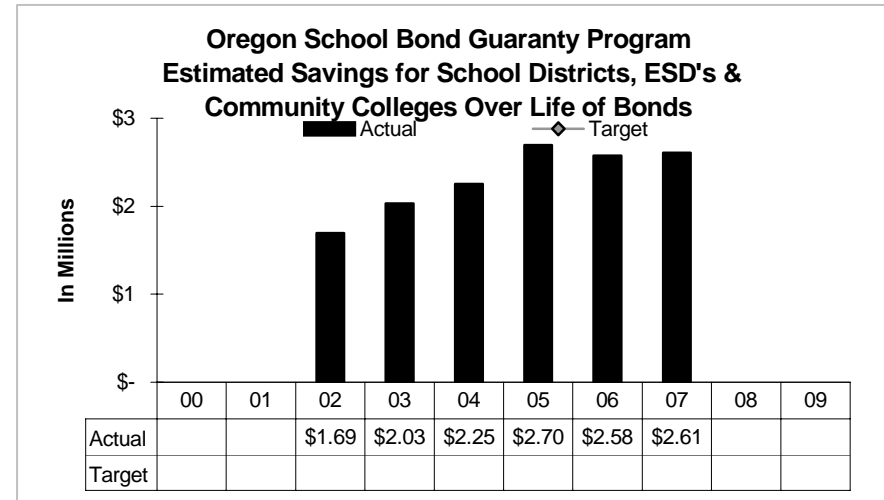
Not applicable for this measure.

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.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

7. ABOUT THE DATA

Data Cycle: Oregon FY.

In attempting to provide up-to-date data for the 2005-07 Joint Committee on Ways & Means, calendar year information was produced. The source data is kept by fiscal year and provides an easier method to validating data, which is the reason to change the Data Cycle. Estimated data was provided for calendar years 2000 and 2001, but is unable to be validated. Validated data is available beginning in fiscal year 2002.

OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #4	Oregon School Bond Guaranty Program Bonds Outstanding	Measure since: 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 the state has a higher bond rating, resulting in lower bond costs.

3. HOW WE ARE DOING

The guaranty program continues to play an important role in helping save Oregon taxpayers' dollars, as evidenced by the growing outstanding debt of school districts around the State who have participated in this program.

4. HOW WE COMPARE

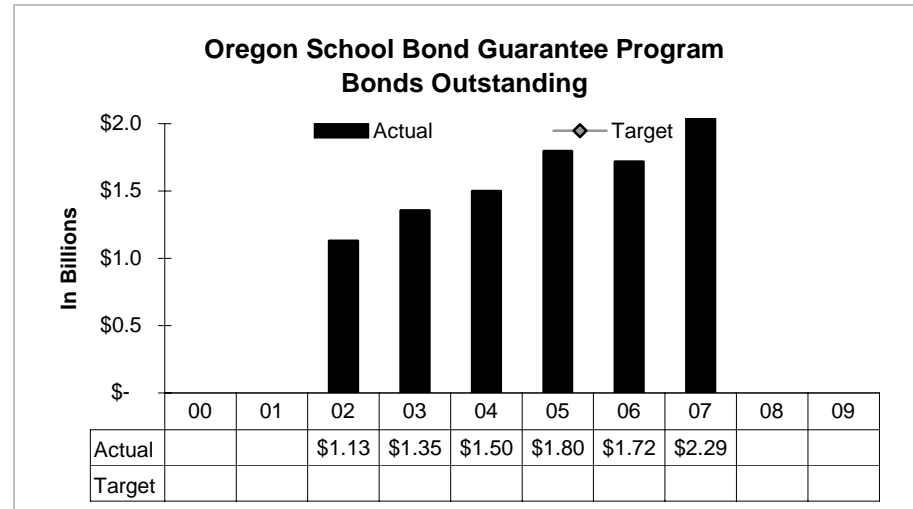
Not applicable for this measure.

5. FACTORS AFFECTING RESULTS

The amount of debt outstanding for Oregon State 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 obligations. 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 program to school business officers and others in the municipal bond market.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

7. ABOUT THE DATA

Data Cycle: Oregon FY.

In attempting to provide up-to-date data for the 2005-07 Joint Committee on Ways & Means, calendar year information was produced. The source data is kept by fiscal year and provides an easier method to validating data, which is the reason to change the Data Cycle. Estimated data was provided for calendar years 2000 and 2001, but is unable to be validated. Validated data is available beginning in fiscal year 2002.

OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #5	Oregon School Bond Guaranty Program Number of Issues by Year	Measure since: 2000
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 the state has a higher bond rating, resulting in lower bond costs.

3. HOW WE ARE DOING

The guaranty program continues to play an important role in helping save Oregon taxpayers' dollars, as evidenced by the steady rate of new bond transactions guaranteed through this program. The overall number of transactions should continue at current levels as new school district financings are approved by voters.

4. HOW WE COMPARE

Not applicable for this measure.

5. FACTORS AFFECTING RESULTS

The number of Oregon School Bond Guaranty participants in a given year is determined by many factors, including the ability of various school districts to receive voter authorization for the sale of general obligations. 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.

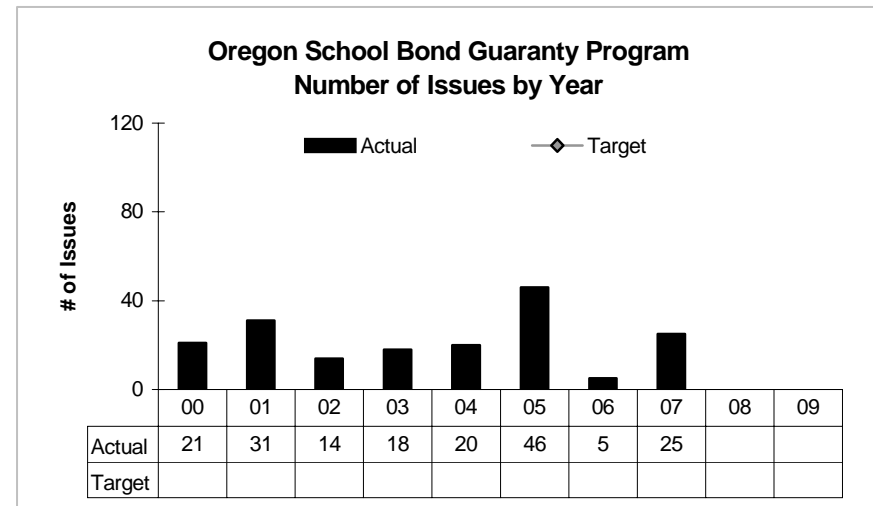
6. WHAT NEEDS TO BE DONE

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

7. ABOUT THE DATA

Data Cycle: Fiscal year.

In attempting to provide up-to-date data for the 2005-07 Joint Committee on Ways & Means, calendar year information was produced. The source data is kept by fiscal year and provides an easier method to validating data, which is the reason to change the Data Cycle. Estimated data was provided for calendar years 2000 and 2001, but is unable to be validated. Validated data is available beginning in fiscal year 2002.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #6	Local Government vs. State Agency Participation in the Oregon Short-Term Fund (OSTF)	Measure since: 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**

Monitor for decline in local government participation. If found, analyze to determine cause. Take corrective action if appropriate.

2. **ABOUT THE TARGETS**

Unable to provide targets. KPM #6 measures the level of participation of local governments, providing a “big picture” trend.

3. **HOW WE ARE DOING**

Trend is for slow and steady growth in participation by local governments. This is to be expected given the deep penetration into the local government community. Steady growth indicates strong customer satisfaction with Local Government Investment Pool services.

4. **HOW WE COMPARE**

Given the differing state and local models and the purpose of this measure, a comparative analysis of participation is not applicable.

5. **FACTORS AFFECTING RESULTS**

Strong emphasis on customer service and the resultant move to more electronic services continues to keep local government customers satisfied with the local government services offering.

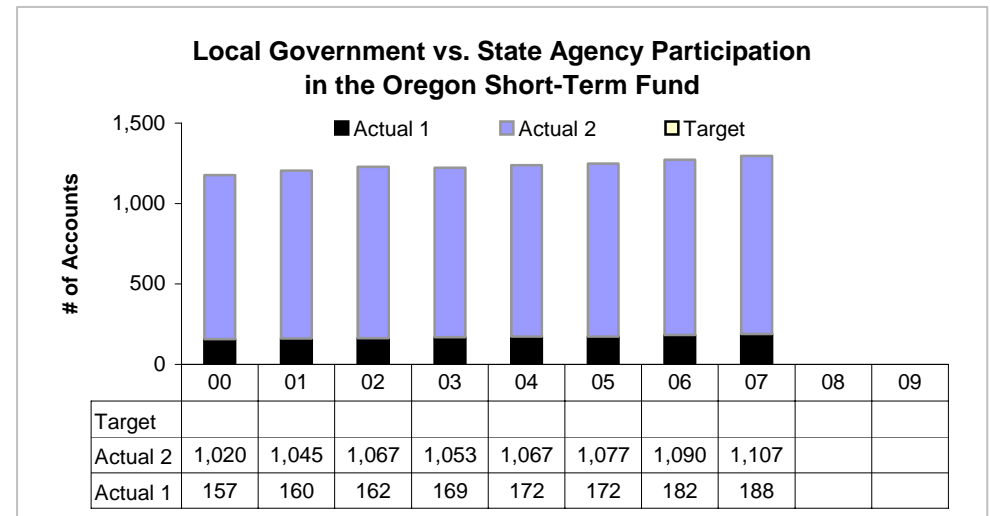
6. **WHAT NEEDS TO BE DONE**

Continued emphasis on customer satisfaction and user friendly tools.

7. **ABOUT THE DATA**

Data Cycle: Oregon FY.

Actual 1 data – number of state agencies in OSTF at June 30; Actual 2 data – number of local governments in OSTF at June 30.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #7	Local Government vs. State Agency Dollars in the Oregon Short-Term Fund (OSTF)	Measure since: 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

Monitor for decline in local government participation. If found, analyze to determine cause. Take corrective action if appropriate.

2. ABOUT THE TARGETS

Unable to provide targets. KPM #7 measures the level of participation of local governments, providing a “big picture” trend.

3. HOW WE ARE DOING

Dollar volumes are particularly susceptible to changes in the interest rate environment. An upwardly moving interest rate environment tends to result in significant deterioration of Local Government Investment Pool (LGIP) balances as large customers chase yield and the inertia of the OSTF causes it to lag the market. The lack of significant deterioration of balances given the upwardly trending rates is an indication of strong satisfaction with our LGIP services.

4. HOW WE COMPARE

Given the differing state and local models and the purpose of this measure, a comparative analysis of participation is not applicable.

5. FACTORS AFFECTING RESULTS

Strong emphasis on customer service and the resultant move to more electronic services continues to keep local government customers satisfied with the local government services offering.

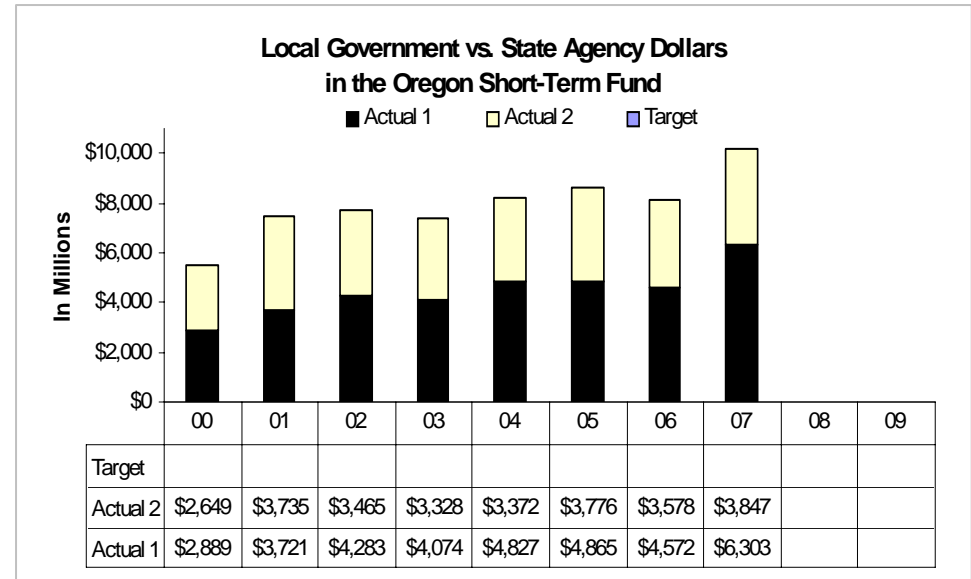
6. WHAT NEEDS TO BE DONE

Continued emphasis on customer satisfaction and user friendly tools along with effective portfolio management should maintain high participation rates.

7. ABOUT THE DATA

Data Cycle: Oregon FY.

Actual 1 data – deposits of state agencies in OSTF at June 30; Actual 2 data – deposits of local governments in OSTF at June 30.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #8	Banking Service Costs Average per Transaction	Measure since: 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

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

KPM #8 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

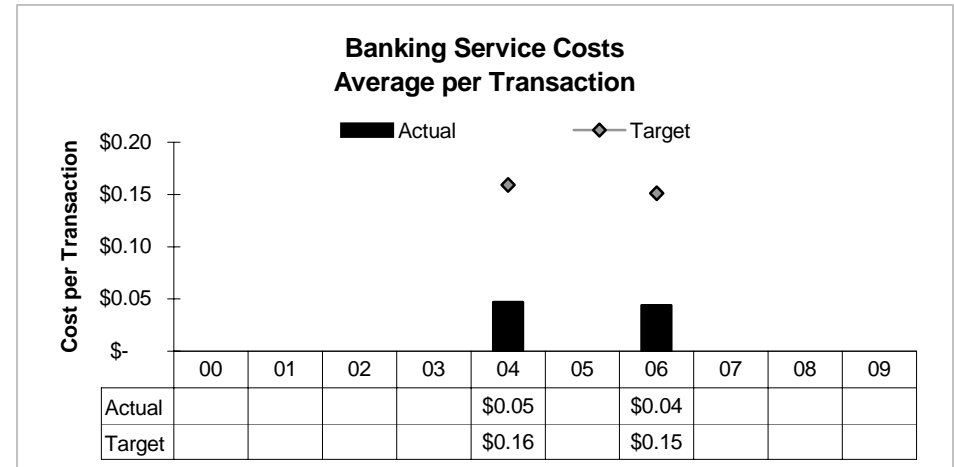
The Finance Division of OST aggressively manages the state’s banking services relationships. OST receives top quality support from banks who meet regularly with us to both understand the state’s needs and to share developments in the industry that might advantage the state. OST’s centralized banking 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



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #9	Expense to Assets Ratio for the Oregon Short-Term Fund Compared to Institutional Money Market Funds	Measure since: 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, 503-378-4111	

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 2006, the expense ratios of 18 institutional money market mutual funds of comparable size to the Oregon Short-Term Fund ranged from 0.09% to 0.72% with an average of 0.388%.

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.

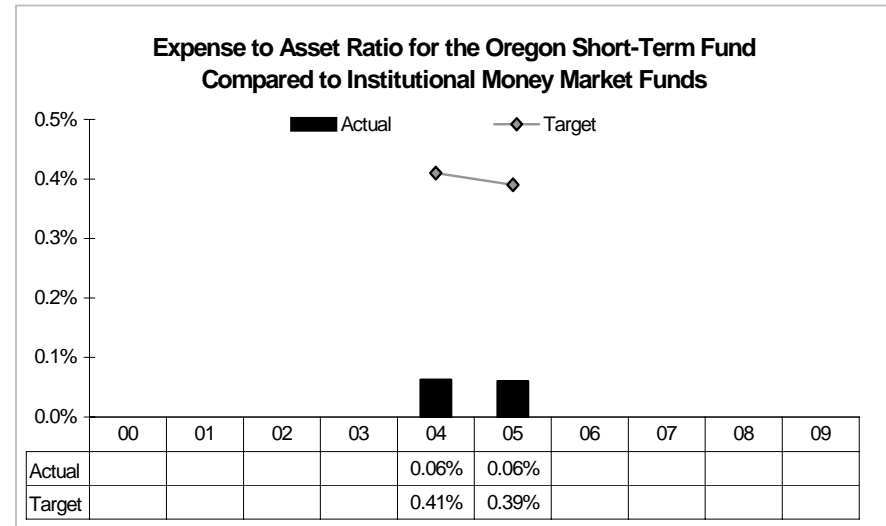
6. WHAT NEEDS TO BE DONE

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: biennial.

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.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #10	Growth of the Oregon 529 College Savings Network	Measure since: 2001
Goal	Total growth in the number of accounts by county measures the goal of increasing statewide distribution.	
Oregon Context	Increase account growth in all Oregon counties.	
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

Strategically 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

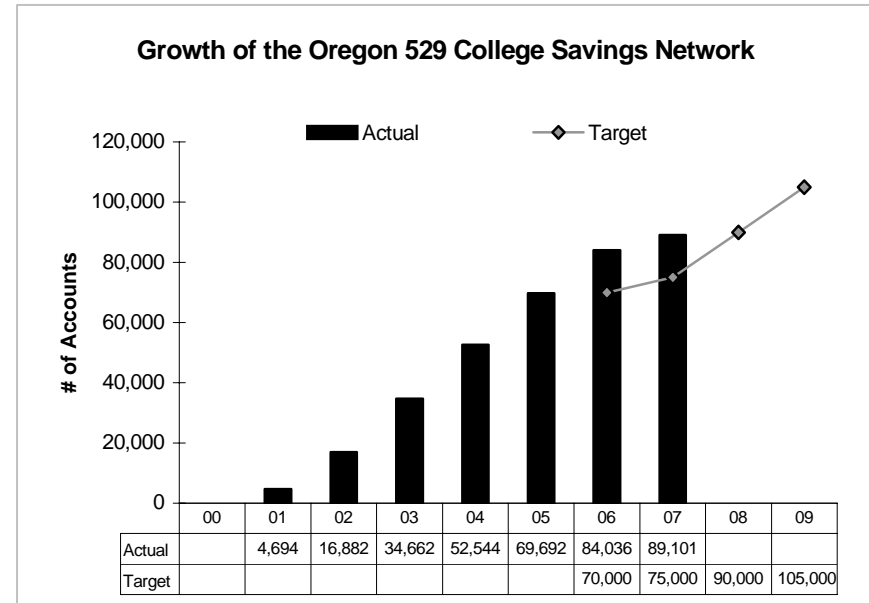
Lower fees and improved investments have certainly made the Oregon program more attractive to potential and current investors.

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.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #11	Education and Training – Percent of Employees Receiving 20 Hours of Education and Training Annually	Measure since: 2000
Goal	Increase knowledge and skills of Treasury employees.	
Oregon Context	Maintain a high level of employee knowledge and skills.	
Data source	Internal training data base.	
Owner	Executive Division, Linda Haglund, 503-378-4000	

1. OUR STRATEGY

OST strives to provide financial leadership to its customers and stakeholders with knowledgeable employees.

2. ABOUT THE TARGETS

Targets were established with the recognition that turnover and pending retirements would reduce the ability of staff to achieve education and training expectations.

3. HOW WE ARE DOING

We noted significant improvement in 2006, during which 86% of OST employees achieved the goal of 20 hours of education and training.

4. HOW WE COMPARE

No comparisons are available at this time.

5. FACTORS AFFECTING RESULTS

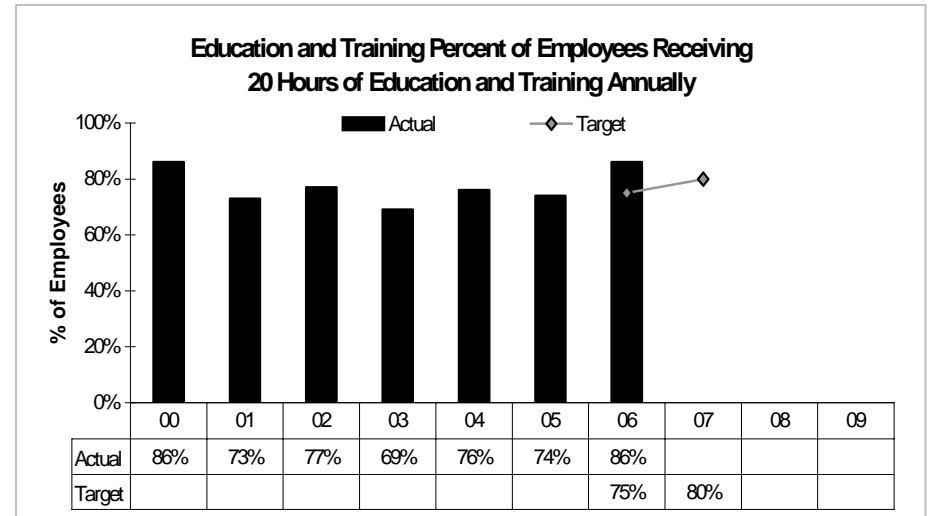
Each biennium OST budgets 3% of salary for employee education and training. Ancillary data suggests increased turnover as well as pending retirements may prevent some employees from meeting their 20 hours of education and training.

6. WHAT NEEDS TO BE DONE

Continual monitoring by managers will help employees meet this goal.

7. ABOUT THE DATA

Data Cycle: Calendar year.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPM #12	Oregon 529 College Savings Network Customer Satisfaction Rating	Measure since: 2005
Goal	Customer satisfaction surveys measure the overall level of participant satisfaction with Oregon’s college savings program.	
Oregon Context	Maintain a high level of customer satisfaction.	
Data source	Biennial customer surveys.	
Owner	Oregon 529 College Savings Network, Michael Parker, 503-373-1903	

1. OUR STRATEGY

Continually research and study the college savings industry and ensure that Oregon residents have the products they need to achieve their college savings goals.

2. ABOUT THE TARGETS

Customer satisfaction is a key ingredient to the success of the college savings program. These targets must be consistent over time.

3. HOW WE ARE DOING

OST sets a high priority on customer satisfaction and high standards for measuring responsiveness to customers. We have been successful at responding to customers’ needs and continue to enhance our service.

4. HOW WE COMPARE

Given the differences in how each state manages its college savings plan, a comparative analysis for this measure is not applicable.

5. FACTORS AFFECTING RESULTS

Strong state oversight and continuous review of private-sector firms performing customer service and investment activities have major impacts to customer satisfaction.

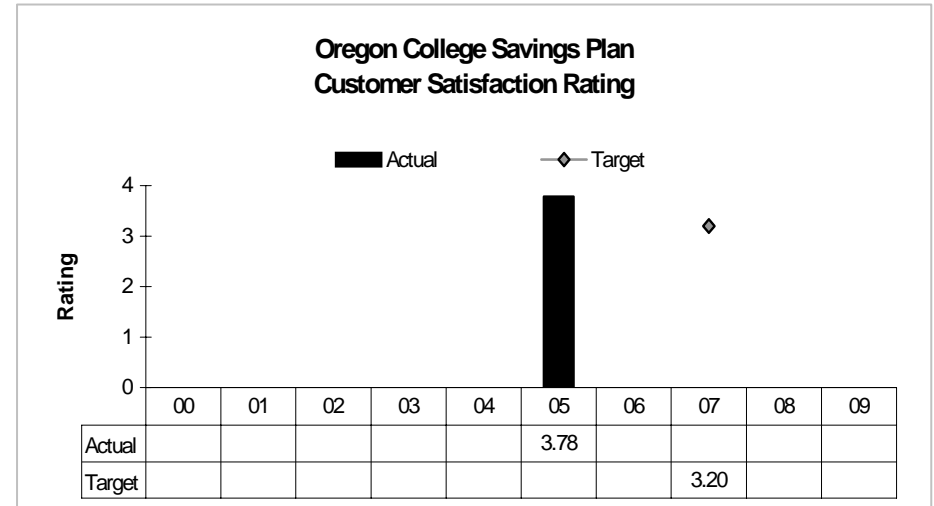
6. WHAT NEEDS TO BE DONE

Continue to focus on the customers’ needs.

7. ABOUT THE DATA

Data Cycle: Biennial.

The 2007 survey was not completed in response to the decision by the Joint Committee on Ways and Means to eliminate this measure for 2007-09 and to substitute a measure of the saturation of 529 Network accounts by county within Oregon.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

KPMs # 13	CUSTOMER SERVICE : Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Measure since: 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 as evidenced by a minimum score of 95% of survey respondents rating “good” or “excellent” in each category. In addition, OST used a similar methodology for surveys dating back several years. Responses were rated on a 1 to 5 scale with 5 being the highest. Results for Overall satisfaction were as follows: 2000 – 4.4, 2001 – 4.2; 2002 – 4.5, 2004 – 4.3. In 2006, the Overall satisfaction rating was 3.6 on a scale of 1 to 4.

4. HOW WE COMPARE

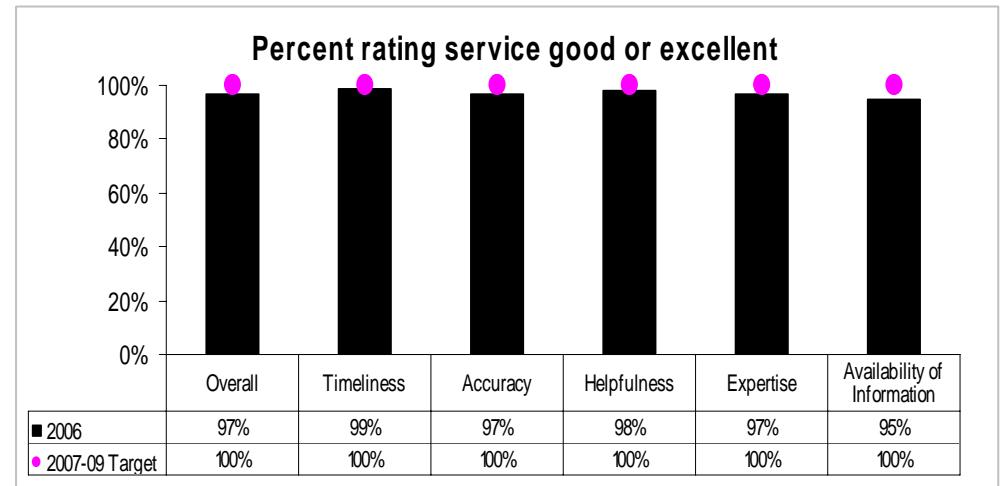
To date, no comparisons have been developed.

5. FACTORS AFFECTING RESULTS

OST has completed customer surveys for many years. OST utilizes this data in the strategic planning process and reinforces with employees the need to provide excellent customer service.

6. WHAT NEEDS TO BE DONE

Continue to conduct surveys and monitor results. The next survey will be performed in 2008.



OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

II. KEY MEASURE ANALYSIS

7. ABOUT OUR CUSTOMER SERVICE SURVEY

- a) Survey name – *OST Customer Survey*.
- b) Surveyor – OST staff.
- c) Date conducted – April 2006.
- d) Population – Consumers: state agency and local government customers of the Investment, Finance, and Debt Management Divisions of OST.
- e) Sampling frame – All primary customers of Investment and Finance divisions; all Debt Management Division customers.
- f) Sampling procedure – A combination of convenience sample and census was used (all primary Investment Division customers; all primary Finance Division customers; all Debt Management Division customers).
- g) Sample characteristics –
 - 1 – Population – estimated at 1,200
 - 2 – Sample size (Investment – 9, Finance – 31, Debt – 701) – total of 741
 - 3 – Number of respondents - 99
 - 4 – Response rate – 13%. Note: The 2004 survey had a response rate of 60% (sample size 164; responses 99). An attempt was made to expand the 2006 survey by including all Debt Management customers from their database. Further analysis will be completed before another survey is sent to evaluate the drop in response from 60% to 13%. For the Investment and Finance Divisions, the sample sizes in 2004 and 2006 were similar.
- h) Weighting – Equal weighting for all Divisions.

OFFICE OF THE STATE TREASURER

Agency Mission: To provide financial stewardship for Oregon

III. USING PERFORMANCE DATA

Contact: Linda Haglund, Deputy State Treasurer	Phone: 503-378-4000
Alternate: Sally Furze, Controller	Phone: 503-378-4990

The following questions indicate how performance measures and data are used for management and accountability purposes.	
<p>1 INCLUSIVITY Describe the involvement of staff, elected officials, stakeholders, and citizens in the development of the agency's performance measures.</p>	<p>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. Additional measures were presented and OST was requested to provide new measures 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>2 MANAGING FOR RESULTS How are performance measures used for management of the agency? What changes have been made in the past year?</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 What training has staff had in the past year on the practical value and use of performance measures?</p>	<p>OST's management staff continues to reinforce performance measures through internal discussions as measures are updated and through the annual strategic planning process.</p>
<p>4 COMMUNICATING RESULTS How does the agency communicate performance results to staff, elected officials, stakeholders, and citizens, and for what purpose?</p>	<p>OST communicates results throughout the year to various employees, customers, and stakeholders. These include:</p> <ul style="list-style-type: none"> • Investment performance to the Oregon Investment Council, Oregon Short-Term Fund Board and Oregon Short-Term Fund state and local government customers, 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. • Communication to employees.