

ANNUAL PERFORMANCE PROGRESS REPORT - EXECUTIVE SUMMARY

TIME PERIOD: FISCAL YEAR 2004 – 2005

Summary of performance measure and their targets are:

Performance Target Achievement	#
Total Number of Key Performance Measures (KPMs)	9
# of KPMs at target for most current reporting period	2
# of KPMs not at target for most current reporting period	6
# of KPMs with no data reported yet	1

Summarize the year's successes and barriers to achieving performance measure targets:

Two major changes occurred for the department this fiscal year. (1) In December 2004, the Oregon Economic and Community Development Department (OECDD) went before the Joint Legislative Audit Committee to revise its performance measures. The Committee chose to reduce the number of measures from 22 to nine, directly aligning the new measures with OECDD's strategic plan. Also, (2) at the end of June 2005, Marty Brantley retired from the department. The governor appointed Mike Salsgiver as Interim Director.

The 72nd Legislative Assembly directed the Oregon Economic and Community Development Commission to lead the development of a new strategic plan for economic development across the state (Chapter 800, Oregon Laws 2003). OECDD presented the Commission's plan to the Joint Trade and Economic Development Committee in December 2004, and it was approved.

With the new plan, OECDD set ambitious performance targets intended to drive high achievement during a major and persistent national recession. As a result, during the last fiscal year the department provided financial or technical assistance to businesses that will create or retain 7,164 jobs. This contributed to Oregon's ranking as one of the top ten states in job creation. That growth occurred despite a stubbornly high unemployment rate (which may be attributable to a high rate of in-migration—people who move to the state without jobs “in hand”). The department is pleased to report that this represents significant recovery from the recession, and more quality jobs for Oregonians. But even so, we fell short of our job-growth/retention target.

OECDD did exceed its target for the number of community capital projects assisted for construction. We are rapidly preparing industrial lands to accommodate businesses and increasing Oregon's viable inventory of development options. Since the availability of industrial lands was identified by the legislature and Governor Kulongoski as a critical factor in attracting and expanding businesses in Oregon for the long term, and since OECDD is quickly improving that inventory, we expect to see a continued, steady increase in job growth as companies take advantage of the state's newly certified lands.

Future challenges:

The 73rd Legislative Assembly directed the department to review its statutory direction for consistency with legislatively adopted goals and outcome measures. The review is to include a process for involving significant stakeholders. The expectation is to knit the state's strategic plan for economic development more tightly with county, community and business priorities, and to prepare partners to more effectively achieve and report economic development results. We welcome this challenge and believe it will amplify Oregon's progress.

Meanwhile, as the certified industrial sites program is proving effective, OECDD must continue to certify sites more efficiently. Word is getting out in national media and economic development circles about Oregon's unique approach to “project ready” industrial lands, and businesses are responding. In August 2005, the department helped Lowe's, the second-largest home improvement retailer in the world, break ground on its newly purchased state-certified site in Lebanon. This was the first of many certified sites that are now being considered by companies for development projects across the state.

As the certification program achieves success by making Oregon more marketable to industry, we must accelerate the queue of sites being prepared for certification. Now that we have an inventory of “project ready” lands, we want to keep it stocked with good development options in a variety of industry profiles. The Commission, along with the department, will thus review current targets for “project ready” sites and recommend modifications where needed to achieve this goal.

Degree and type of agency influence on agency’s chosen benchmarks and high-level outcomes:

Given the high visibility and impact of the department’s work to Oregon’s “bottom line,” the legislature plays a key role in selecting economic development benchmarks. We welcome every opportunity to advise legislators on the history and long-term impacts of adjusting performance measure emphasis to achieve a desired result.

It’s important for all economic development partners to understand that many of OECDD’s performance measures are not entirely within the department’s control. For example, although state government can certainly influence the number of jobs created or retained across the state, ultimately it is Oregon businesses themselves who create and retain the jobs. OECDD seeks to employ the tools of government to improve Oregon’s business climate so companies may easily grow and hire within our state.

ANNUAL PERFORMANCE PROGRESS REPORT - PART I, MANAGING FOR RESULTS

TIME PERIOD: FISCAL YEAR 2004 – 2005

Agency: Oregon Economic and Community Development Department	Date Submitted:	Version No.:
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Agency Name: Oregon Economic and Community Development Department	Agency No.: 12300
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The following questions shed light on how well performance measures and performance data are leveraged within your agency for process improvement and results-based management.

1 How were staff and stakeholders involved in the development of the agency's performance measures?	We worked collaboratively with the Economic and Community Development Commission, division managers and staff as appropriate, plus other key partners and stakeholders to help revise our performance measures.
2 How are performance measures used for management of the agency?	The Director's Office developed report templates for those measure for which data exist. Division managers use these reports to monitor progress. The division managers review performance data every quarter, discuss results and recommend actions as appropriate.
3 What training has staff had in the use performance measurement?	Staff has received training in the department's performance measurement system. There is also a database reference manual that is utilized by department staff.
1 How does the agency communicate performance results and for what purpose?	Every three months the division managers review performance data and make recommendations for changes in focus, process, or other actions as necessary. Every six months, the Economic and Community Development Commission reviews the department's performance report. These reviews provide commissioners with the opportunity to comment and provide direction.
2 What important performance management changes have occurred in the past year?	The department streamlined its key performance measures from 22 to nine. The nine measures align with the department's biennial strategic plan.

ANNUAL PERFORMANCE REPORT- PART II, KEY MEASURE ANALYSIS

TIME PERIOD: FISCAL YEAR 2004 – 2005

Agency Name: Oregon Economic and Community Development Department		Agency No.: 12300								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
#1 - Total jobs created (est.)	Target				2438	2438	5525	5525	5525	5525
	Data	1496	4126	1237	5583	6401	7886	4658		

Agency Name: Oregon Economic and Community Development Department		Agency No.: 12300								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
#2 - Total jobs retained (est.)	Target				1312	1312	2975	2975	2975	2975
	Data	525	810	756	5843	2832	2688	2506		

Data Source: Business Development Division, Business Finance Section, Infrastructure programs: Data comes from businesses receiving loans or grants from the department. They estimate job creation and retention as a result of the project. Upon project completion, businesses are required to report final results. Community Assistance programs: Data comes from Regional Boards and Partnerships and other entities receiving funds. Small Business: data comes from an independent survey of businesses using services contracted by the department.

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Advance Business Opportunities; Assist business, both large and small, to create, retain and expand jobs.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)?

What is the impact of your agency?

Benchmark 4 - Total net job growth (in thousands), 31,500 net jobs were created in 2004.

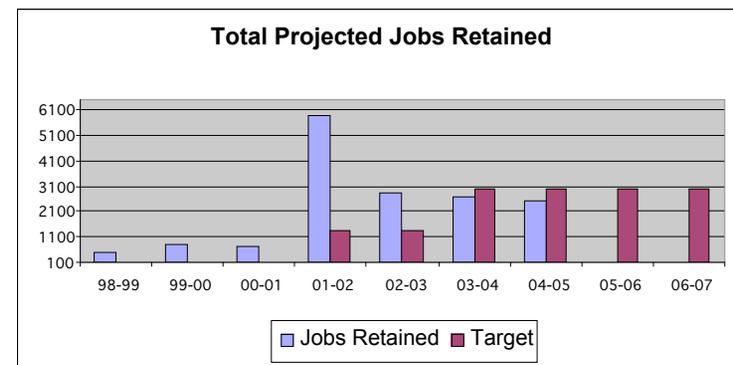
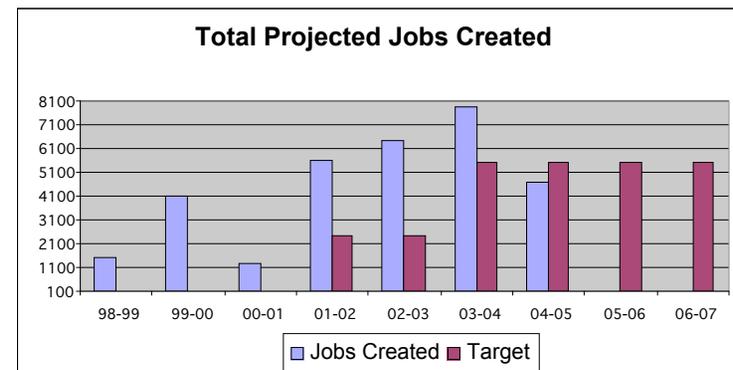
Benchmark 15 - Oregon unemployment rate as a percent of the US rate, unemployment rate dropped in 2004, but the state's position still remains relatively high.

How does the performance measure demonstrate agency progress toward the goal?

The measure shows projected jobs that will be created and/or retained by businesses receiving direct financial or technical assistance from the department. The current measure aligns projected jobs with the time period in which financial or technical assistance is provided by the department. Actual job creation may occur in a subsequent reporting period; that information is tracked separately by the department using Employment Department data. Actual jobs created and/or retained are verified after project completion, either by surveys or through use of unemployment insurance records maintained by the Employment Department

Compare actual performance to target and explain any variance.

Attracting new business and retaining existing businesses in Oregon has become very competitive post-recession. Seeking to duplicate Oregon's relatively strong job creation performance despite the recession, other states are now modeling Oregon's business development tools. Looking at the performance over the last two fiscal years, the department created/retained 17,738, which exceeded the biennial target of 17,000 jobs.



Summarize how actual performance compares to any relevant public or private industry standards.

The department generally understates job creation/retention data because businesses tend to be very conservative with their job projections when proposing new projects. In evaluating this performance measure, bear in mind that employment data may also underestimate real job creation. According to “*An Assessment of the Cost Effectiveness of Oregon’s Economic Development Programs*,” by the National Association of State Development Agencies (December 2002): “Most states rely primarily on company estimates for their job creation data... Attempts to verify employment through state employment commissions or departments have met with limited success... Actual jobs data tended to outperform the estimates submitted initially by OECD, once projects were completed and all results were recorded.”

What is an example of a department activity related to the measure?

Two recent example of job creation include the recruitment of Amy’s Kitchen to White City and Lowe’s to Lebanon. Amy's Kitchen, the nation’s number one producer of specialty organic frozen foods, will build a 200,000-square-foot production plant on 50 acres and employ approximately 500 workers at start-up. The facility could eventually expand to 750,000 square feet. Lowe’s broke ground on its new 204-acre site in Lebanon for a regional distribution center that, when built, will be the third largest building in Oregon. The company expects to create 700 jobs at wages well above the county average with excellent benefits. As the facility expands, it could ultimately become the largest facility in the state employing approximately 1,000 workers.

What needs to be done as a result of this analysis?

The Senior Management Team and the Commission will review overall performance every six months to assess if strategic changes are needed.

2004-2005 Projects with Significant Job Creation or Retention Impacts (100 or more jobs)

Program Name	Project Description	Proposed New Jobs	Proposed Ret. Jobs	Rural / Urban / Both	Distr. / Not / Mixed
SPWF	Lebanon Industrial Infrastructure (Lowes)	384	0	R	D
SPWF	Amy’s Kitchen Site Facilitation	145	0	R	D
SPWF	EPIC Air	174	23	U	N
SRF	Pierce Pacific Relocation and Retention	0	125	U	N
SRF	Qwest Training Program and Expansion	107	0	U	N
SRF	Monaco Coach Expansion	400	0	R	D
SRF	Amy’s Kitchen Site Facilitation	355	0	R	D
SRF	Yahoo! Customer Care Center Recruitment	180	0	U	N
SRF	Oregon Steel Mills Expansion	150	0	U	N
SRF	Acumed LLC Expansion	84	130	U	N
SRF	Molecular Probes Expansion	88	219	U	N
SRF	Lowes Distribution Center Recruitment	316	0	R	Y
SRF	Royal Caribbean Cruises	600	0	U	N
	Totals	2,983	497		

Agency Name: Oregon Economic and Community Development Department		Agency No.: 12300								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
#3 – New sales of assisted clients	Target				\$9M	\$9M	\$24M	\$24M	\$18M	\$18M
	Data	NA	NA	\$17.6M	\$16.2M	\$25M	\$19.5M	\$21.8M		

Data Source: Companies receiving division assistance report sales annually to International Development staff.

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Advance Business Opportunities; Market Oregon.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

Benchmark 2 – Oregon's national rank in traded sector strength. Oregon has been improving steadily, but is still a lower than average state.

Benchmark 16 – Percent of total exports traded with non-primary partners. (Primary partners are Canada, Japan and South Korea.) Oregon has made steady progress in diversify its trading partners.

How does the performance measure demonstrate agency progress toward the goal?

"Assisted sales" refers to new export sales reported by customers of OECD's International Division. The measure targets growth of revenues to the state via international trade.

Compare actual performance to target and explain any variance.

The biennial target of \$48M was based on the assumption that the International Division's 2001-03 budget would be maintained in 2003-05. Instead, budget cuts resulted in a 45% reduction in trade assistance offices' contracts in Europe, Mexico, and South Korea. Fewer Oregon companies received in-country assistance and thus targets were not realized. Also, funding for the Oregon Trade Promotion Program (OTPP) was not made available until February 2004 due to budget realignment. As a result, 45-50 fewer Oregon companies had an opportunity to attend Fall 2003 international trade shows. While targets were not achieved the division was able to mitigate the impact of funding cuts on performance-to-target.

Summarize how actual performance compares to any relevant public or private industry standards.

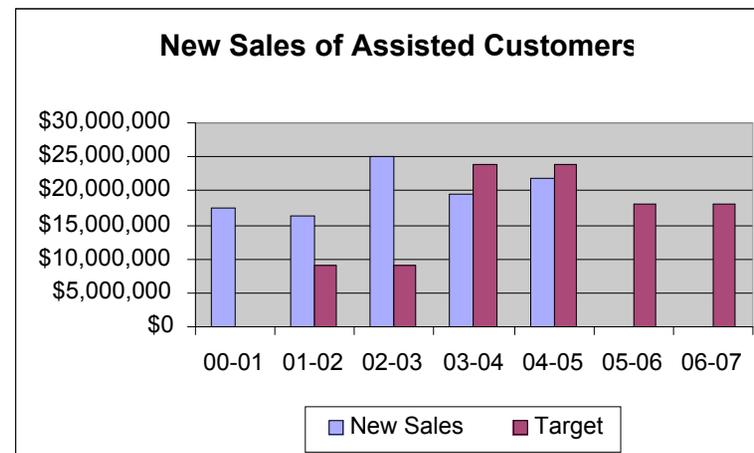
None identified.

What is an example of a department activity related to the measure?

In October 2004, the International Division organized an all-industry trade mission to Southern China and a Sustainable Business Mission to Taiwan, Thailand, and Singapore. The mission to China included meetings with potential Chinese customers; the International Division is following up on those contacts at six-month intervals to compile resulting sales. The Sustainable Business Mission not only helped to identify potential customers for Oregon's environmental and energy-related businesses, but also served to raise the profile of Oregon as a leader in sustainable development. The promotion of Oregon's expertise in this emerging industry in Asian countries is an active, ongoing collaboration between the International Division and the Oregon Department of Energy.

What needs to be done as a result of this analysis?

We will evaluate this performance measure during OECD's 2005-07 interim statutory review process to determine if this adequately captures true performance of the International Division, its activities and investments.



Agency Name: Oregon Economic and Community Development Department		Agency No.: 12300								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
#4 – Number of new industrial sites/acres certified “project ready”	Target						30/2700	20/1800	20/1800	20/1800
	Data	NA	NA	NA	NA	NA	11/916	18/1374		

Data Source: Certified Lands Database under development by the Department.

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Assist Communities to build capacity to attract, retain and expand business; Provide market-ready industrial sites.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)?

What is the impact of your agency?

Developmental Benchmark #2002 - number of new industrial sites/acres certified as project ready

How does the performance measure demonstrate agency progress toward the goal?

Certifying industrial lands as “project ready”(i.e., providing assurance that a site can be developed in 180 days or less) for specific industry profiles saves prospective companies significant cost, time and risk. In today’s economy, project development timelines are shrinking and information technology is allowing many companies the option to locate virtually anywhere in the world. Certification gives Oregon communities the opportunity to compete for businesses they might not otherwise attract.

Compare actual performance to target and explain any variance.

The sites certified since program inception in 2003 were considered “low hanging fruit” – industrial sites that required few improvements to become “project ready.” As we continue the program more investment will be required to navigate more difficult barriers involved with wetlands, transportation routes, urban growth boundaries, etc. Since the department was just starting the third certification process in the US it has taken a long time to ramp up.

Summarize how actual performance compares to any relevant public or private industry standards.

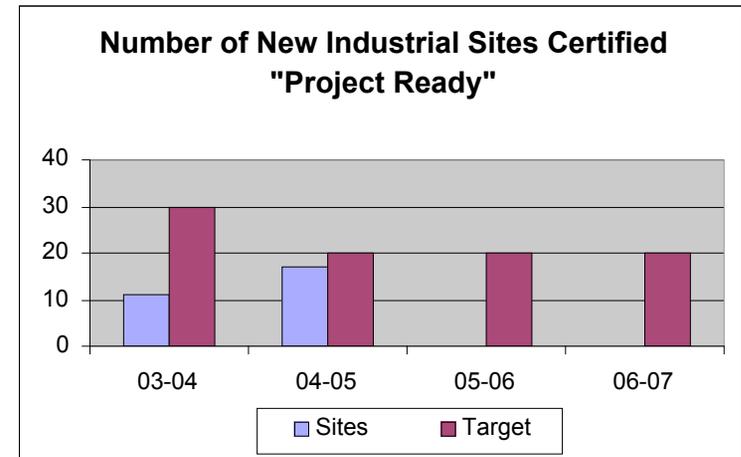
The industrial lands initiative is market driven. Those sites with the best and/or most versatile potential for development are certified first. The department educates and assists landowners in meeting the needs of potential buyers, and works to identify and address a property’s barriers to industrial development. Once their land is certified, Oregon property owners gain the capacity to provide all regulatory clearances and necessary documentation to a prospective company before they even step foot on the property. The positive impression and added value this gives a prospective company cannot be overstated. Currently, sales are pending on eight certified properties and two projects have broken ground.

What is an example of a department activity related to the measure?

Total investment in the eight certified sites currently planned for development is \$128,643,000 in both public and private funds. Businesses locating on these sites anticipate creating 1,130 jobs for Oregonians. The real estate manager for Lowe’s, in discussing their regional distribution center to be built on a certified site in Lebanon, shared this sentiment: “You cannot put a dollar value on having that [site certification] work done in advance. Don’t let anyone ever tell you that it was not money well spent...the work you provided gave our engineers a big head start on evaluating the site and really helped move this site forward in our process.”

What needs to be done as a result of this analysis?

The next step in this program is to focus on certifying larger “elephant” sites which are in very high demand. The department will continue to work with its partners to address the general lack of available industrial land across the state.



Agency Name: Oregon Economic and Community Development Department		Agency No.: 12300								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
#5 – Number of community capital projects assisted for construction (infrastructure & community development)	Target						50	50	50	50
	Data	NA	NA	NA	28	66	62	58		

Data Source: Department database. Projects enter the database upon funding commitment.

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Assist Communities to build capacity to attract, retain and expand businesses; Provide public infrastructure on a timely basis.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)?

What is the impact of your agency?

Benchmark 1–Percent of Oregonians employed outside the Willamette Valley and the Portland tri-county area. Employment growth in rural Oregon has been relatively strong compared to urban Oregon for seven years.

Benchmark 69 – Percentage of Oregonians served by public drinking water systems that meet health-based standards. In 2003, the state was at 94%.

How does the performance measure demonstrate agency progress toward the goal?

The benchmarks noted above demonstrate the agency’s progress in: (1) creating an inventory of industrial lands attractive to businesses that create jobs in Oregon; and (2) providing public infrastructure (e.g., water, sewer, roads, telecommunication, etc.), that supports economic growth and healthy communities.

Compare actual performance to target and explain any variance.

With heightened focus and the launch of the certified industrial lands program in 2003, the department has successfully exceeded its targets the past two years.

Summarize how actual performance compares to any relevant public or private industry standards.

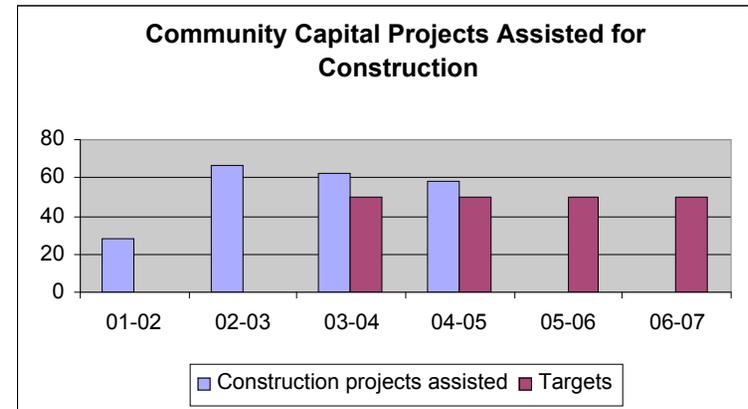
Oregon is one of only two states in the nation to conduct a program that certifies industrial sites as “project ready.” According to a national site selection consultant, “a certification program means communities are more likely to be prepared to capture economic opportunities.”

What is an example of a department activity related to the measure?

LEKTRO, Inc., a manufacturer of electric tugs used largely in the aviation industry, is growing rapidly and expanding its operation at the Astoria Regional Airport in Warrenton. The department provided loans of \$2,892,110 and a grant of \$440,000 to the project, contingent on LEKTRO’s retention of 50 FTE (full-time equivalent) jobs and creation of 35 new FTE jobs. With OECD funding, the Port of Astoria is renovating a WWII-era blimp hangar that has been leased by LEKTRO for more than 60 years, and is improving water service to the Airport Industrial Park. Governor Kulongoski visited the project site for the ground breaking on June 30, 2005.

What needs to be done as a result of this analysis?

Since we have exceeded our targets for the past two years, we will continue to monitor trends and work to identify causative factors of success that may be applied to improve other programs. To that end, the department is in the process of evaluating long-term and secondary economic impacts of community capital projects investment. Early indicators of the study suggest this type of capital investment shows significant return in 10, 15, 20 years and beyond. The department will use the finished assessment (anticipated late 2005) to make recommendations for future community assistance and investment that will strengthen and stabilize Oregon’s economy for the long term.



Agency Name: Oregon Economic and Community Development Department		Agency No.: 12300								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
#6 – Number of community capital projects assisted for planning (infrastructure, community & organizational)	Target						45	45	45	45
	Data	NA	NA	NA	53	51	39	42		

Data Source: Department database. Projects enter the database upon funding commitment.

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Assist Communities to build capacity to attract, retain and expand businesses; Provide public infrastructure on a timely basis.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)?

What is the impact of your agency?

Benchmark 1 – Percent of Oregonians employed outside the Willamette Valley and the Portland tri-county area. Employment growth in rural Oregon has been relatively strong compared to urban Oregon for seven years.

How does the performance measure demonstrate agency progress toward the goal?

This measure includes planning projects that OECDD funded, as well as projects involved in readying industrial lands for certification. While not all sites are candidates for certification, those that are represent high development potential for communities (thus they are prioritized). Capital projects that support community infrastructure, such as safe drinking water projects, are also important for local economies because they contribute to livable communities and healthy workers.

Compare actual performance to target and explain any variance.

This year we did not exceed our target, mainly because the program’s focus has changed. As we realize success with the certified industrial lands program, we are aligning our community planning projects to contribute to that program whenever possible. However, we are at a turning point in certifying lands—the “easy” sites have already been accomplished; current and future sites in queue require more investment of time and resources to resolve barriers to development that were not experienced in the first phase of the program. Capital project timelines thus are longer and more challenging. Even so, we came very close to target this year.

Summarize how actual performance compares to any relevant public or private industry standards.

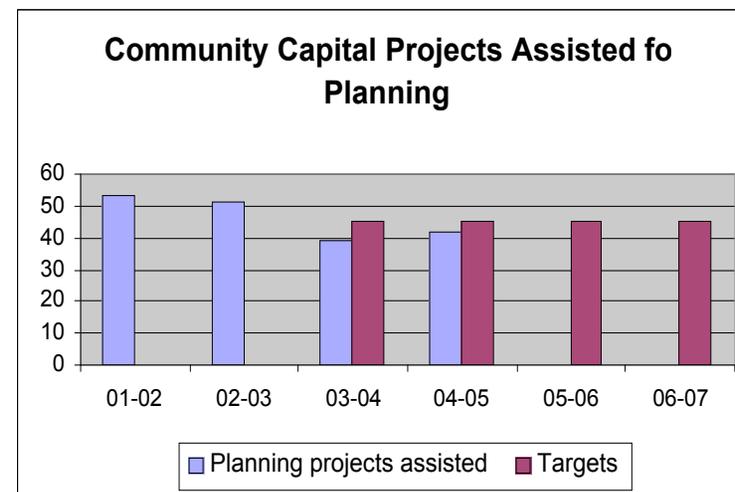
None identified.

What is an example of a department activity related to the measure?

Clackamas County received a \$8,200 grant from the Special Public Works Fund (technical assistance) to perform archaeological and phase 2 environmental studies for certification. The county, city and the property owners are interested in pursuing site certification to make the site “project ready” for development. In order to complete state certification of the property, the county needs to complete an archaeological survey for the 200+ acres and a Phase 2 environmental assessment is required on 75 acres (9 tax lots) based on the Phase 1 study results and the Department of Environmental Quality’s review.

What needs to be done as a result of this analysis?

As the department works to certify lands with greater barriers to development, we may need to lower this measure to account for longer timelines and greater financial investment required to make them “project ready.” The benefit is that troublesome sites, such as brownfields, will be brought back to viable use.



Agency Name: Oregon Economic and Community Development Department		Agency No.: 12300								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
#7 – Number of identified traded sector industry clusters with active business development plans	Target						2	5	10	12
	Data	NA	NA	NA	NA	NA	2	9		

Data Source: Employment Department/Bureau of Labor Statistics & Business Development plans on actual results.

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Increase Innovation and Competitiveness of Traded Sector Industries; Enhance national and international competitiveness of Oregon traded sector industries.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)?

What is the impact of your agency?

Benchmark 2 – Oregon’s national rank in traded sector strength. A focus on traded sector strength and competitiveness is a key component of the agency, especially in terms of business retention and attraction activities. OECD is working in collaboration with the Oregon Business Plan, workforce development initiatives and other economic development efforts underway to better focus efforts and leverage resources.

How does the performance measure demonstrate agency progress toward the goal?

Understanding the opportunities and issues facing Oregon’s traded sector industries is a necessary to strengthening the state’s economy as well as charting a course for future growth. Business development plans outline the areas where the agency may assist these industries. There were nine industry clusters with active business development plans as of June 30, 2005: Metals Fabrication; Manufacturing Businesses; Recreational Vehicle; Display; Food Processing; Open Technology; Nanotechnology; Biosciences; and Sustainable Technologies/Renewable Energy.

Compare actual performance to target and explain any variance.

Assisting traded sector industry clusters is a strategic focus for the agency. Of the traded sector industry clusters identified, several are in the process of developing business plans. Many have projects underway to strengthen their cluster (which are key elements of their business plans).

Summarize how actual performance compares to any relevant public or private industry standards.

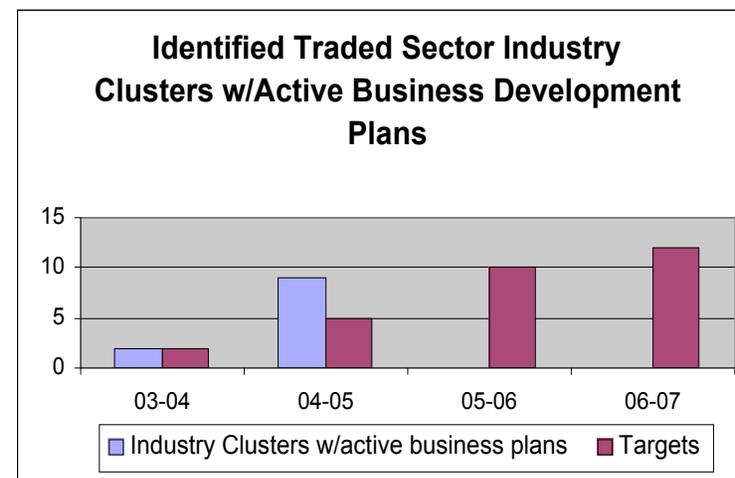
OECD recognizes the importance of supporting Oregon’s industry clusters: businesses of one industry, working contiguously, benefit from a shared and experienced workforce, mutual suppliers, and a stronger market share that single businesses could not capture on their own. It is an innovative economic development strategy for which standards and baseline data are not yet available. Oregon has the opportunity to lead the nation in demonstrating the value of this approach.

What is an example of a department activity related to the measure?

OECD undertook the development of economic roadmaps to better understand two emerging clusters: open technology and innovations in natural resources and sustainable technologies. The roadmaps analyzed the strengths and opportunities in each sector, identified the assets in place as well as actions that need to be taken for continued success in Oregon. The open technology traded sector group is in the process of organizing, finalizing a work plan and developing marketing materials.

What needs to be done as a result of this analysis?

Work plans focus industry cluster business development activities, benefiting all companies in the sector. OECD can foster this effort by developing a format for efficiently and effectively collecting work plan information, and making that information available to partners that stand to benefit.



Agency Name: Oregon Economic and Community Development Department		Agency No.: 12300								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
#8 – Number of patents per 10,000 Oregon businesses	Target						150	160	170	180
	Data	NA	NA	NA	NA	144	166			

Data Source: State Science & Technology Indicators, U.S. Office of Technology Administration.

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Advance Business Opportunities; Assist business, both large and small, to create, retain and expand jobs.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)?

What is the impact of your agency?

Benchmark 15 measures Oregon unemployment rate as a percent of the US rate. As a state agency, OECD has the opportunity to reach across industry, university and government, in providing workshops and training opportunities, making connections between the private and public sectors of the economy to better facilitate technology transfer activities and generate patents.

How does the performance measure demonstrate agency progress toward the goal?

Innovation and competitiveness is a continuum of research, development, business startup and growth. Oregon has programs and policies in place that foster the research and discovery process for new ideas that have potential to develop jobs and increase revenues. There is a “commercialization gap” in the continuum where ideas are turned into products and new businesses. This measure gauges the outcome of agency efforts to bridge that gap by supporting increased commercialization of research from universities.

Compare actual performance to target and explain any variance.

OECD relies upon federal fiscal data to evaluate this performance measure; that data is not made available until early 2006, so a comparison cannot be made at this time.

Summarize how actual performance compares to any relevant public or private industry standards.

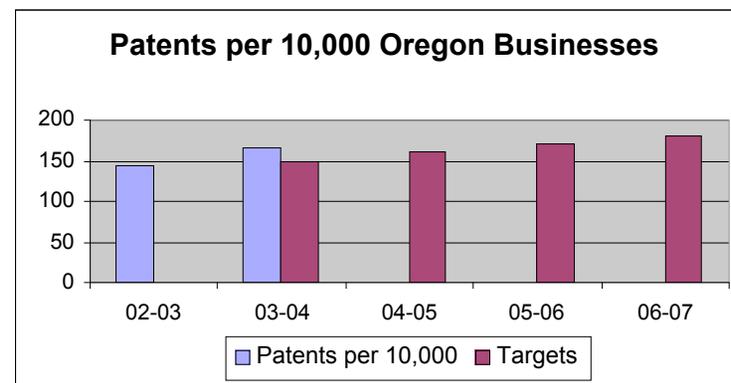
This measure is commonly used by both industry and higher education in measuring the economic impact of research efforts. It is also one of ten outcome measures tracked by the U.S. Office of Technology Administration in comparing science and technology measures of states.

What is an example of a department activity related to the measure?

The department has created a Small Business Innovation Research/Small Business Tech Transfer Research Resource Toolkit and a Research & Development Directory that provide university contacts and information to Oregon’s entrepreneurs and researchers. Workshops focusing on tech transfer have also been held throughout the state.

What needs to be done as a result of this analysis?

Continue to build strong working relationships with higher education and work to advance the Governor’s innovation agenda, making Oregon “the innovation state.”



Agency Name: Oregon Economic and Community Development Department		Agency No.: 12300								
Key Performance Measure (KPM)		1999	2000	2001	2002	2003	2004	2005	2006	2007
#9 – Overall customer survey score on a 1-4 scale with 4 being highest possible	Target				4.2	NA	3.5	NA	3.7	NA
	Data	NA	4.2	NA	4.1	NA	3.4			

Data Source: Independent customer survey conducted once each biennium – scaled changed for 2004.

Key Performance Measure Analysis

To what goal(s) is this performance measure linked?

Improve customer service and measure results.

What do benchmark (or other high-level outcome) data say about Oregon relative to the goal(s)? What is the impact of your agency?

Benchmark 35 – Governing magazine’s ranking of public management quality. The public management rating for Oregon rose from a C+ to a B in 2004.

How does the performance measure demonstrate agency progress toward the goal?

The department has been measuring customer satisfaction biennially since 1997. This year, with guidance from the Progress Board, we reduced the number of survey questions.

Compare actual performance to target and explain any variance.

This year was the first year that we changed our scale from a 1-5 scale with one being poor and five being excellent, to a 1-4 scale with one being poor and four being excellent.

Summarize how actual performance compares to any relevant public or private industry standards.

While the department has been performing customer surveys for some time now, the 2005 Legislature is now requiring all departments to perform surveys. While a change in reporting format will prevent comparison to historical data, the Department will be able to compare its performance to other state agencies in the future.

What is an example of a department activity related to the measure?

Survey results are shared with the agency’s commission, pertinent program management and staff.

What needs to be done as a result of this analysis?

We will be looking at the comments that were given during the last customer survey to determine specific areas where we can improve on customer service. To comply with the new DAS guidelines, we will need to change our timeline for our next survey. The next survey will take place in July 2006. And while this year we cannot correlate customer service data to past performance because of the format change, in future years we will be able to precisely gauge our performance against that of other state agencies as we build a new history of customer service results.

