

# **PERFORMANCE MEASUREMENT UPDATE**

A Report Prepared for the  
**Legislative Finance Committee**

By  
Barbara Smith, Fiscal Analyst II

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**Legislative Fiscal Division**



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# INTRODUCTION

The purpose of this report is to provide a review of the performance measurement activities from the December 2007 Legislative Finance Committee (LFC) meeting, and provide an update on committee requests. The report also provides an overview of two proposals that will be coming to the committee in the near future.

## December Recap

The LFC performance subcommittees received reports on progress towards 90 critical goals and 77 initiatives. During this process, the subcommittees dismissed 15 goals and four initiatives from further review based on the information provided. In addition, members requested additional information on a variety of topics and scheduled the remaining items for hearing in either June or October of 2008.

The major issue raised during the performance subcommittees was the removal by the administration of targets or norms from the performance goal or initiative. This limited the ability to determine improvement from the baseline or progress toward a stated goal. If an agency or program provided the additional information, the members of the subcommittees could make a determination of progress.

In addition, the administration chose not to report on the LFD designed template. This resulted in the members of the committees, the public and agencies receiving two documents for each goal or initiative. The use of two formats also created a large amount of unanticipated work to post all performance related documents to the LFD website, with potential consequences for timely public access.

Given the situation, the Legislative Finance Committee (LFC) made clear their intent to receive detailed information related to specified goals and objectives (and their related targets/norms), and requested LFD staff and the executive to accomplish the following items:

- Utilize one form for reporting purposes
- Report upon the agreed upon goals and initiatives from October 2007, which contained targets or norms for comparative purposes
- Provide financial data in relation to the goal or initiative
- Prioritize items based on reported information
- Provide a comprehensive timeline for all parties to adhere to

The committee noted that details for reporting on these items would need to be negotiated with the Governor's Office of Budget and Program Planning (OBPP). Most changes are simple to incorporate into the report format. The timeline was developed as a separate item.

## Report Format and Reporting Changes

The originally developed format was edited to address concerns raised by the administration and emphasize the information sought by the legislature. To adopt the goals and initiatives agreed upon in October of 2007, the form was updated and is attached for reference. The following changes were made:

- Expenditure – The reporting date for financial data was changed to April 15, 2008. This date falls in line with the timeline generated by the LFD staff. The agency is responsible for providing this data and the basis for the data.
- “Legislative Goal(s)” – This change allows for the reporting on the goals and initiatives adopted at the October 2007 meeting and labeling those as owned by the Legislature. This addresses the issue that the administration did not want to be held to any target or baseline numbers, but that the committee requested those numbers for comparative purposes.
- “Legislative Performance Measures” – the adjustments were the same as goals, but done for the performance measures
- “Agency Performance Report” – This makes clear that the discussion toward the legislative performance measures is provided by the agency, rather than LFD staff.

- LFD Narrative – Internal policy was changed for LFD staff in completing this section. The classification of status (Critical, Warning, On-Track) will be listed first and in bold. This change will allow staff to sort the goals and initiatives by those that may need more attention and those that may qualify as a best practice. This classification can be changed by the subcommittee at the time of hearing.

The changes to the agency end user are minimal. Reports will be released with the goals and performance measurement section completed with the agreed upon measures from the October 2007 meeting. The agency will be responsible for the expenditure information and the agency report. Detailed instructions will be released to agencies in advance and at the time the reports are released.

## **Timeline**

The staff of the LFD made a conscious decision to provide more time for agencies to report in exchange for a shortened time period to analyze the reports in December, based on the fact that the LFD anticipated receiving the reports from the budget office at the agreed upon time. Since this did not occur, the LFD staff did not have the opportunity to provide their standard level of analysis.

In order to avoid this situation, LFD lead staff developed a timeline to track the next steps, and critical points in time to assure that the June 2008 reports are released, returned, and analyzed in a timely manner. The timeline through June 2008 is attached for your reference. Key dates are as follows:

- March 21, 2008 – Release performance measurement reporting memo to agencies with key dates and directions
- April 17, 2008 – LFD releases reports to agencies
- May 5, 2008 – Reports due to the LFD
- May 22, 2008 – Last day to post analyzed reports to the LFD website
- June 5, 2008 – Performance Subcommittees meet

The timeline is color-coded based upon responsibility, and will be updated on an as needed basis. Lead staff is responsible for assuring that LFD management and staff is aware of the items that are scheduled for completion each week. LFD management will coordinate any necessary change with the budget director.

## **COMING SOON!**

The LFD staff is working on two items to be presented for consideration to the full committee at the June meeting. The first is the purpose and use of templates in the budget appropriations process. Second, is the planning to continue transition from the 2009 to the 2011 biennium for the performance measurement initiative.

## **Templates**

During the 2007 Legislative Session, agencies were provided a template to complete and follow as the agency presentation portion of the appropriation subcommittee process. The goal was to provide consistent information from each agency and eliminate the “dog and pony show” approach. Members of the staff are in the process of reviewing the template utilized during the 2007 Legislative Session, soliciting input from agencies and drafting a proposal for the 2009 legislative session. The proposal will be presented at the June 2008 meeting.

## **Transition Planning**

Throughout the process, LFD lead staff has focused on getting performance information to the subcommittees in a simple, useful and timely manner. At this time, staff is moving forward to develop a transition plan between the 2009 biennium and the 2011 biennium. This transition is needed to complete the reporting cycle for the items selected for review in the 2009 biennium, prior to starting the review cycle for the 2011 biennium. Lead staff is designing options for such a transition that include engaging the joint appropriation subcommittees in the process by hearing a current (2009 biennium) report and proposing items for review during the 2011 biennium. In addition, the next Legislative Finance Committee would hear the final 2009 report prior to hearing the first report of the 2011 biennium. The full proposal will be presented at the June 2008 meeting.

## **SUMMARY**

The reporting format and timeline have been adopted by management of the LFD and the Office of Budget and Program Planning. Any major changes that would significantly impact the reporting format or timeline will be communicated between the offices, and when necessary the committee will be notified.

The template and transition proposals slated for the June agenda will require action from the committee in order for staff to implement any necessary changes. Should the committee wish to view the proposals prior to the June meeting, a working group could be appointed to work with lead staff.

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