Chapter 6

SUGGESTED CRITERIA

Introduction

This chapter presents sixteen suggested criteria for use in preparing a report on performance information. These criteria are designed to provide guidance to preparers who want to prepare SEA (or performance) reports that effectively communicate relevant and reliable information to elected officials, citizens, and other users about the results of government programs and services.

The sixteen criteria are arranged in three broad categories: (a) the external report on performance information, (b) what performance information to report, and (c) communication of performance information. In some cases a criterion could have been classified in more than one category. The criteria are presented in logical sequence, not in order of importance. A list of the criteria is presented first, and then each criterion is separately discussed. This discussion includes:

- A statement of the criterion
- The purpose of the criterion
- A description of the criterion
- The rationale behind the criterion
- How the criterion can be applied
- Examples of the criterion.

Discussion of each criterion begins with a brief statement of the criterion and its purpose. The statement of the criterion briefly describes a desired state—that is, what “should be.” For example, the fourth criterion states, “Performance information should be presented at different levels (layers) of reporting. . . .” A statement of the purpose of the criterion then explains how users of reported performance information are benefited by the application of that criterion.

This is followed by a more in-depth description of the criterion, which more clearly defines the boundaries of the scope of the criterion by expanding upon the initial brief statement. Next, the rationale for including the criterion is discussed. The rationale is based on existing literature about reporting performance information and the work of GASB and other researchers. The discussion of the criterion ends with practical suggestions on how to apply the criterion and gives examples.

The examples presented for the criteria are taken from recent performance reports of thirty-two state and local governments from different geographic regions—twenty-eight in the United States and four from other countries. They include governments of different sizes and structures: state, county, municipal, colleges and universities, and local school districts. The examples used to illustrate each criterion represent some of the best examples of current reporting that have been identified for that criterion. Even so, some of the examples do not totally comply with a criterion. This is expected because the reports were prepared without the benefit of the criterion and, therefore, governments were not attempting to comply with it.

Initially, governments likely will not be able to meet all of the suggested criteria. (Currently, no governments completely comply with all sixteen criteria.) This should not discourage them from using the criteria as a basis for developing their report. They simply should state the degree to which they were unable to meet certain criteria. What is most important is that organizations begin the process of performance reporting, that a set of criteria be used as a basis for that reporting so that users of performance reports understand what is and is not included in the report, and that the organization be committed to continually improving the reporting of performance information.
Further, governments should not consider adhering to the suggested criteria as their only objective for performance reporting. Any set of criteria has its limitations. Preparers should be mindful of their users’ needs and expand on the criteria if necessary. This means that reports on performance (and the individual performance measurements selected for reporting)\(^1\) may vary among organizations.

**Suggested Criteria**

The following is a list of the suggested criteria with a statement of purpose. The criteria are grouped into the three major categories.

**The External Report on Performance Information**

The external report on performance information should provide a basis for understanding the extent to which an organization\(^2\) has accomplished its mission, goals, and objectives in the context of potential significant decision-making or accountability implications.

1. **Purpose and scope**

The purpose and scope of the report should be stated clearly. The statement of scope should include information about the completeness of the report in its coverage of key, major, or critical programs and services.

**Purpose**: The purposes of this criterion are (1) to inform users of the intent of the report and (2) to identify the programs and services (parts of the organization) that are included in the performance report.

2. **Statement of major goals and objectives**

The report should clearly state the major goals and objectives of the organization and the source for those goals and objectives.

**Purpose**: The purposes of this criterion are (1) to provide users with the goals and objectives that have potential decision-making or accountability implications for the organization being reported and (2) to identify the origin or source of the goals and objectives so users can determine how the organization established them.

3. **Involvement in establishing goals and objectives**

The report should include a discussion of the involvement of citizens, elected officials, management, and employees in the process of establishing goals and objectives for the organization.

**Purpose**: The purposes of this criterion are to provide information that will help users (1) identify who has been involved in establishing goals and objectives, (2) determine the extent of that involvement, and (3) decide whether those responsible for achieving results participated in the establishment of goals and objectives.

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\(^1\)The suggested criteria do not identify specific measures of performance that should be reported, nor do they call for the development of a standard set of performance indicators. In general, performance measures should be measures of the results of achieving the goals and objectives of an individual organization and, therefore, may vary among organizations.

\(^2\)An organization encompasses both an entire state or local government (an entity) or individual components (departments, agencies, programs, and services) of an entity, depending on what is being reported on or the level of the performance report. As used in this special report, the term *organization* can be used to identify either, depending on the context.
4. Multiple levels of reporting

Performance information should be presented at different levels (layers) of reporting. The relationship between levels of available performance information should be clearly communicated and should include how the user can find information at the different levels reported.

Purpose: The purpose of this criterion is to allow specific users to find the appropriate and desired level of detail performance information for their interests and needs.

All of the criteria should be interpreted in the context of the appropriate amount of detail consistent with the different levels of reporting. For example, at an overview or introductory level of reporting, only a limited number of summarized or high-level goals and objectives and selected performance measures may need to be presented.

5. Analysis of results and challenges

The report should include an executive or management analysis that objectively discusses the major results for the reporting period as well as the identified challenges facing the organization in achieving its mission, goals, and objectives.

Purpose: The purpose of this criterion is to present performance results with a discussion of those results and challenges facing the organization so users can better understand and use the report.

6. Focus on key measures

The report should focus on key measures of performance that provide a basis for assessing the results for key, major, or critical programs and services; and major goals and objectives of the organization. An external performance report should be concise, yet comprehensive in its coverage of performance.

Purpose: The purpose of this criterion is to ensure that performance reports provide users with enough information to develop their own conclusions about important aspects of an organization’s performance, without overwhelming them with more information than they can assimilate.

7. Reliable information

The report should contain information that readers can use to assess the reliability of reported performance information.

Purpose: The purpose of this criterion is to assist users in assessing the credibility of the reported performance information.

What Performance Information to Report

The performance information reported should assist in communicating the extent to which the organization and its programs, services, and strategies have contributed to achieving goals and objectives.
8. Relevant measures of results

Reported performance measures should be relevant to what the organization has agreed to try to accomplish and, where possible, should be linked to its mission, goals, and objectives as set forth in a strategic plan, budget, or other source.

**Purpose:** The purposes of this criterion are (1) to ensure that reported performance measures reflect the organization’s goals and objectives and (2) to provide users a basis for understanding the degree to which those goals and objectives have been accomplished.

9. Resources used and efficiency

Reported performance information should include information about resources used or costs of programs and services. It also could report performance information relating cost to outputs or outcomes (efficiency measures).

**Purpose:** The purpose of this criterion is to facilitate an assessment of resources used and the efficiency, cost-effectiveness, and economy of programs and services.

10. Citizen and customer perceptions

Citizen and customer perceptions of the quality and results of major and critical programs and services should be reported when appropriate.

**Purpose:** The purposes of this criterion are (1) to ensure that a more complete view of the results of programs and services is provided, and (2) to report results not captured by an organization’s other “objective” measures of outputs and outcomes.

11. Comparisons for assessing performance

Reported performance information should include comparative information for assessing performance, such as to other periods, established targets, or other internal and external sources.

**Purpose:** The purpose of this criterion is to provide a clear frame of reference for assessing the performance of the organization, its programs, and its services.

12. Factors affecting results

The report should include a discussion of identified external and internal factors that have had a significant effect on performance and will help provide a context for understanding the organization’s performance.

**Purpose:** The purpose of this criterion is to help users understand the factors that might have an effect on performance, including relevant conditions in the state, region, or community, or in the operating environment of the reporting organization.

13. Aggregation and disaggregation of information

Reported performance information should be aggregated or disaggregated based on the needs and interests of intended users.

**Purpose:** The purpose of this criterion is to provide performance information that (1) is not misleading because it obscures or is not representative of true performance and (2) is relevant to users with different interests and needs.
14. Consistency

Reported performance measures should be consistent from period to period; however, if performance measures or the measurement methodology used is significantly changed, that change and the reason(s) for the change should be noted.

Purpose: The purposes of this criterion are to allow users (1) to compare an organization’s performance from period to period, (2) to better understand, and be familiar with, the organization’s performance over time, and (3) to be informed of changes in measures or methodology and the reasons for those changes.

Communication of Performance Information

A reasonably informed, interested user should be able to learn about the availability of reports on performance and should be able to access, understand, and use reported performance information.

15. Easy to find, access, and understand

The availability of an external report on performance and how to obtain that report should be widely communicated through channels appropriate for the organization and intended users. Performance information should be communicated through a variety of mediums and methods suitable to the intended users.

Purpose: The purposes of this criterion are (1) to ensure that a broad group of potential users are aware that performance reports are available and (2) to provide the performance information in forms that different users can access, understand, and use to reach conclusions about the results of the organization.

16. Regular and timely reporting

Performance information should be reported on a regular basis (usually annually). The reported information should be made available as soon after the end of the reporting period as possible.

Purpose: The purpose of this criterion is to ensure that organizations report performance information on a regular and timely basis so such information can be used as a key part of the decision-making and accountability processes.
ONE—PURPOSE AND SCOPE

The purpose and scope of the report should be stated clearly. The statement of scope should include information about the completeness of the report in its coverage of key, major, or critical programs and services.

Purpose

The purposes of this criterion are (1) to inform users of the intent of the report and (2) to identify the programs and services (parts of the organization) that are included in the performance report.

Description

It is important that the performance report provide information with which users can assess its relevance to them by explaining its purpose and the scope of activities it covers.

A clear and concise statement of purpose and scope answers the following questions:

Purpose of report:

- What is the intended audience for the reported information?
- What is the report intended to communicate?

Scope:

- What level of detail is presented? (See criterion 4.)
- What programs or services are included?

When users have answers to these questions, they can quickly determine if the report is relevant to them and if it provides the kinds of information they need to make informed decisions and draw conclusions about the organization’s performance.

Rationale

Most governments are complex organizations, often with many separate departments, agencies, or programs. The users of a report on performance need to be aware of the departments, agencies, programs, and services that are included in the report and the reasons that they were chosen for inclusion. It is also important that users be aware of how this report can assist them in assessing results and in decision making or public discourse about those results. Therefore, the purpose and intended uses of the report should be stated clearly.

In their discussion of the guideline that calls for focusing performance reporting on “the few, critical aspects of performance,” the CCAF-FCVI (Canadian Comprehensive Auditing Foundation) notes that the organization should explain in the performance report “the choices made about what to focus the report on.” They explain that this “helps to ensure the integrity and transparency in public performance reporting” (CCAF 2001, p. 9). In Reporting Principles: Taking Public Performance Reporting to a New Level, the CCAF-FCVI includes a recommended principle to disclose the basis for reporting. This includes presenting judgments about the selection of certain aspects of performance as critical (CCAF 2002, p. 5).

In their report on Sustainability Reporting Guidelines, the Global Reporting Initiative (GRI) states, “The reporter provides an overview of the reporting organisation and scope of the report. This overview provides readers with a context for understanding and evaluating information in the rest of the report” (GRI 2000, pp. 23–24).
When the criterion on scope (later changed to purpose and scope) was discussed at the GASB field discussion groups on the suggested criteria, participants suggested that the scope statement focus on “the whole picture” of what is included, and not on all the details of programs included. Several participants also suggested adding the purpose of the report because they believed that this would assist users to understand why the organization has published the report and to assess whether the report itself achieves its purpose.

How to Apply

Purpose of Report

A brief statement of why the performance report was prepared and made publicly available and the information users should be able to obtain from the report should be included at the beginning of the introductory section of the primary report. In the overview to the report, this statement could be included in an even briefer form. It might include a comment that the report is being published “to improve public accountability and assist citizens in making decisions,” or that the report is published because “the organization believes that knowledge of its goals, objectives, and results will lead to more informed and involved citizens,” or that the report “meets the organization’s commitment to manage for results and to be open and accountable.”

Scope

One effective approach to reporting this information is to list, in an introductory section of the report, the programs or services included in the scope and to state what portion of the organization’s expenditures/expenses they represent. To be consistent with the need for conciseness, especially in an overview, the list of departments, agencies, or programs could be presented in summary form (for example, “public safety,” “neighborhood services,” “administrative support services”).

As discussed in criterion 4, it is useful to report performance at various levels of detail. At some levels of reporting, especially at the overview summary level of the report, it may not be practical or desirable to report on all programs, services, or functions that consume resources of the organization. In current performance reporting practice, it is not unusual for entities to report on only a portion of their departments, agencies, and programs. Thus, users need to be made aware of the report’s contents. Some organization’s performance reports include a statement of the programs and services that have been included and the portion of the organization (or the organization’s budget) that these programs and services represent.

Management may also provide its rationale for why specific services were included. For example, one rationale may be that all major programs or services that primarily provide direct or “external” services to citizens were included.

Key, major, or critical programs or services could be used to determine the scope of the report—for example, major programs that in total make up 75 percent of the organization’s total expenditures. Critical programs could be defined as those that management (or the elected officials or citizens) considered to be of significant importance to the community. Another rationale might be that all programs that contribute to an organization’s top-priority outcomes or strategic goals (for example, as documented in a strategic plan) were included. Consistent with including “key, major, or critical programs and services,” discussed further in criterion 6, a rationale may be to include all programs and services that contribute to strategic goals, as well as any other programs above a certain size or cost.
Examples

The city of Portland, Oregon, *Annual Report on City Government Performance* sets forth what the report is intended to do, a description of what types of information are included in the report, and then a description of the scope and limitation of the report.
The Prince William County, Virginia, *Annual Performance Report* states why the county entered into the SEA initiative and that the report meets a requirement of the county's strategic plan. The report next indicates that fifteen service areas are reported on a biennial cycle and indicates the portion of the county budget represented by those fifteen service areas.

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*At the time this chapter was written, all URLs were active. Because organizations constantly update their websites, these web addresses may have changed.*
INTRODUCTION

Traditionally, governments provide the community with information on where tax dollars are spent but provide very little non-anecdotal information on what is accomplished through the expenditure of those funds. This report attempts to provide information to County citizens, the Board of County Supervisors, and County management on not only what resources are provided to County government agencies but also the results that are achieved by County agencies with that funding. The report is also unique in that it provides comparisons to performance over the prior five years and the performance of other jurisdictions.

Prince William County has entered into the Service Efforts and Accomplishments initiative in the belief that this information will help improve services as well as improve accountability and trust in government. Prince William is one of only a handful of jurisdictions in the Country that provide SEA reporting to the community. The report can be a powerful tool for public accountability and operational improvements if used correctly. However, because of the many factors that may cause variances in the data, care must be taken to not misuse the data by casting blame where substantial variances exist. Substantial variances in critical measures should instead trigger more in-depth analysis and, where appropriate, improvements in operating methods and resource allocation.

This report responds to direction provided in both the County's Fiscal Year 1996 and Fiscal Year 2000 Strategic Plans. The initial Strategic Plan directed that the County "develop SEA reports that provide cost, workload, and performance measures for some major service areas as benchmarked against prior year performance and similar measures in other jurisdictions." In the Fiscal Year 2000 Strategic Plan, the Effective Government Task Force recommended promoting attitudes of accountability by broadening the SEA report to encompass additional major service areas. The original SEA report, issued in January 1995, contained three service areas: Library, Police, and Public Welfare. The report now encompasses 15 service areas reported on a biennial cycle. The current year's report contains six major service areas, with the other nine service areas that were reported last year included in the appendix. Funding for the fifteen major service areas reported on a biennial cycle represents 56 percent of the County Fiscal Year 2002 Adopted General Fund Budget (excluding the School Transfer) and also includes 70 percent of the Special Revenue Funds, 95 percent of Enterprise Funds, 83 percent of Internal Service Funds, and 100 percent of Fire Levy funding. Two service areas are presented for the first time in this year's report: Criminal Justice Services and Stormwater Infrastructure Management.

Alberta, Canada’s, *Measuring Up* report includes a brief statement of the purpose of the report and in the section on structure notes that the report includes “core” measures of each of the city’s core businesses. The report states that only twenty-seven measures have been included and that the number of measures intentionally was limited to high-level measures that give readers a good overall indication of progress. The report also indicates that supplementary information on the core measures are included and that more detail is provided in individual ministry annual reports.

**Purpose of Measuring Up**

This is the eighth annual *Measuring Up* report to Albertans. The purpose of *Measuring Up* is to report on progress in achieving goals that are important to Albertans. *Measuring Up* meets the government’s commitment to manage for results. *Measuring Up* also meets the government’s commitment to be open and accountable.

**Structure of Performance Reporting**

The government’s business plan is an ongoing three-year plan that focuses the government’s efforts on three core businesses: People, Prosperity and Preservation. Goals are established for each of the core businesses. To track progress in meeting goals, “core” measures are determined and targets set. Each year in *Measuring Up* the government reports to Albertans on progress made towards achieving the goals set out in the government business plan. This report covers the Alberta Business Plan 2001-04, which set out 19 goals and 27 core performance measures.

To measure Alberta’s overall economic, social and environmental performance, 27 measures may not seem like a lot. The intention is to focus on high-level measures that give Albertans a good overall indication of progress toward achievement of Alberta’s goals. In some sense, the core measures are like the gauges on the dashboard of a car, providing the most essential information. Supplemental information on the core measures is also provided in *Measuring Up* to give citizens more information. As well, in response to a recommendation from the Auditor General, this year’s *Measuring Up* includes an explanation of how major influences or external factors affected performance results. This will help readers better assess performance over the past year. One example is land quality, which shows a need for improvement; however, the biggest factor was the drought in southern Alberta.

More detail on performance is provided to Albertans through ministries’ annual reports, which is the second tier of reporting to Albertans on performance. Each ministry prepares a set of "key" performance measures that relate to their business plan goals. These measures are reported in the fall of each year.

Minnesota Milestones includes a brief statement that many indicators related to the state’s nineteen publicly determined goals are presented. The report also describes the four broad areas into which the goals (and indicators) are grouped.

TWO—STATEMENT OF MAJOR GOALS AND OBJECTIVES

The report should clearly state the major goals and objectives of the organization and the source for those goals and objectives.

Purpose

The purposes of this criterion are (1) to provide users with the goals and objectives that have potential decision-making or accountability implications for the organization being reported and (2) to identify the origin or source of the goals and objectives so users can determine how the organization established them.

Description

The report should include an explanation of the expectations of the organization in terms of goals and objectives. This explanation should be in terms that allow users to relate reported results to stated goals and objectives. The goals and objectives presented should be those being used by the organization to manage its operations, as stated in criterion 8. The statement of goals and objectives will vary according to the level of detail of the report as set forth in criterion 4.

Rationale

Users need to understand what an organization intends to accomplish. As described in Chapter 3 on managing for results, that process begins with an understanding of an organization’s mission and how that mission has been interpreted in the form of goals and, more specifically, objectives. This provides a basis for assessing (1) whether its programs and services and the results of the strategies performed are directed toward accomplishing what the program or service has agreed to accomplish and (2) whether the performance information offers a basis for assessing results in achieving those goals and the effectiveness of the program in meeting its objectives. Presenting goals and objectives of the organization therefore provides critical information essential for determining whether the reported data are relevant to what the organization is trying to achieve (as discussed in criterion 8).

From concise statements provided about the mission, goals, and objectives of the organization or its programs and services, users should be able to discern the answers to three essential questions:

1. What is the organization trying to accomplish?
2. How do its programs attempt to achieve results for the public?
3. Who benefits?

In GASB Concepts Statements 1 and 2, one of the six basic characteristics of government financial reports identified is relevance. In order for information to be relevant, there must be a “logical relationship between the information provided and the purpose for which it is needed” (GASB 1987, paragraph 65). As stated in Concepts Statement 2, “SEA information should include data that are essential to provide a basis for understanding the accomplishment of goals and objectives of the entity that have potentially significant decision-making or accountability implications” (GASB 1994, paragraph 58). Presenting the goals and objectives in the report provides a context for assessing the relevance of the reported results.

In most of the GASB citizen discussion groups, participants mentioned that they need information for various types of comparisons. Most notably, “comparisons of performance versus goals, targets, or standards set locally for specific measures were supported by participants in all nineteen discussion groups” (Fountain & Others 2002, p. v). There was general consensus in the GASB citizen discussion groups that it was important to state goals and objectives in performance reports. Several participants said their governments are already doing so (p. 21). To learn more about the citizen discussion group meetings, including the composition of these groups and the limitations of this type of research, see Fountain & Others (2002).
In the research report *Making Results-Based State Government Work*, the Urban Institute researchers noted that when there is a link between the indicators and the organization’s activities and responsibilities, it is possible for users to understand the results. “Strategic planning looks ahead toward goals to be accomplished; performance measurement looks back to see what was achieved. The strategic plan defines the performance to be measured, while performance measurement provides the feedback that keeps the strategic plan on target” (Liner & Others 2001, p. 5). It is this relationship, between indicators and goals and objectives, that will provide users the information needed for the decision-making process.

One of the CCAF-FCVI reporting guidelines is, simply: “to make performance reporting meaningful to the public, the report needs to explain goals and performance expectations in their own right and then relate the results that have been achieved to these goals and expectations” (CCAF 2001, pp. 9–10). By doing so, the organization communicates clearly with the public about the achievements, or lack thereof, on what it has said it plans to achieve. In *Reporting Principles*, the CCAF states that a public performance report should inform Canadians about the goals the government is pursuing and how its activities contribute to those goals (CCAF 2002, p. 4).

One of the evaluation criteria used by the Mercatus Center of George Mason University to ascertain how well federal agency performance reports inform the public about the results of agency performance is: “Are the goals and objectives stated as outcomes?” They go on to define an “outcome goal” as the intended benefit (or harm avoided) that results from an agency’s programs or activities. They also say it “should be articulated in clear and simple terms that describe benefits to the community rather than activities that are presumed to be of value” (Mercatus Center 2003, p. 18).

**How to Apply**

If the performance report is for an entire governmental unit, such as a state or local government, an organization-wide mission or “vision” statement and significant strategic goals and objectives might be briefly presented in the introduction. Some organizations will have several organization-wide goals and objectives, as well as additional goals and objectives for each program or service. It is not necessary to list every one of these goals and objectives. However, it is important to include the major goals and objectives of the organization or programs and services related to the performance information being presented.

The source for the reported goals and objectives should be discussed. The source may be a formal strategic plan; the budget of the organization; legislation; administrative directives; or departmental, program, or service plans. If the basis of the goals and objectives is not from a formal source (for example, program tradition), this should be mentioned.

At the overview level, major organization-wide goals and objectives could be presented without program or service area goals and objectives. The introductory level should include the goal and objective statements related to the performance information presented. At the more detailed levels of reporting, more specific goals and objectives for the programs or services being reported should be included. These goals and objectives may range from formally adopted statements, to program or department directives, to information inferred from organizational plans or the budget; users of the report should be able to distinguish between formal and informal goals and objectives.
Examples

The New York City Mayor’s Management Report presents the critical objectives and a brief description of the key public service areas (goals) for each agency. In this example, the critical objectives for the Department of Health and Mental Hygiene are presented, but the source is not identified.

The state of Illinois report on performance includes a statement of the mission, goals, and objectives for each agency. In this example, the statement is presented for the Illinois State Police.

### Illinois State Police

**Mission Statement:** Deliver accurate and timely forensic services in the collection and analysis of physical evidence from crimes and assist with the identification, arrest, and prosecution of offenders.

**Program Goals:**

1. Deliver accurate and timely crime scene forensic services.
   - a. By June 30, 2002, develop and implement a comprehensive Quality Assurance Program for crime scene processing and reporting to guarantee accuracy and consistency in the crime scene process.
   - b. By June 30, 2002, reduce crime scene request response time to less than one hour for 80 percent of valid crime scene requests.
   - c. By June 30, 2002, complete 100 percent of B-D (presumptive) diagrams within 60 days.
   - d. By June 30, 2001, select and field test digital cameras for utilization by crime scene services personnel in order to decrease the return time of images to local agency clients.

2. Deliver accurate and timely forensic laboratory analysis.
   - a. Meet mandatory court deadlines for evidence within the Forensic Biology/DNA, Latent Print, Firearms, and Drug Chemistry disciplines of the statewide forensic science laboratory system while employing techniques to reduce the caseload by June 30, 2002.

3. Provide appropriate training opportunities for OFS employees to grow professionally and personally.
   - a. By August 31, 2002, develop and provide a management training initiative for Forensic Science Command for future supervisors/managers.

**Source of Funds:** General Revenue Fund, State Crime Laboratory Fund, State Police DUI Fund, State Offender DNA Identification System Fund, Illinois State Police Federal Projects Fund, State Police Services Fund

**Statutory Authority:** 20 ILCS 2605/2903-40

**Explanatory Information:**

Program goals and objectives were taken verbatim from the Department's 2001 Strategic Plan. Some 2001 data has been updated for accuracy.

The District of Columbia performance report includes a list of goals for each department or office with a statement of the source of the goals and performance measures. In this example, goals are presented for the Office of Contracting and Procurement.

**PO0 - Office of Contracting and Procurement**

| Goal 1: | Reduce processing time for small purchases (less than $25,000). |
| Goal 2: | Review and approve contracts within 5 working days. |
| Goal 3: | Institute commodity-buying groups. |
| Goal 4: | Engage in acquisition planning with agencies. |
| Goal 5: | Implement a tracking system to obtain status of contract actions. |
| Goal 6: | Train staff to adequately execute the OCP mission. |

**Source of Goals and Measures**

During FY 1999-2000, agencies had established several sets of agency goals and performance measures for different purposes, including budgets, strategic plans and performance contracts; for different audiences, including the Council, Congress and the general public; and with different reporting periods (fiscal vs. calendar years). One of the District’s primary objectives in establishing FY 2002 agency goals and performance measures was for agencies to review existing goals and measures, consolidate them into a single set that addresses the needs of multiple audiences and to align that single set of goals and measures with the Citywide Strategic Plan. As part of this more organized approach to agency goals and measures, agencies FY 2001 goals and targets were reviewed and reset where appropriate during the FY 2002 budget development cycle to help establish trend lines over time. **The goals and measures reported in the FY 2001 Performance Accountability Reports are therefore consistent with the FY 2002 Proposed Budget and Financial Plan submitted to Congress in June 2002.**

The city of Christchurch, New Zealand, annual report includes both an organization-wide mission statement and a statement of objectives and service performance for each department (in this example, the City Streets Department). In this example, the source of the objectives is not presented.

THREE—INVOLVEMENT IN ESTABLISHING GOALS AND OBJECTIVES

The report should include a discussion of the involvement of citizens, elected officials, management, and employees in the process of establishing goals and objectives for the organization.

Purpose

The purposes of this criterion are to provide information that will help users (1) identify who has been involved in establishing goals and objectives, (2) determine the extent of that involvement, and (3) decide whether those responsible for achieving results participated in the establishment of goals and objectives.

Description

The report should explain as concisely as possible how and to what extent citizens, elected officials, management, and employees are engaged in the processes of setting goals and objectives. This explanation normally would be presented after the presentation of the organization’s goals and objectives and at the same level of reporting.

Rationale

By suggesting a disclosure about the involvement of both citizens and elected officials, this criterion recognizes the balance in government between citizen engagement and representative democracy. The addition of management and employees adds further balance by disclosing how those actually responsible for the results of the programs and services are involved in setting forth what they are expected to achieve.

In the research report on the GASB citizen discussion groups, perhaps the strongest common theme across the groups was participants’ desire that citizens be involved in determining what performance information to report (Fountain & Others 2002, p. 12). Participants in the discussion groups noted: “If citizens were to be expected to use the information, it is important that the information being reported be relevant to their needs and interests. They believed this could be best accomplished by including citizens in the process of selecting what to measure and report, which would increase their sense of ownership” (p. 12). In several discussion groups, participants indicated that “citizens should not be the only stakeholders involved in selecting performance measures. They cited roles for elected officials, government managers, and employees . . .” (p. 13). Of all the participants, only one suggested that citizens need not be directly involved, but that they be represented by their elected officials (p. 13).

Most of the work groups in a December 2001 meeting of the GASB’s Service Efforts and Accomplishments (SEA) Reporting Task Force indicated a preference for citizen engagement in developing strategic plans that would be used to determine performance measures, rather than involving citizens in selecting specific performance measures. Reporting the extent and type of involvement gives users some basis for gauging whether citizens, elected officials, management, and employees have had a real opportunity to influence the process, or, as some researchers describe it, whether there has been “authentic public participation” (King & Others 1998).

In the book Making Results-Based State Government Work, the Urban Institute recommended that “states should engage citizens, perhaps through citizen advisory commissions, in helping to identify the outcomes sought for the state” and that “state agencies should consider using citizen charters in which state agencies explicitly identify the service level and service quality obligations to their customers, including indicators of performance; provide such information in a format that is readily accessible to the customers of those state agencies; and periodically report on the extent to which those responsibilities have been met in the past reporting period.” They note that in states such as Oregon and Minnesota, these citizens usually include representatives of the business sector, other special interest groups, and private citizens who do not have any particular affiliation (Liner & Others 2001, pp. 40–41).

The CCAF-FCVI, in Public Performance Reporting: A Management Perspective, was concerned with the importance of having management and employees participate in the establishment of core objectives, which is an indication that they have agreed to those objectives as reflecting “what the government judges to be the most important aspects of performance” (CCAF 2001, p. 9).
Considering citizens as primary users of government performance information, and anticipating that they may want to discuss and use such information, is consistent with the history of citizen involvement in the United States, and with roles citizens recently have been playing in a number of jurisdictions (Epstein & Others 2002, pp. 129–136). Evidence of citizen interest in becoming involved in “measurably improving community well-being and community quality of life” comes from the many “citizen movements.” “The community movements that are able to create and sustain positive outcomes tend to do certain things,” including “engage diverse citizen participation and widespread community ownership” and “benchmark and measure progress and outcomes” (Norris 2001, pp. 307, 311–312).

In Concepts Statement 1, the GASB identified the citizenry and legislative and oversight officials as two of “the primary user groups of external state and local governmental financial reports” (GASB 1987, p. i). The “elected officials” in this criterion refer primarily to elected state or local legislators (city council members, county board or commission members, state legislators), many of whom have both legislative policy roles (passing budgets, laws, ordinances, and resolutions) and oversight roles (reviewing public agencies’ performance, activities, and use of resources). Oversight officials include both elected officials acting in an oversight capacity and others to whom this responsibility has been given.

**How to Apply**

One way to meet this criterion would be to include in the performance report a statement setting forth who was involved in the process of establishing goals and objectives and how they were involved. This statement could be mentioned briefly at the overview and introductory levels of reporting, with a reference to the more complete explanation contained at a detailed level of the report.

There are a number of possible ways in which these groups could be involved in establishing goals and objectives for the organization. For example, citizens can contribute through the strategic planning process. This is consistent with the “governing for results” cycle used in Prince William County, Virginia, in which citizens have been extensively involved in strategic planning and in locally mandated major four-year updates of the strategic plan. The elected Board of County Commissioners sets strategic goals consistent with citizen priorities that have emerged from the “engagement processes,” which include several kinds of citizen meetings and surveys of citizen priorities. The county’s performance measures, performance-based budget, and performance reports then relate back to those goals. In this way, citizen priorities “flow through” policy planning to implementation, including how the county measures performance.

Citizens also could be involved through public meetings in which they comment on proposed goals and objectives. If the type of involvement differs for different citizen groups, then each group’s involvement, if significant, would be discussed. Another alternative is not to involve citizens at all, but for elected officials to develop, suggest, or approve goals and objectives in their role as citizen representatives. For example, in many municipalities, city councils hold annual retreats to formulate or revise the goals and objectives for the year (or years) to come.

Similar types of involvement are also possible for management and employees. (However, it would be expected that management normally would be significantly involved in any process of establishing goals and objectives that they are expected to work to achieve.) For example, management might prepare the first version of goals and objectives and then work with elected officials to further refine them and come to agreement. Management could then, either alone or with elected officials, present these goals and objectives to employees in the various departments and obtain feedback from them. The goals and objectives could then be presented to citizens at public hearings or meetings of civic or neighborhood associations before final approval. This process—who was involved and how they were involved in developing or modifying proposed goals and objectives—could be briefly included in the performance report.
Examples

Fulton County School District, Georgia, includes in its report a statement on how families are encouraged to be involved in the activities of the school district, including having opportunities to speak on any issue discussed during board meetings.

7

The district provides activities that encourage families to be involved in the schools.

The district provides opportunities for families to participate in school board meetings, school activities and on School Advisory Councils

There are many opportunities for families to be involved in Okaloosa County school activities. Individuals in the community are provided opportunities to speak on board policies during meetings and parents are important participants in the schools and on each school’s School Advisory Council (SAC).

Parents and other interested persons are provided opportunities to speak on any issue discussed during board meetings. School board meetings are held twice a month in locations reasonably accessible to the community. Board members and district staff report that this rarely occurs except in the more contentious issues, such as rezoning. The most common interactions by parents at school board meetings tend to involve awards and recognition ceremonies. County residents may also attend meetings of the School Leadership Committee and comment on any issues discussed by the group.

Parents and guardians are encouraged to participate in specific schools activities. Parents are made aware of school functions through newsletters, flyers and websites and asked to volunteer or participate. Focus groups conducted with principals found that parent participation was very high in these situations. For example, Thanksgiving luncheons coincided with our review, and principals reported that the majority of students had at least one parent attend the luncheon. Principals and district staff report that this level of participation is common and that there is always significant cooperation between the schools and parents.

Another opportunity for parents to participate in school activities is through the School Advisory Councils (SACs). Each school has an active SAC comprised of parents, faculty and community leaders. Staff reports that parents play an active role in SAC decisions and were key in the development of the schools improvement plans.

In general, school board members, district staff and principals report that parental involvement is very high in the district. They attribute this community involvement to the high educational attainment level of the population and the impact of the military influence from the large Air Force bases in the county.

The Oregon Progress Board provides an example of how citizens, elected officials, and others can be involved in the establishment of goals and objectives. Although the benchmarks established by the board are somewhat different from goals and objectives established for the state and its agencies, they are seen as providing a perspective or direction for the state. Efforts are now under way to connect the benchmarks developed with the mission, activities, goals, and objectives of the state of Oregon and its agencies and programs. Oregon Benchmarks includes an explanation of how the benchmarks and related targets are selected and the make-up of the benchmarks board that was involved in establishing the benchmarks.

**Achieving Oregon Shines Vision: The 2001 Benchmark Performance Report**

This sixth biennial report to the Oregon legislature details the progress Oregonians have made in achieving their year 2000 targets for 90 benchmarks. These benchmark measures are an integral part of Oregon’s long term strategic plan called Oregon Shines.

Coming out of a deep recession in the late 1980s, Oregon was not content to passively allow external forces to continue shaping its economic and social future. Oregon leaders and citizens developed a vision. It was and continues to be: “A prosperous Oregon that excels in all walks of life.” To make this vision a reality, Oregon’s stakeholders—public servants and private citizens—worked together to create a set of strategic goals and objectives. They then created benchmarks with targets so they could measure their progress towards these goals and objectives.

FOUR—MULTIPLE LEVELS OF REPORTING

Performance information should be presented at different levels (layers) of reporting. The relationship between levels of available performance information should be clearly communicated and should include how the user can find information at the different levels reported.

Purpose

The purpose of this criterion is to allow specific users to find the appropriate and desired level of detail performance information for their interests and needs.

Description

Effective reporting presents performance information at multiple levels (layers) of reporting. It proceeds from (1) an overview, to (2) an introductory summary, to (3) information about specific programs and services as a whole, and potentially to (4) performance data that is broken down to provide measures of performance about specific strategies or activities within programs and services. Performance reporting should at a minimum contain the first three levels of reporting, although what is reported at each level (and how it is presented) might vary among organizations.

The report should be organized in a hierarchical structure that proceeds through several levels from overview to detail. The overview and introductory summary levels of reporting serve as a starting point that enables users to determine where they wish to go to review and study more detailed information.

Rationale

The way in which performance information is presented to users is vital to the effective communication of that information. Users come from all different walks of life, each having different interests, needs, levels of understanding, education, and public involvement, as well as different purposes for using the performance information. It is for this reason that it is important to communicate performance information at various levels of detailed information.

Reporting performance information in this fashion helps to meet the needs of users with varying degrees of interest, knowledge, and analytical sophistication. Furthermore, a hierarchical structure that proceeds through several levels from overview to detail should assist users in utilizing more detailed and specific information. The higher level of reporting may serve as an introduction that enables users to determine where they wish to go to review and study more detailed information.

Participants in the GASB citizen discussion groups thought it beneficial that several levels of reporting be made available to the public. They were especially convinced that if electronic reporting methods were used, users who are interested in deeper levels of information would be able to “drill down” to find the detailed information (Fountain & Others 2002, pp. 30–32). Some citizens thought that presenting a brief overview of performance measures and a summary (or introduction) of the results would be effective entry points into the report. Additionally, they wanted to know where further elaboration would be available, including more performance measures, various types of data disaggregations, and explanations concerning the reported performance.

Members of the GASB SEA task force generally saw this as a very important aspect of reporting because people’s needs and interests are different. They felt that multi-layered reporting would be the best way to meet the need for various amounts of detailed information.

Most of the participants in the GASB field discussion groups on the suggested criteria who commented on this criterion agreed with it. Most said their entity already reports at more than one “layer” or “level of detail” or is attempting to do so. Two participants pointed out the need for links or guides from one level of reporting to another to help users.
How to Apply

Performance reports generally should communicate on at least three levels—a brief overview, an introductory summary, and detailed performance information by program and service. Sometimes an additional level of reporting may be presented within programs and services to communicate additional performance measures. (Appendixes are sometimes used to present this additional supporting material for the performance measures and information reported.) With Internet technology and other electronic media, preparers can include more levels of reporting and take various approaches to meeting user needs and interests.

The most summarized level of reporting might be a brief overview (probably no more than two or three pages) highlighting the major results of the organization. The overview typically will present each major result in a graphic form or one-sentence narrative.

A slightly more detailed level of reporting might be an introductory summary that would include management’s analysis communicating a high level of performance information for programs or services. It could include information such as the purpose and scope of the report, information readers can use to assess the reliability of the reported performance measures, the time frame and frequency of the report, major goals and objectives, highlights of outcomes or challenges, and a summary of key measures. It also might contain a few highlights of comparative performance with targets, over time, and with selected comparable organizations or programs.

Information communicated at more detailed program and service levels should be more comprehensive. For example, a more detailed level of information might contain:

- More extensive statements of goals, objectives, and strategies along with related performance measures
- Information on how citizens, elected officials, management, and employees were involved in the process of establishing goals and objectives
- A more comprehensive set of measures (primarily outcomes) for major programs and services
- Additional performance measures of various types including outputs, efficiency measures, resources used, and explanatory information
- More detailed information about citizen and customer perceptions of the quality and effectiveness of services
- More detailed comparisons, both internal and external
- Elaboration on explanatory factors (external factors)
- A more inclusive management’s analysis of the results and what is being done to maintain or improve those results.

Depending on the method of report chosen and the level of detail needed, this information will vary.

Whatever method of reporting (for example, printed or electronic) is chosen, it is important to communicate how users can find each level of information. This increases the report’s usefulness and adds to user confidence that the organization is providing a fuller view of the results of its programs or services.

If an organization chooses to report electronically, the report might contain several links to information that might not be found in printed material. For example, the city of New York offers a variety of web-based geographic views of performance measures. As one example of different levels of detail reporting, users can look at city-wide data for a number of performance measures. Or they can enter a street address or intersection to get a view of fourteen community-based performance indicators applicable to that address or intersection. (In this case, the more detailed level contains more disaggregated information, as suggested by criterion 13.) To see how one’s community compares with others, a user can click on any of the fourteen indicators to get a map comparing results for that indicator across all of the appropriate districts.

Another example of electronic reporting is the Florida Government Accountability Report (FGAR). FGAR is a web-based reporting service for legislators and the public to monitor the performance of about 300 state government agencies and programs. FGAR is organized with multiple levels of detail based on the state government’s program structure, allowing users to view profiles of entire agencies, comprehensive programs made up of smaller programs, and individual operating programs. Narratives about agencies and programs are provided in these profiles, including program purposes and summaries. Summary resource and performance data (some in graphic form) are provided, along with other information and hypertext links to more detailed performance data and more detailed evaluation reports and applicable laws.
Detailed performance information reported electronically might be supplemented by a printed report that includes one or more layers of reporting within that same document, or perhaps has several different printed documents for the different layers. For example, a notice could be included in a utility bill informing potential users of the availability of a more complete report on performance. As another approach, a brief printed overview report might be published separately and mailed to citizens. The overview report would highlight performance results and describe a more detailed report (either printed or on the organization’s website) and would explain how to obtain it. This way, users’ interests could be piqued and they can be encouraged to obtain and read the more complete report or look at the website for more details that would interest or directly affect them.
Examples

The city of Bellevue, Washington, report includes an overview of what it calls “vital signs” and then provides more detail in the department sections of the report. That detail includes individual performance measures with descriptive information, a scorecard of performance measures, and an analysis of key performance measures.

The second section includes “scorecards” for each city department. They convey outcomes of service delivery programs by showing actual accomplishments against planned targets (displayed is the 1999 through 2001 actual performance along with the 2001 performance target for each measure). These scorecards contain 178 measures that are a subset of the approximately 700 measures contained in the biennial budget document. About one-third of the measures are workload indicators which help the reader gauge service demand but do not show how well services are delivered or whether goals are being met. About 10% of the measures are efficiency measures that reflect the relationship between work performed and the resources needed to perform the work. They show how well - or how efficiently - services are being met.

LEVEL 1: Illustration of “Overview”

This report has two main sections. The first section includes:

C. Bellevue’s Vital Signs Overview

In early 2001, program managers, department directors, budget staff, the City Manager, and others gathered to look at a list of approximately 70 performance measures and select a smaller set of measures that when looked at together provide the best indication of the health or “well being” of the City.

The measures selected contain a mix of key indicators of resident opinion from the annual Performance Measures Survey and departmental measures of effectiveness. For these measures, trend information is presented for the 1997-2001 period along with brief narratives.

The City’s key performance outcomes continue to be positive. This stability indicates that the City is maintaining close to the right mix of services and resources to meet the needs of City residents and business.

Performance improved in 8 of 16 measures and decreased in 2 when comparing 2001 to 2000. The performance improvement in 8 of 16 measures indicates that Bellevue is addressing issues related to growth over the last several years. Performance remained stable in 6 measures.

Although targets were not met in 6 of 16 measures, the difference between meeting a target and not meeting a target was 2 to 3 percentage points for most measures. One measure - “Percent of residents saying they are getting their money’s worth when thinking about City services” - fell short of its 85% target by 8 percentage points. Even so, it was consistent with the previous year score of 77% and reflects a 5-year overall average of 77%.

Table 1 provides a snapshot of Bellevue’s vital signs. Sections that follow provide a discussion of each of these measures along with five-year trend information.

This illustration highlights detailed performance measures for the fire department.

<table>
<thead>
<tr>
<th>Bellevue’s Key Performance Measures</th>
<th>2000 Actual</th>
<th>2001 Actual</th>
<th>2001 Target</th>
<th>Target Met or Exceeded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residents rating Bellevue as a good or excellent place to live</td>
<td>93%</td>
<td>91%</td>
<td>95%</td>
<td></td>
</tr>
<tr>
<td>Residents saying Bellevue is headed in the right direction</td>
<td>67%</td>
<td>76%</td>
<td>80%</td>
<td></td>
</tr>
<tr>
<td>% of residents fairly satisfied to very satisfied with City services</td>
<td>63%</td>
<td>63%</td>
<td>65%</td>
<td></td>
</tr>
<tr>
<td>Residents rating their neighborhood as a good to excellent place to live</td>
<td>89%</td>
<td>91%</td>
<td>90%</td>
<td>✔</td>
</tr>
<tr>
<td>% of residents saying they are getting their money’s worth when thinking about City services and facilities</td>
<td>77%</td>
<td>77%</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>Moody’s Investors Service Bond rating</td>
<td>Aaa</td>
<td>Aaa</td>
<td>Aaa</td>
<td>✔</td>
</tr>
<tr>
<td>Good to excellent quality for parks and recreational opportunities</td>
<td>83%</td>
<td>84%</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>Patrol response times to critical emergencies</td>
<td>4.2 min.</td>
<td>3.1 min.</td>
<td>4.2 min.</td>
<td>✔</td>
</tr>
<tr>
<td>Number of violent and property crimes committed per 1,000 population</td>
<td>42.8</td>
<td>41.2</td>
<td>44.0</td>
<td>✔</td>
</tr>
<tr>
<td>Percent of fires confined to room of origin</td>
<td>90%</td>
<td>85%</td>
<td>90%</td>
<td>✔</td>
</tr>
<tr>
<td>Cardiac arrest survival rate</td>
<td>30%</td>
<td>31%</td>
<td>35%</td>
<td>✔</td>
</tr>
<tr>
<td>Resident satisfaction rating for clean streets</td>
<td>96%</td>
<td>96%</td>
<td>90%</td>
<td>✔</td>
</tr>
<tr>
<td>Residential street average pavement rating</td>
<td>83</td>
<td>88</td>
<td>86</td>
<td>✔</td>
</tr>
<tr>
<td>Percent of Mobility Management Areas achieving concurrency</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>✔</td>
</tr>
<tr>
<td>Water service interruptions per 1000 service connections</td>
<td>3.2</td>
<td>2.9</td>
<td>3.0</td>
<td>✔</td>
</tr>
<tr>
<td>Violations of state and federal drinking water standards</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>✔</td>
</tr>
</tbody>
</table>
LEVEL 3: Detailed performance information about specific programs or services (i.e., fire department)

10. Percent of fires confined to room of origin

The ability to contain a fire to the room of origin is a key measure of the effectiveness of a community’s fire prevention and suppression programs as well as its building codes. Over the years, the combination of strengthened codes such as requiring sprinkler systems in commercial occupancies and multi-family housing complexes; newer and more fire retardant building materials; and proactive prevention programs has significantly impacted the containment of fires to the room of origin. Due to quick response, state-of-the-art equipment and fire fighting techniques, the Fire Department contained 93% of all structure fires to the room of origin during 2001 (this is above our 2001 target of 85% and higher than the 90% containment rate of 2000). In single family residential structures, where nationally approximately 80% of all fire fatalities occur, the rate of containment was 100%.

11. Cardiac arrest survival rate

The percentage of patients in full cardiac arrest who have a pulse upon delivery to a medical facility is internationally accepted as an indicator of performance. The outcomes during the past 5 years have ranged from a high of 40% to a low of 31% in 2001. The 2001 rate of 31% is lower than both the 35% performance targets set by the Fire Department and the 38% level achieved in 2000. Some Emergency Medical Service (EMS) professionals believe that cardiac arrest survival rates are generally indicative of an EMS system’s overall effectiveness. For the past 5 years, Bellevue’s cardiac arrest survival rates have been among the highest of cities reported in our Comparative Cities Report. Also, an impressive number of Bellevue’s residents are trained in Cardio Pulmonary Resuscitation (CPR). According to the 2001 Performance Measures Survey, 70% of respondents said that they were trained in CPR.
Analysis of Key Performance Measures

General Discussion:
The Bellevue Fire Department exists to assist the public in the protection of life and property by minimizing the impact of fire, medical emergencies, and potential disasters or uncontrolled events that affect the community and environment.

The key performance measures were selected to reflect these particular goals. While some meet the targets successfully, others do not as explained below:

Significant Influences:

Fire Suppression and Rescue/Emergency Medical Services:

Effectiveness:
1. Percent of fire confined to room of origin: Keeping fires from spreading is a primary objective due to its strong relationship to customer service and to minimizing overall damage/loss. Many factors bear on this indicator, among them on-duty staffing levels, timely reporting of the fire, dispatch time, training & equipment, traffic, fire protection systems, etc. In 2001, 93% of fires were confined to room of origin, which exceeded our target by 8%. In single family residential structures, where nationally approximately 90% of all fire fatalities occur, the rate of containment was 100%.

2. Cardiac arrest survival rate: This is an internationally accepted indicator of performance. Survival rate is one of our most important outcomes and is believed to be generally indicative of the overall effectiveness of our EMS systems. There is some level of uncontrollable variation from year to year. The outcomes over the past 5 years have ranged from a high of 40% to a low of 33%; the 2001 actual was 31%. Many factors can influence the cardiac survival rate, among them public education in knowing cardiac symptoms and administering CPR, and through

<table>
<thead>
<tr>
<th>Key Performance Measures</th>
<th>1999 Actual</th>
<th>2000 Actual</th>
<th>2001 Actual</th>
<th>2001 Target Met or Exceeded</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Program: Fire Suppression and Rescue/Emergency Medical Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Percent of fires confined to room of origin</td>
<td>81%</td>
<td>90%</td>
<td>93%</td>
<td>85%</td>
</tr>
<tr>
<td>2. Cardiac arrest survival rate</td>
<td>34%</td>
<td>38%</td>
<td>32%</td>
<td>36%</td>
</tr>
<tr>
<td>3a. Average Response time to Fire Suppression Calls from Reception of Call to Arrival (minutes)</td>
<td>6.2</td>
<td>NA</td>
<td>6.8</td>
<td>6.2</td>
</tr>
<tr>
<td>3b. Average Response Time to EMS Calls from Receipt of Call to Arrival (minutes)</td>
<td>5.9</td>
<td>NA</td>
<td>6.5</td>
<td>5.9</td>
</tr>
<tr>
<td>4a. % of Fire Suppression response time 6 minutes or less</td>
<td>62%</td>
<td>NA</td>
<td>43%</td>
<td>62%</td>
</tr>
<tr>
<td>4b. % of EMS response time 4 minutes or less</td>
<td>20%</td>
<td>NA</td>
<td>9%</td>
<td>20%</td>
</tr>
<tr>
<td>Workload</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5a. Number of Fire service requests/unit responses generated</td>
<td>3,818/</td>
<td>4,045/</td>
<td>3,969/</td>
<td>4,100/</td>
</tr>
<tr>
<td>5b. Number of EMS service requests/unit requests generated</td>
<td>9,941/</td>
<td>9,326/</td>
<td>8,866/</td>
<td>9,600/</td>
</tr>
<tr>
<td>6. Number of annual Fire Company fire inspections</td>
<td>11,996/</td>
<td>12,075/</td>
<td>12,354/</td>
<td>12,400/</td>
</tr>
<tr>
<td>7. Number of annual individual training hours</td>
<td>15,095/</td>
<td>19,413/</td>
<td>19,533/</td>
<td>21,200/</td>
</tr>
<tr>
<td><strong>Program: Fire Prevention</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Fire Loss in Inspected Buildings ($000)</td>
<td>$3,696</td>
<td>$34</td>
<td>$9,095</td>
<td>$500</td>
</tr>
<tr>
<td><strong>Program: Emergency Preparedness</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Emergency Preparedness Response hands-on-skilled training programs</td>
<td>6</td>
<td>8</td>
<td>28</td>
<td>20</td>
</tr>
<tr>
<td>Workload</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Emergency Preparedness audiences reached – general education</td>
<td>4,576</td>
<td>3,451</td>
<td>6,870</td>
<td>4,000</td>
</tr>
</tbody>
</table>

These examples from *Minnesota Milestones* illustrate an overview of progress made toward achieving each goal included in the summary and then link readers to more detailed information about the four state themes and the nineteen goals and seventy indicators in the report.

**Overall major trends**

The 1990s were a time of unprecedented economic prosperity throughout the country and in Minnesota. This prosperity provided the opportunity not only for economic gains, but social and environmental progress as well.

Minnesota moved forward in the areas of public safety, health, government performance, economy, educational achievement and attainment as well as some aspects of the environment.

Despite progress on many of the *Minnesota Milestones* goals, significant challenges remain. For a number of education, health, and economic indicators significant disparities exist between races and ethnic groups. Disparities also exist between urban and rural areas. Challenges exist for many of the environmental goals.
Progress toward each goal

PEOPLE

Goal trends

Our children will not live in poverty. Until Census 2000 data is received, it is difficult to track progress on reducing child poverty.

Families will provide a stable, supportive environment for their children. There has been little progress on this goal except for the decrease in the number of births to teens.

All children will start school ready to learn. Indicators are mixed, but there has been significant improvement in timely immunization of young children.

Minnesotans will excel in basic and challenging academic skills and knowledge. This goal's indicators continue to show steady improvement for the state as a whole.

Minnesotans will be healthy. There has been progress toward achieving this goal, except for fluctuations in teenage tobacco use.

Educated and healthy children and adults are a foundation for progress in all aspects of Minnesota's future. Minnesota has focused attention on the status of children, adults and families through creation of goals and progress measures. Graduation standards and tests are now firmly established in public schools and the Minnesota Department of Health has put forth wide-ranging public health goals for 2004 and provided data to communities to help them measure progress.

Although Minnesota is considered a leader in health, learning and the well-being of children many challenges remain, including health and education disparities among racial and ethnic minorities.

Progress

Most health-related indicators show stability or improvement for Minnesota as a whole since 1990. These Minnesota Milestones 2002 findings are supported by the annual United Health Foundation State Health Rankings, a composite index of general health that consistently ranks Minnesota at or near the top.

Premature death, infant mortality and suicide rates have all dropped and more children are being immunized on time. The teen pregnancy rate has declined steadily, although it has increased among Hispanic and Asian girls. The percentage of adults covered by health insurance has remained stable while the percentage of insured children has increased. Premature death (years of potential life lost before age 65) has declined.

Several key indicators demonstrate progress toward Minnesota's education goals. Since basic standards tests began in 1995-96, the trend has been positive. The percentage passing the math test rose from 69 percent in 1995-96 to 75 percent in 2001-02. The percentage passing the reading test also rose, from 53 percent in 1995-96 to 80 percent in 2001-02. National comparisons look good. In the most recent mathematics exams, Minnesota elementary and middle school students ranked first among the states; in reading they ranked eighth and fourth, respectively.

Minnesota's average scores on the ACT college entrance test, taken by 66 percent of students, have held steady since 1996. Minnesota ranks second highest among the 26 states where more than half of graduating seniors took the test. Graduation, dropout and continuation rates have not changed significantly since 1996. Students who graduated in 2000 were the first required to pass Minnesota's Basic Standards tests.
Minnesota Milestones

Minneapolis Milestones sets 19 goals for the state's future and uses 70 indicators to track progress toward the goals.

- Alphabetical: Listing of goals, indicators, and individual data trends alphabetically.
- Or view below by theme:

People | Community and Democracy | Economy | Environment

PEOPLE, CHILDREN
Our children will not live in poverty.

1. Child poverty
2. Low-income school children

Families will provide a stable, supportive environment for their children.

3. Satisfaction with child care
4. School transfers
5. Child abuse and neglect
6. Teen pregnancy

Indicator 2: Low-income school children

Goal: Our children will not live in poverty. Poverty can do both immediate and lasting harm to children. Children who grow up in poverty are more likely to lack adequate food and clothing, live in poor housing, become victims of crime and violence, lack basic health care, and be less successful in school.

Rationale: Eligibility for free or reduced-price school meals is an important measure of child poverty trends, because it is updated every year.

Percentage of public school children approved for free or reduced-price school meals

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
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<td>1991</td>
<td>21.7%</td>
</tr>
<tr>
<td>1992</td>
<td>23.3%</td>
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<tr>
<td>1993</td>
<td>23.7%</td>
</tr>
<tr>
<td>1994</td>
<td>24.5%</td>
</tr>
<tr>
<td>1995</td>
<td>24.7%</td>
</tr>
<tr>
<td>1996</td>
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<td>25.8%</td>
</tr>
<tr>
<td>2002</td>
<td>26.6%</td>
</tr>
</tbody>
</table>

Local data
Data source: Minnesota Department of Children, Families & Learning

The city of Portland, Oregon, Annual Performance Report includes an overview of results, an introductory summary provides additional detail, and a detailed presentation for each major program and service area provides even more performance information. The transportation system is used in this example.

City services deliver mainly positive results to Portland residents

City of Portland services have produced many benefits for City residents over the past ten years, FY 1991-92 through FY 2000-01.

**Overall performance results**

- Public safety has improved significantly over the past ten years
- City and neighborhood livability is better
- Progress in achieving housing and development goals is positive
- City residents enjoy good quality water and air, but some large problems remain

- The City's transportation system is in decline while use and service demands increase

**Overall spending and staffing**

- Overall, the City spent about $1,170 per capita on the nine major services in FY 2000-01
- OPDR, Planning, and Environmental Services had the largest spending increases
- Fire, Water, and Transportation had the only spending decreases

**Overall citizen satisfaction**

- Portland residents are generally more satisfied with City services than they were in 1992
- Recreation, recycling, and sewer services had the biggest increases in satisfaction
- Traffic management and street maintenance had the only decreases in satisfaction

Some of the most important positive (+) and negative (-) results are summarized below. Complete results are presented in chapters 1 through 9.
CHAPTER 4 TRANSPORTATION

SERVICE MISSION

The mission of the Portland Office of Transportation is to be a community partner in shaping a livable city by planning, building, operating and maintaining an effective and safe transportation system that provides access and mobility.

The Maintenance program resurfaces, cleans and maintains improved streets in the City. The program also supports the maintenance of traffic signals, parking meters and street name signs. There are a number of miles of unimproved streets throughout Portland that are not maintained by the City. These streets are the responsibility of adjacent property owners.

Transportation System Management (formerly Traffic Management) activities include traffic safety, traffic signals, street lighting, parking enforcement, and transportation options. Transportation options encourage the use of transportation alternatives to single occupant auto trips.
Overall, the percent of residents rating street maintenance “good” or “very good” has declined by 6 percent over the past 10 years. Last year, citizen ratings of maintenance quality declined in five of the eight neighborhood areas. Residents in the Northeast rated street maintenance 4 percent higher than in the prior year, while neighbors in Inner Southeast rated it 5 percent lower.

Although ratings of lighting quality have remained fairly constant, the percent of residents rating traffic management “good” or “very good” declined 9 percent from 10 years ago. Sixty-two percent of residents rated street lighting “good” or “very good,” while only 35 percent of residents rated traffic management “good” or “very good.”

FIVE—ANALYSIS OF RESULTS AND CHALLENGES

The report should include an executive or management analysis that objectively discusses the major results for the reporting period as well as the identified challenges facing the organization in achieving its mission, goals, and objectives.

Purpose

The purpose of this criterion is to present performance results with a discussion of those results and challenges facing the organization so users can better understand and use the report.

Description

The executive or management analysis (usually as part of the introductory summary set forth in criterion 4 or at the more detailed levels) should provide an entry point into the performance report for users. As such, it should include a brief statement of the scope of the report, some highlights or references to major goals and objectives, and highlights of major and critical results (preferably in terms of outcomes and efficiency). Highlighted results should fairly present both positive and negative aspects of an organization's performance. The executive or management analysis also should include narrative discussions of those results, with management's comments on the actual results and how they compare to expectations. In addition, it should include a discussion of identified major challenges for the programs and services of the organization.

Rationale

An executive or management analysis provides users with condensed information about the general performance of the organization that they can use to select areas they wish to investigate in more detail. It also provides a basis for assessing whether the organization has been making overall progress in achieving its objectives and what challenges have been identified that will affect results.

GASB Concepts Statement 2 provides support for this criterion by introducing the idea that narrative explanations of factors affecting performance should be included with performance measures. In explaining the use of qualitative explanatory information, Concepts Statement 2 says that “narrative information provided with SEA measures can provide explanations of what the level of performance reported by the measure means, the possible effects that explanatory factors might have on performance, and actions that have been (or are being) taken to change reported performance” (GASB 1994, paragraph 53).

Participants in almost all of the GASB citizen discussion groups asserted that any reports that are widely distributed should be at an “executive summary” level and be “as short as possible” (Fountain & Others 2002, p. 31). Citizen participants recognized that these executive analyses could not contain all important performance information, but concluded that the analysis must be simple and easy to understand and should include explanations to make the data clear.

In Sustainability Reporting Guidelines, the Global Reporting Initiative recognizes the importance of an executive analysis and says, “A credible executive summary provides key information, presented in an easily accessible format.” The GRI also recognizes that a credible executive analysis should contain information derived directly from the remainder of the report and should provide a balanced overview of the report’s contents (GRI 2000, p. 25).

Participants in most GASB field discussion groups on the suggested criteria agreed with the need for an executive or management analysis, and many said they already include one in their reports.

The federal evaluation criteria used by the Mercatus Center do not address the need for an executive analysis directly but do include as a criterion “Does the report adequately address major management challenges?” The Mercatus Center further describes how this criterion should be met: “The report should describe how risks to an agency’s success are being minimized to maximize results for citizens. The impact of management issues is clearest in a context of specific goal achievement. It should be clear which challenges are ‘mission-critical,’ and why” (Mercatus Center 2003, p. 25).
In *Public Performance Reporting: A Management Perspective*, the CCAF-FCVI includes a guideline on putting results in context and mentions as a key performance factor the need for information about “the strategic challenges the organization is facing” (CCAF 2001, p. 12).

Similar to an executive or management analysis, GASB Statement 34 includes, as part of required supplementary information for annual external financial reports, a management’s discussion and analysis (MD&A) to be placed before the financial statements and after the transmittal letter and auditor’s opinion. Although MD&A is more than a summary in that it provides information that is not presented in the financial statements, it is similar in that its intent is to be an easily readable overview of the results of the financial operations of the entity. MD&A's purpose is to provide users with a method of obtaining insight into the results of the entity and to interest them in further study of the financial statements of the entity (GASB 1999, paragraphs 8–11).

The Federal Accounting Standards Advisory Board has a somewhat broader concept of the MD&A for federal financial reporting and sees it as an important method for “(1) communicating managers’ insights about the reporting entity, (2) increasing the understandability and usefulness of the GPEFR, and (3) providing accessible information about the entity and its operations, service levels, successes, challenges, and future” (FASAB 1999, Executive Summary).

**How to Apply**

Much of the executive or management analysis should be in narrative form and could be supplemented by charts and graphs or other illustrations. This analysis could point out, for example, key strategic targets hit or missed, and major or critical results that are significantly above or below targets or results from previous periods. It could also include explanations of performance results with assessments of performance compared with previous periods and targets established by the organization. If the organization has identified factors, either internal or external to the organization, that they believe will present challenges in achieving the hoped-for results, those should be discussed with any plans for addressing those challenges.
Examples

The Portland–Multnomah (OR) Progress Board benchmarks report provides a summary highlighting three general areas—our thriving region, fulfilling lives, and safe and caring communities. It presents three measures in graphic form for each area, with a narrative description of what is happening and why. The report also includes a one-page summary of major challenges for the community presented in four areas—economy, education, urban vitality, and environment.
Major Challenges for our Community

Economy

Our local economy has prospered through most of the past ten years. During that time our timber-based economy has been shared up with many more diverse industries. This diversity gives us greater resilience when particular economic sectors suffer. While per capita income is up, this strong economy has not produced any substantial reductions in the number of people living in poverty. In addition, our position may worsen if the recent financial problems of our trading partners in Asia do not improve. The quality of our workforce, the quality of life in our region, and the entrepreneurial spirit of our business leaders are our greatest resources.

Education

Our education system must become the best at preparing students to participate fully in the economy of our community. The Oregon Educational Act for the 21st Century sets clear and measurable standards of student achievement and goals for what we teach our children to meet the needs of the next century. Yet we face grave concerns in our community about the funding to achieve this vision. Sustaining adequate and stable funding is essential for local schools to succeed. In addition, post-secondary education funding must be sufficient to provide for the changing skills and research needed in the future. Parents, community leaders, public officials, and students are bringing these issues to the attention of the public.

Urban Vitality

The livability of our region attracts many new residents who contribute to the richness and diversity of our community. This population growth puts demands on our transportation, housing, water, and other services that are reaching the limits of their capacity. Healthy growth ensures that all residents can live in affordable housing, in caring communities, with efficient transportation and parks and open spaces nearby. We face the challenge of continuing to make the right decisions to preserve the livability of our community and ensure access to the natural riches of our environment.

Environment

The natural riches of our region – ocean, forests, mountains, desert – are just a short distance from our doorstep. Our community is the first major urban area in the nation directly affected by the Endangered Species Act. The decline in salmon and steelhead populations here, and throughout the Pacific Northwest, is the result of many activities that are part of our daily lives – electricity from dams, forestry, agriculture, roads, industry, and urban development. This is a challenge for all of us to share in solutions to preserve our natural riches.

The King County, Washington, benchmark report provides a highlights section with the major themes and outcomes from the “Countywide Planning Policies.” The section has a narrative discussion with one or two graphics for each outcome. The narrative covers both results and factors affecting the local community. It also provides graphic indicators of the direction of change for performance in five program areas reported.

Metropolitan King County Countywide Planning Policies Benchmark Program

HIGHLIGHTS OF THE 2002 BENCHMARK REPORT

With eight years since the passage of the Countywide Planning Policies, and nearly 10 years since King County began developing its current Comprehensive Plan, there are many successes to applaud. Among these are the long-term trends in land use policy, the continuing development of urban centers, the improvement of public transportation, the maintenance of a reasonably healthy economy even in the face of major local cutbacks in employment and a nationwide recession. We have also made some positive strides in safeguarding the quality of our environment.

As always, however, this report contains both good news and bad news. Among the key indicators of healthy growth, there are a number of areas in which we are stagnating, or even moving backwards. This report is intended to be a means to alert County decision-makers to aspects of growth which are problematic, and to which we need to pay further attention, as well as to encourage the continuation of policies and programs that are making a positive difference.

The summary which follows is organized by the major themes and outcomes that are derived from the Countywide Planning Policies. One or two graphics are provided for each outcome, with a few of the most critical observations. Up and down arrow symbols are used to show whether the direction of change has been primarily positive or negative or difficult to determine. It is not always easy to see a trend or to judge its long-term significance, so it is important to review the data in the full report carefully, in order to understand why a particular arrow has been assigned. Note that a higher numerical measure may mean a trend in a negative direction: e.g. a higher percent in poverty indicates a negative trend. This would be indicated with a down arrow.

ECONOMIC DEVELOPMENT

After the strong upward economic cycle of the last 6 years, King County has finally felt the full force of economic recession. This year only two of the indicators have received an up arrow, while four show a significant downward trend. King County has been hit in multiple ways over the last two years: first, with the decline of profits, and then the failure of many local high-tech companies. This was followed by a slide, then a fall in the value of most securities, cutbacks at Boeing and subsidiary manufacturers, the economic crisis following September 11, 2001, and an ongoing national recession.

The strength of the economy in the late 1990s was widespread and fundamental. Wages, personal income and household income all rose dramatically in real terms, compared to near stagnation during the previous decade. New businesses and jobs increased well beyond normal levels. There is much reason to have faith in the fundamental soundness of King County’s economy, and to see the current downturn as temporary. In fact, the gains in jobs and income over the past ten or eleven years have not been obliterated, even with the significant losses of the past year.

Nevertheless, there are some reasons for long-term concern. The cost of living in King County is such that a family supported by a worker making three times the minimum wage would struggle to make ends meet.

The percent of persons in poverty rose in King County during the past decade. The loss of employment in 2001 was the most dramatic since the early 1970s. There was a significant net loss of businesses in the past year. Perhaps most troubling of all is the apparent decline in the rate of high school graduation since 1990.

King County is one of the most highly educated areas of the country, yet its youth are dropping out of high school at unusually high rates. There are many factors affecting the local economy that are very difficult to control or ameliorate at the local level. The education and career training of young people, however, is a local responsibility that will insure an educated and skilled workforce in the future, and can lessen some of the current disparities of income.
ENVIRONMENT

There is slow, but steady improvement in many of the environmental indicators. The indicator for water consumption has shown a significant positive trend towards less consumption over the past decade. Citizens seem to be responding to the need to conserve water. The usual measure for air quality is slowly improving, but awareness has grown of the health risks of air toxics. Monitoring of surface and groundwater quality show slight improvements, but stream degradation remains a concern. King County residents now recycle about six times as much waste as they did in 1977. Per capita measures of energy usage and vehicle miles travel (VMT) are increasing more slowly, or even beginning to decline, but total energy consumption continues to rise with population growth. The increases in total VMT, and in gasoline and diesel consumption are particularly worrisome because they are major contributors to air pollution.

AFFORDABLE HOUSING

Creating sufficient housing affordable to the King County workforce continues to be one of the County's most difficult challenges. There is an adequate supply of rental housing for those above 40% of median income, but below that level there are insufficient affordable units to meet the demand. Rental vacancy rates are up, indicating that the supply of rental housing is easing, and that rents are likely to stabilize. However, the vacancy rates remain below the normal market level (around 5%) that existed prior to 1996. Buying a first home remains extremely difficult for those under 120% of median household income (around $74,000 in 2001).

21% of households earn below 50% of median income (around $30,000 in 2001), but only about 14% of the County's housing stock (rental or ownership) is affordable to that group. Only 10 out of King County's 40 jurisdictions have sufficient housing for those earning under 50% of median household income. Fourteen cities have sufficient housing for those under 80% of median income, eleven of them in the South County.

LAND USE

The outlook for the Land Use Indicators is perhaps the most positive of the five areas. We are continuing to develop land primarily in the urban area. The percent of rural development is declining. The County is nearing its goal of 25% of growth occurring in urban centers. There is adequate land supply and capacity to meet both housing and job targets through 2012 and beyond. There is clearly a need to keep monitoring land use policy to assure that these trends continue. King County has nearly 27,000 acres of urban parks, but the number of acres per person is declining. Park acreage is not keeping pace with population growth.

TRANSPORTATION

Transportation remains the most troubling of the five policy areas. There are a few bright spots. The volume-capacity ratios on two key highways have improved. The Sounder line carried 3.3 million passengers in 2001, up 42% from the previous year. While there has been a slight decline in Metro ridership, much of this seems attributable to falling employment in 2001. Commute times have lengthened over the decade, and although the percent of commuters traveling to work by single occupancy vehicle has fallen slightly, it still represents 69% of those trips.

(Source: King County, Budget Office. The 2002 King County Benchmark Report. Electronic version accessed December 2002 from www.metrokc.gov/budget)
The Oregon Benchmarks report includes a press release that serves as an executive or management summary. The press release provides a narrative description of the results in meeting the benchmark targets, with an overall grade for each benchmark and a discussion of the results. Only three of the benchmarks that are reported in their press release are presented in this example.

Press Release

EMBARGOED UNTIL: 12:01AM, Friday, March 23, 2001
CONTACT: Jeff Tryens (503) 986-0173

Oregon Makes Modest Improvement In Its Benchmarks, Says State Planning Group
Public safety, other social measures show significant improvement, other areas show little or no improvement since 1998.

Salem (OR)—Despite improvements made over the last two years in some indicators a report released today by the Oregon Progress Board gave the state a ‘C plus’ grade for its overall progress toward achieving the state’s benchmarks.

The report, entitled 2001 Benchmark Performance Report, gave 25 of 90 Oregon benchmarks A’s, indicating that Oregon has met or is on track to achieve those targets. However, nearly one-third of the benchmarks received poor or failing grades, meaning they were moving away from the state’s desired target.

The Oregon Progress Board monitors 90 indicators—commonly known as benchmarks—of economic, social, and environmental health for the state. Their report grades each Benchmark and then assigns an overall grade for Oregon’s performance in seven categories: economy, education, civic engagement, social support, public safety, community development, and the environment.

The Progress Board sets performance targets in consultation with citizens, policymakers and issue experts. Year 2005 and 2010 performance targets for the Oregon benchmarks can be found in the benchmark tables, entitled “2001 Benchmarks,” in both the full report and highlights of the report, also available on the Progress Board website.

Grades were calculated by comparing baseline data points to where the benchmark should be to “on track” to achieve the benchmark target. At or above the target rated at “A,” negative movement rated an “F,” and partial progress was assigned the appropriate “B,” “C,” or “D.” For a thorough description of grading and the use of confidence intervals, see the full report.
Public Safety – Overall Grade B+
Steeply declining overall crime and juvenile arrest rates contribute to Oregon’s notable improvement in its public safety grade, up two full points from the last report. In addition, fewer students are carrying weapons and recidivism is down.

Community Development – Overall Grade C-
Housing and transportation benchmarks suggest there is room for improvement. Even though bottlenecks that divert traffic to surface roads resulted in a slight decline in Portland’s freeway congestion, the percentage of Oregonians who commute has gone down and the number of urban miles they drive has gone up. Affordable housing remains a problem for lower income Oregonians.

Environment – Overall Grade C+
Oregon’s performance varies widely for the benchmarks in this category. Air quality earned an A again this year, salmon recovery another F, and land preservation (wetlands, agricultural and forest) dropped from an A to a B-. Hazardous waste cleanup, and both stream water quality and quantity were good as of 1999, but Oregonians continue to generate higher than acceptable levels of municipal waste levels and CO2 emissions. Fewer wildlife species are healthy, and the number of acres of state park land has not kept up with Oregon’s growing population.

SIX—FOCUS ON KEY MEASURES

The report should focus on key measures of performance that provide a basis for assessing the results for key, major, or critical programs and services; and major goals and objectives of the organization. An external performance report should be concise, yet comprehensive in its coverage of performance.

Purpose

The purpose of this criterion is to ensure that performance reports provide users with enough information to develop their own conclusions about important aspects of an organization’s performance, without overwhelming them with more information than they can assimilate.

Description

At each level of reporting, in the context of criterion 4, the report should be appropriately concise to help users focus on, and understand, the specific kinds of details expected to be of interest to the people who choose to examine that level of reporting. The determination of whether a report focuses on key measures of performance while being appropriately “concise yet comprehensive” can be judged using the following guidelines:

1. The degree to which outcomes or other results are reported for those goals and objectives identified as most critical, or of highest priority, as set forth in a strategic plan, budget, or other policy document
2. The percentage of the organization’s budget represented by all the services and performance measures covered in the report
3. The ability of readers of the report to find information they consider important for assessing results without feeling overburdened.

Rationale

A long, overly detailed, data-saturated report is not the ideal reading material for any reader—whether a citizen, an elected official, a government employee, or others. Consequently, performance information will be more effective and more widely understood and used if it is concise. However, the comprehensiveness of the report’s contents should not be sacrificed as a result of this need for conciseness, as it is equally important to ensure that all major aspects of performance for a major goal or objective be reported, including both positive and negative results.

In the application of the characteristics of performance measures, GASB Concepts Statement 2 states: “Both conciseness and comprehensiveness in reporting SEA measures are important because of the number, diversity, and complexity of state and local governmental agencies...and services.” Performance information will best be understood if a balance can be “achieved among the number of services reported, the SEA measures reported, and the capability of users to understand and act on the information” (GASB 1994, paragraph 60).

The CCAF-FCVI recognized government’s ability to gather and report a “myriad” of performance information at various levels, as well as the likelihood that the citizenry and users of the data would become overwhelmed. “Too much detail about too many things obscures, not illuminates, a proper understanding of performance” (CCAF 2001, p. 8). Therefore, they noted that public performance reporting should focus on critical aspects of performance and the basis on which they were chosen. In Reporting Principles, the CCAF-FCVI has as its first general principle of performance reporting that the report should be selective and focus on the few critical aspects of performance (CCAF 2002, p. 4).

The Urban Institute also recognizes the issue of completeness in its report on results-based state government and recommends that annual agency reports of performance should “contain major highlights, both good and bad” (Liner & Others 2001, p. 39).

Many participants in the GASB field discussion groups on the suggested criteria agreed that it was important to keep reports concise while still giving a complete picture of performance, but several also said that it was difficult to make a report comprehensive yet concise. It was seen as especially challenging to states and larger, more complex
local governments. There was broad agreement on the need for conciseness. However, some participants emphasized that conciseness was important for external reports to citizens, but internal users (for example, mid-level managers) need more details. Many participants commented on types of performance measures that should be the focus of a report. Several agreed with the focus on outcomes, but others noted that different types of measures (for example, outputs and efficiency) could convey key results. Most of these participants stated that whatever measures are used, they should emphasize “results,” not workload or process (Fountain & Others 2002).

How to Apply

There are a variety of ways to achieve a concise, yet complete and understandable, performance report. For example, the report could focus on key measures by reporting on major goals and objectives or strategic themes or priorities. Although determining which are key measures is largely a question of judgment, guidelines can be used to assist in this decision. These guidelines might include: Does the measure (1) report on results for a major goal or objective? (2) address an issue receiving considerable public discussion? (3) report information considered important by experts in the field, elected officials, or citizens?

Regardless of the approach used, the report should include performance measures representing the key objectives that the organization has stated it will accomplish. For example, the overview level of reporting for an entire organization with many programs and services generally would have a small number of performance measures, focusing mainly on outcomes for major or critical services. Of course, these measures should be carefully selected to provide insight into the range of programs or services delivered by the organization and to provide an objective overview of the key results, being careful not to exclude results that are less favorable. Each increasing level of detail would contain additional performance information yet would maintain the focus on results that are related to major goals and objectives.

At various levels of reporting, especially higher levels, it is important not to clutter the report with too many measures. An organization could make a reasonable judgment to leave out some functions or services that could be considered major or critical, in order to keep an overview concise. There should, however, be links or references to additional measures and information about how to find them—for example, available performance information about services not included in the overview.

A number of local government public performance reports (including Prince William County, Virginia; the city of San Diego, California; and the city of Portland, Oregon) limit the number of programs and services they include in a single report. These tend to be services expected to be of high interest to citizens, and services of larger programs (though not necessarily all large programs), such that a substantial portion of the jurisdiction’s resources are represented. The reports also limit the number of performance measures for each of the reported programs or services.

Many organizations use the Internet as a method to communicate key performance information at several different levels without overwhelming readers. This allows linking concise overviews and introductions with only key measures to more detailed performance information in ways that the different levels of reporting become transparent to users. For example, an overview might contain one measure of transportation performance, but by clicking on that measure the user is taken to more detailed information about transportation services without having to look for it.

Levels of performance reporting that are more detailed than an overview can have more information, but they should be organized so a user can easily navigate the report and will be dealing with a manageable amount of information at any time. At a more detailed level of reporting, users presumably will be focusing on one portion of an organization’s performance at a time. For example, the focus may be on an agency, an individual service or program, or a geographic region. Other users may be concerned with measures from multiple programs or activities that contribute to achieving a specific strategic goal or high-level outcome.
Examples

The Oregon Progress Board selects twenty-five benchmarks as “key” and highlights these measures in their report. Additional benchmarks are presented in more detailed levels of the report.

**Social Support**

Social support benchmarks contribute to Oregon’s second strategic goal, “safe, caring and engaged communities” (see Figure 1, page 4). Oregon’s overall performance in the social support benchmarks has improved a half grade from a C in 1998 to a B- in this report.

The New York City Mayor’s Management Report highlights fourteen indicators for each neighborhood (see below) and then includes a selected set of measures for each department (see next page).
### Key Public Service Areas
- Promote health and mental well-being, reduce chemical dependency, and reduce health disparities among New York City communities.
- Facilitate access to high-quality health and mental hygiene (mental health, developmental disabilities, and chemical dependency) services.
- Improve environmental health and safety.
- Provide high quality and timely services to the public.

### Critical Objectives
- Reduce smoking and the illness and death caused by tobacco use.
- Prevent and control childhood diseases.
- Reduce new cases of AIDS, tuberculosis, sexually transmitted diseases and other preventable diseases.
- Facilitate access to quality mental health, Early Intervention, mental retardation, and chemical dependency services.
- Reduce new cases and the severity of childhood lead poisoning.
- Promote the safety of commercial food establishments.
- Reduce rat infestation through abatement of breeding conditions.
- Promote animal health and safety to reduce the risk of human illness.
- Provide birth and death certificates to the public quickly and efficiently.

### Performance Report
- Promote health and mental well-being, reduce chemical dependency, and reduce health disparities among New York City communities.

#### Performance Statistics
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<td>Hospitalization rate for asthma among children ages 0-14 (per 1,000 children) (CY 97-01)</td>
<td>9.4</td>
<td>6.8</td>
<td>7.9</td>
<td>5.1</td>
<td>6.2</td>
<td>*</td>
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<tr>
<td>Infant mortality rate (per 1,000 live births) (CY 97-01)</td>
<td>7.1</td>
<td>6.8</td>
<td>6.0</td>
<td>6.7</td>
<td>6.1</td>
<td>6.6</td>
</tr>
<tr>
<td>Children in the public schools who have completed required immunizations (%)</td>
<td>93.0%</td>
<td>94.3%</td>
<td>95.0%</td>
<td>95.0%</td>
<td>95.0%</td>
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<tr>
<td>New adult AIDS cases (CY 97-01)</td>
<td>9,114</td>
<td>7,637</td>
<td>6,352</td>
<td>5,464</td>
<td>6,319</td>
<td>*</td>
</tr>
<tr>
<td>New pediatric AIDS cases (CY 97-01)</td>
<td>105</td>
<td>91</td>
<td>38</td>
<td>35</td>
<td>44</td>
<td>*</td>
</tr>
<tr>
<td>Clients enrolled in HIV/AIDS (Ryan White) health and supportive services (FY March - February) (000)</td>
<td>54.5</td>
<td>31.4</td>
<td>26.0</td>
<td>58.7</td>
<td>74.1</td>
<td>*</td>
</tr>
<tr>
<td>Syphilis cases (FY 02 prelim.)</td>
<td>75</td>
<td>116</td>
<td>121</td>
<td>168</td>
<td>367</td>
<td>*</td>
</tr>
<tr>
<td>New tuberculosis cases (reported and confirmed)</td>
<td>1,594</td>
<td>1,508</td>
<td>1,494</td>
<td>1,295</td>
<td>1,244</td>
<td>*</td>
</tr>
<tr>
<td>Patients who complete treatment for active tuberculosis (%)</td>
<td>96.2%</td>
<td>92.9%</td>
<td>91.2%</td>
<td>95.4%</td>
<td>11.3%</td>
<td>90%</td>
</tr>
<tr>
<td>neath NIE virus cases requiring hospitalization (reported and confirmed) (CY 97-01)</td>
<td>0</td>
<td>0</td>
<td>41</td>
<td>14</td>
<td>7</td>
<td>*</td>
</tr>
</tbody>
</table>

**Numeric Target** Bold indicates New Statistics, "NA" means Not Available in this report

---

The Alberta, Canada, performance report, *Measuring Up*, has a performance summary that highlights the six “government” goals and eight performance measures for the core business strategic area. For each performance measure, a brief narrative is provided with a description of results. In total, nineteen goals are presented in the report in a table, with summarized results for each of twenty-seven key performance measures. The report includes a discussion of the structure of the report. Users who are interested in more measures are directed to the annual reports of the ministries.

### Overview of core goals and measures

#### Performance Summary

There are six government goals for the People core business, and eight performance measures including a new measure for Goal 4 Albertans will be independent. The following summarizes the 2001-02 performance results for People core business. Where 2001-02 data is not available for a measure, the most recent reliable data is reported.

**Goal 1 - Albertans will be healthy.**

**Life Expectancy at Birth** - In 2001, life expectancy for Alberta females ranked 7th in the world at 82 years, while males ranked 3rd at 77.1 years.

**Health Status** - The percentage of Albertans over 65 years who rated their health as “good”, “very good” or “excellent” has decreased from 75% in 2000 to 72% in 2001. The percentage of Albertans age 18 to 64 years who rated their health as “very good” or “excellent” has decreased from 86% in 2000 to 63% in 2001. However, 65% of Albertans rated their ease of access to health services as “very easy” or “easy”.

**Goal 2 - Our children will be well cared for, safe, successful at learning and healthy.**

**Well Being of Children** - In 1997, 91% of Alberta children lived in families with incomes above the Market Basket Measure low income threshold (Preliminary methodology used). Data for 2000 is anticipated for release in Fall 2002 by Statistics Canada.

### Structure of Performance Reporting

The government's business plan is an ongoing three-year plan that focuses the government's efforts on three core businesses - People, Prosperity and Preservation. Goals are established for each of the core businesses. To track progress in meeting goals, “core” measures are determined and targets set. Each year in *Measuring Up* the government reports to Albertans on progress made towards achieving the goals set out in the government business plan. This report covers the Alberta Business Plan 2001-04, which set out 19 goals and 27 core performance measures.

A measure Alberta's overall economic, social, and environmental performance, 27 measures may not seem like a lot. The intention is to focus on high-level measures that give Albertans a good overall indication of progress towards the achievement of Alberta's goals. In some sense, the core measures are like the gauges on the dashboard of a car. They are the most essential information. Supplemental information on the core measures is also provided in *Measuring Up* to give citizens more information. As well, in response to a recommendation from the Auditor General, this year’s *Measuring Up* includes an explanation on how major influences or external factors affected performance results. This will help readers better assess performance over the past year. One example is land quality, which shows a need for improvement; however, the biggest factor was the drought in southern Alberta.

More detail on performance is provided to Albertans through ministries’ annual reports, which is the second tier of reporting to Albertans on performance. Each ministry prepares a set of “key” performance measures that relate to their business plan goals. These measures are reported in the fall of each year.
### First six goals and key performance measures with brief narrative

#### People – 2001-2002 Performance Summary

<table>
<thead>
<tr>
<th>Goals</th>
<th>Measures</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong> Albertans will be healthy.</td>
<td>Life Expectancy at Birth</td>
<td>Target Achieved. In 2000, life expectancy for Alberta females was 82 years (compared to 81.8 years in 1999). Alberta females ranked 7th among countries (compared to 10th in the revised 1999 rankings). Target is to be among the top ten countries in the world.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>↓ Declining performance (5% lower)</td>
</tr>
<tr>
<td><strong>2.</strong> Our children will be well cared for, safe, successful at learning and healthy.</td>
<td>Well-Being of Children</td>
<td>In 2001, the percentage of Albertans aged 65 years and over who rated their health as &quot;good&quot;, &quot;very good&quot; or &quot;excellent&quot; decreased from 79% to 72%, below the target of 80%.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>↓ The percentage of Albertans age 18-64 years who rated their health as &quot;very good&quot; or &quot;excellent&quot; has decreased from 66% to 63%, below the target of 70%.</td>
</tr>
<tr>
<td><strong>3.</strong> Alberta students will excel.</td>
<td>Educational Attainment</td>
<td>Target Achieved for High School Completion. In a survey for 2001, 90.1% of Albertans aged 25-34 had completed high school, meeting the target of 90%. In 2008, 89.7% completed high school.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>↑ Improved performance (5% higher)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>↓ Declining performance (5% lower)</td>
</tr>
<tr>
<td><strong>4.</strong> Albertans will be independent.</td>
<td>Economic Status of Albertans (New)</td>
<td>Based on a preliminary version of the Market Basket Measure, in 1997, Alberta had the highest percentage of children (91%) living in families with incomes above the MBM low-income threshold, compared to other provinces. The MBM methodology has been revised and Statistics Canada anticipates that the data for 2000 will be released in the Fall of 2002.</td>
</tr>
<tr>
<td><strong>5.</strong> Albertans unable to provide for their basic needs will receive help.</td>
<td>Economic Status of Albertans</td>
<td>Same MBM metric as above.</td>
</tr>
<tr>
<td><strong>6.</strong> The well-being and self-reliance of Aboriginal people will be comparable to that of other Albertans.</td>
<td>Aboriginal Well-Being</td>
<td>Census data provides the best information available at this time. Data from the 2001 Canada Census will be available in 2003. New methods are being considered to further the collection of survey data within the Aboriginal population.</td>
</tr>
</tbody>
</table>

SEVEN—RELIABLE INFORMATION

The report should contain information that readers can use to assess the reliability of reported performance information.

Purpose

The purpose of this criterion is to assist users in assessing the credibility of the reported performance information.

Description

The report should provide readers with information that can be used to assess the reliability of the measures being reported. This information would normally be in the form of a statement about what has been done to ensure the reliability of the reported performance information. If there are questions about the reliability of this information because of the results of reviews or no review was performed, these facts should be reported. However, data that are known to be inaccurate or misleading should not be reported.

Because of the complexity of performance information and the sources of that information, it may not be possible to obtain completely reliable information for some of the more relevant measures. Therefore, performance reporting should not be limited to only information that can be known with certainty and be precisely measured.

Rationale

One way to help users have confidence in performance data is to provide them with information so they can determine the degree to which they can rely upon the data. Once that basis is established, the information will be more widely and effectively used in the decision-making process.

GASB Concepts Statements 1 and 2 state that the relevance and reliability of reported information are important characteristics of financial information. It is important that the information itself be verifiable, but it is also important that the systems from which it is derived produce controlled and verifiable data. To be reliable, “the information should be verifiable and free from bias and should faithfully represent what it purports to represent” (GASB 1994, paragraph 66).

Throughout the GASB’s research, this concept of reliability surfaced several times. Interviewees for the GASB case studies on the use and effect of performance measures by state and local governments often noted concerns about the reliability of performance information. Also, the comments received during the GASB citizen discussion groups highlighted the need for verification of performance information. Some who participated in the discussion groups “felt that assurances of the accuracy and reliability of performance information are critical to its credibility and are needed if citizens are to take the time to review the information, take it seriously, and make use of it” (Fountain & Others 2002, p. 37).

Members of the GASB SEA task force generally indicated that verification was important if the information was to be used for decision making. Yet, task force members recognized the difficulty of verification, especially during the developmental stage of performance reporting. Hence, this criterion does not prescribe a specific approach to verification, but asks that preparers report information that will help users make their own assessments of the credibility of the information reported.

In Public Performance Reporting: A Management Perspective from the CCAF-FCVI, the importance and complexity of having reliable performance information also was addressed. They noted that because performance measures are not always precise and can be interpreted in various ways, not all performance information will achieve one standard of reliability (CCAF 2001, p. 15). Therefore, it is important to note that “good public performance reporting should state the basis on which confidence is held in the reliability of the performance information being reported” (p. 3). In Reporting Principles, the CCAF states as a principle that a public performance report should present credible information and be fairly interpreted, and notes that it should “embody the characteristics of consistency, fairness, relevance, reliability, and most especially, understandability” (CCAF 2002, p. 5).
In its work on performance measurement for state government, the Urban Institute also expressed concern about data quality control. As stated in *Making Results-Based State Government Work*, “once performance data begin to be used for major purposes, such as making resource allocation, budget, and policy decisions, users become very concerned about the accuracy and reliability of that data.” As a result, the authors recommended that program managers should make an assertion about the accuracy of performance information (Liner & Others 2001, pp. 80, 81).

In *Sustainability Reporting Guidelines*, the GRI addresses the issue of verifiability and recognizes the complexity involved with verifying some information. The report states that, “where feasible, reported data and information should be independently verifiable” (GRI 2000, p. 18). But it also states that “reports may contain some data, statements, or assertions of fact that are neither objectively determined nor physically quantified, and which cannot be verified with a high level of assurance” (p. 18). They do not provide guidance on what to do in such circumstances.

**How to Apply**

As presented, this criterion does not suggest what type of statement about reliability should be made. The degree of reliability considered necessary and the basis for assessing the reliability are matters for those preparing the report to determine. In doing so, they should consider the uses being made of the information. Whatever decision the government makes about verification, users of the reported information should have a basis for assessing the reliability of the information. This can be accomplished by including an objective statement from management, or whoever prepares the performance report, that can be used to assess reliability.

This statement about reliability could include which information is believed to be reliable and which is from sources that are more open to question. This statement could comment on the internal controls over the data being processed. It could also describe any work done to verify or check the information, the extent and frequency (or time period) of those checks, and who performed the checks and their association with the information. For example, an organization could state that performance information is reviewed internally by personnel in the program where the information was gathered and is checked on a test basis by budget or program analysts. If during this process questions about its reliability arise, a further check is made by the internal audit section.

There are many approaches that organizations can take to assess the reliability of the information that they are reporting. One approach to assessing reliability might be for the internal audit organization to examine the data being used for the measures and reach a conclusion as to the reliability of the data and the systems used to generate the data. It might not be feasible or cost-effective for all performance information to be subjected to verification each reporting period. A regular, systematic approach might be used that would result in verifying or checking all performance information over a cycle of three or more years. Another approach might be to verify performance information using the AICPA attestation standards and a set of criteria agreed to by management. Regardless of approach, a statement about the approach and the results of the verification work performed should be presented in the performance report.
Examples

The city of Portland, Oregon, report includes a statement that the audit division staff has checked the accuracy and reliability of the data provided but did not audit source documents. The draft report was also discussed with each bureau.

Prepared and reviewed the report. We checked the accuracy and reliability of the data provided by bureaus, other cities, and citizens. We checked information by comparing reported data to budgets, financial and performance audits, and other reports and documents obtained from bureaus and cities. We talked to staff and managers to resolve errors and discrepancies. We did not audit source documents such as 9-1-1 computer tapes or water quality test samples.

We also provided a draft report to each bureau. We contacted them to get comments and suggestions for improvement.

In order to account for inflation, we expressed financial data in constant dollars. We adjusted dollars to express all amounts as a ratio of the purchasing power of money in FY 2000-01, based on the Portland-Vancouver Consumer Price Index for All Urban Consumers.

To help the reader interpret the data, the report contains three comparisons. First, Portland’s FY 2000-01 data is compared to information from the previous ten years. Second, performance results are compared to planned goals or other standards. Third, some of Portland’s cost and workload data are compared to other cities.

The British Columbia, Canada, report includes a statement from the Office of the Auditor General that audits have been performed in all major areas and shows the number of audits by subject area, the audit coverage of each area, and a list of audits performed. (Note that the term *audit* is used here to denote verification of performance information, not that information in financial statements has been presented in accordance with generally accepted accounting principles.)

We choose our audits carefully to ensure that all government functions and key programs are reviewed over time. Our efforts are concentrated on areas where considerable public funds are expended, such as social programs, or other areas of continuing significance to legislators and the public. Audits may also be selected if they reflect areas of high risk or are of immediate and topical interest to the Assembly and public. Ultimately, our objective is to audit all significant aspects of government’s performance every five or six years.

Since 1994/95, we have carried out audits in all major areas of the government’s activities. Exhibit 3 shows the number of audits carried out in each area over the past six years.

### Exhibit 3
**Number of Audits by Subject Area, 1994/95 to 1999/2000**

Source: Data compiled by the Office of the Auditor General of British Columbia

In this six year period, we:

- carried out audits of the government’s operational performance, its compliance with legislation and related authorities, and its financial performance;
- audited both ministries and Crown corporations; and
- applied audit resources across all subject areas.

More audit work needs to be done within each area, but we face a challenge doing this. For example, almost half of our audits were carried out in just three of the nine subject areas: social programs, financial regulation and management, and general government. Despite this concentration of resources, we were still unable to carry out the minimum of one audit per year on health matters, even though this social program consumes significant public funds and is of high interest to legislators and the public alike.

We track public interest in our reports to determine whether we have responded to issues that are of significance or concern to people. Exhibit 4 shows the reports receiving the highest number of web hits since we began collecting this data in 1999. The total number of hits for all our reports in this period numbers 83,300.
Key Performance Information

Coverage Over the Year:

During the year ended March 31, 2000, we issued 10 reports, encompassing:

- government's operational performance, its compliance with legislation (including its conduct of public business), and its financial performance;
- programs within both ministries and Crown corporations; and
- six of the nine areas of government activity, as shown in Exhibit 5.

Exhibit 5
Providing Coverage of Government's Performance

<table>
<thead>
<tr>
<th>Audit Area</th>
<th>Audited in 1999/2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic development</td>
<td>☑</td>
</tr>
<tr>
<td>Environment</td>
<td>☑</td>
</tr>
<tr>
<td>Ethics/public interest</td>
<td>☑</td>
</tr>
<tr>
<td>Financial regulation and management</td>
<td>☑</td>
</tr>
<tr>
<td>General government</td>
<td>☑</td>
</tr>
<tr>
<td>Natural resources</td>
<td>☑</td>
</tr>
<tr>
<td>Protection of people and property</td>
<td>☑</td>
</tr>
<tr>
<td>Transportation</td>
<td>☑</td>
</tr>
<tr>
<td>Social programs</td>
<td>☑</td>
</tr>
</tbody>
</table>

(Source: Data compiled by the Office of the Auditor General of British Columbia)

Audit Reports of Government's Performance

The following lists our 1999/2000 reports on government performance. They are available in printed form or can be accessed at our website (bcauditor.com). A summary of each audit report is included in Appendix C.

- A Review of the Fast Ferry Project: Governance and Risk Management
- Forest Renewal BC: Planning and Accountability in the Corporation
- Forest Renewal BC: The Silviculture Programs
- Maintaining Human Capital in the British Columbia Public Service: The Role of Training and Development
- Managing the Woodlot Licence Program
- Pulp and Paper Mill Effluent Permit Monitoring
- Report on the Preparedness of the Government of British Columbia in Dealing with the Year 2000 Problem
- Social Housing: The Governance of the BC Housing Management Commission and the Provincial Rental Housing Corporation
- Social Housing: The Management of Social Housing Subsidies
- Standards of Conduct in the Education and Health Sectors

In explanatory notes, the state of Illinois Office of the Comptroller (IOC) states that the information was compiled by state agencies and that none of the data have been audited. Although this type of statement may not provide much of a basis for having confidence in the credibility of the information being reported, it does, at least technically, provide a basis for determining the level of confidence a user can place on the reliability of the information being reported.

**Explanatory Notes**

**Validity and reliability of self-reported SEA information.**
The SEA reports contained here are compiled by the state agencies and constitute self-reporting to the IOC under a format and standards established by the IOC. While the IOC has made every effort to obtain and report valid and reliable SEA information, the content of SEA reports is ultimately the responsibility of the agencies. The IOC does not verify or reconcile reported expenditures or performance data, including the funding and statutory sources reported by the agencies. None of the reported performance data has been audited, nor does it fall within the scope of the audit opinion. The information provided has been reported or submitted by each agency unless explicitly noted otherwise. The verifiability and reliability of reported performance data remain a challenge for SEA reporting.

Prince William County, Virginia, includes a statement in its report that the data were reviewed and discussed to question unusual variances in the data. This is qualified by a statement that it was not possible to address or fully analyze every variable.

Initial data for this report was reviewed and discussed in focus groups comprising representatives of executive management, agency management and staff, and Audit for the purpose of questioning unusual variances in the reported data. Agency staff then prepared responses to the questions based on internal information, contacts with their peers in the comparison jurisdictions, and in some cases site visits to the jurisdictions. The resultant contextual information is included in the comments section provided with each SEA indicator. It must be recognized that because of the number and complexity of variables related to many indicators it was not possible to address or fully analyze every variable.

EIGHT—RELEVANT MEASURES OF RESULTS

Reported performance measures should be relevant to what the organization has agreed to try to accomplish and, where possible, should be linked to its mission, goals, and objectives as set forth in a strategic plan, budget, or other source.

Purpose

The purposes of this criterion are (1) to ensure that reported performance measures reflect the organization’s goals and objectives and (2) to provide users a basis for understanding the degree to which those goals and objectives have been accomplished.

Description

The performance measures that are reported should be relevant measures of the degree to which the organization has achieved its mission, goals, and objectives. (Outcome measures would be the primary focus and should be supplemented by output, efficiency, and input measures that are related to the services provided in order to achieve results.) The key measures being presented will vary depending on the level of reporting as discussed in criterion 4. A reader of the performance report should be able to see clear relationships between the performance measures reported and the stated mission, goals, and objectives of the organization set forth in meeting criterion 2.

Rationale

The relevance of performance reporting primarily hinges upon whether the information provides a basis for report users to assess the degree to which the organization is achieving what it has set forth to accomplish. In this context, reported performance measures should be aligned with the organization’s mission, goals, and objectives.

In Concepts Statements 1 and 2, one of the six basic characteristics of government financial and SEA reporting is relevance. Concepts Statement 2 states, in the section on information needed for decision making: “To facilitate the process of decision making in the context of the public administration system and budgetary cycle, ideally a governmental entity should establish and communicate clear, relevant goals and objectives; set measurable targets for accomplishment; and develop and report indicators that measure its progress in achieving those goals and objectives (measures of performance)” (GASB 1994, paragraph 16).

The CCAF-FCVI, in setting forth its guidelines for public performance reporting, states that “to make performance reporting meaningful to the public, the report needs to explain goals and performance expectations in their own right and then relate the results that have been achieved to these goals and expectations” (CCAF 2001, p. 9). In Reporting Principles, the CCAF states that the report should embody the characteristic of relevance and report how a government’s activities contribute to its goals (CCAF 2002, pp. 4–5).

Many participants in the GASB field discussion groups on the suggested criteria agreed with the basic idea of this criterion.

Evaluation criterion six of the Mercatus Center asks, “Are the performance measures valid indicators of the agency’s impact on its outcome goals?” Mercatus criterion seven goes on to ask, “Does the agency demonstrate that its actions have actually made a significant contribution toward its stated goals?” They add, “Performance measures selected by an agency should relate directly to its outcome goals” and “The report should answer whether things improved because of what an agency did, and if so, how much of the improvement can be attributed to its actions” (Mercatus Center 2003, pp. 13–14).

How to Apply

The heart of performance reporting is embedded in the basic question: To what degree is the organization (or its programs or services) achieving its mission, goals, and objectives? As the focus is on the accomplishment of stated mission, goals, and objectives, it follows that the measures used would primarily focus on outcomes that measure the
The degree to which goals and objectives are being achieved. At overview and introductory (less-detailed) levels of reporting, the measures normally would be outcome measures (with lesser use of efficiency and output measures) and, where important, explanatory information. As the level of detail increases, the outcome measures, although still the primary focus of the report, would be supplemented more by output, efficiency, input measures, and perhaps process or activity measures and more explanatory information.

The links between mission, goals, and objectives are evident in the performance measures reported in Prince William County, Virginia’s, annual Service Efforts and Accomplishments Report. Prince William County has a strategic goal to “provide an accountable, responsive government with demonstrated effectiveness and efficiency.” Core management systems for performance in Prince William County include strategic and operational planning, budgeting, management of service delivery, evaluation, and accountability for results. Performance results and community needs are used as a feedback loop to guide periodic updates of strategic plans and objectives (Prince William County VA 2002).

In the state of Texas system, objectives are clear targets for specific action and are measured by outcome indicators that represent the quantified results or impacts of the strategies (outputs) for which resources are allocated. Strategies, which are ways to accomplish key objectives, are the basic building blocks for budgeting and expenditure of state funds. Each strategy includes output measures that quantify end products of the agency’s efforts. Explanatory and efficiency measures also may be included to further define agency performance or operations. Quarterly performance reports submitted by agencies to the state budget offices are the primary tools used in budget monitoring. This monitoring is based on the degree to which outputs are produced in accordance with the budget and objectives achieved. Therefore, the performance measures being reported are measures of the accomplishment of the agreed-upon mission, goals, and objectives of the organization.

In its 2002 manual for developing performance measures, “Fairfax County Measures Up,” Fairfax County, Virginia, sets forth a four-step methodology to guide agencies in developing performance measures. The methodology begins with a review and evaluation of the existing agency mission and goals and then asks agencies to identify service areas (activities that consume a major portion of the cost center’s budget or are critical to the success of the agency’s mission). It then proceeds to the definition of service area objectives (for example, “should support the goal statement, reflect planned benefit(s) to customers, be written to allow measurement of progress, be quantifiable within the fiscal year time frame, and describe a quantifiable future target level, if appropriate”). Agencies are then directed to identify indicators (performance measures) that measure progress on achieving the stated objectives. Examples of objectives for different service areas are provided, with different types of performance measures (input, output, efficiency, service quality, outcome) showing the clear link from objective to measure of performance (Fairfax County VA 2002, p. 11–14).

In the Fairfax County budget document, each department presents a list of its key accomplishments and initiatives for the coming fiscal year; then, for each cost center, the departments set forth their goals and objectives with performance indicators that measure their progress in achieving the stated objectives.
Examples

Minnesota Milestones includes for each goal the performance measures (indicators) that are used to measure achievement, the rationale for the measure, and the performance measure itself.

Minnesota Milestones sets 19 goals for the state's future and uses 70 indicators to track progress toward the goals.

- **Alphabetic**: Listing of goals, indicators, and individual data trends alphabetically.
- Or view below by theme: People | Community and Democracy | Economy | Environment.

PEOPLE, CHILDREN

Our children will not live in poverty.

1. Child poverty
2. Low-income school children

Families will provide a stable, supportive environment for their children.

3. Satisfaction with child care
4. School transfers
5. Child abuse and neglect
6. Teen pregnancy
7. Runaways

All children will be healthy and start school ready to learn.

8. Low birth weight
9. On-time immunization
10. Preschool child development

Minnesotans will excel in basic and challenging academic skills and knowledge.

11. Elementary school skills
12. Eighth-grade basic skills
13. College entrance scores
14. High school graduation

Minnesotans will be healthy.

15. Health insurance
16. **Infant mortality**
17. Life expectancy
18. Premature death
19. Smoking and tobacco use
20. Suicide

Details presented on next page

Drill-down links to performance measures
Indicator 16: Infant mortality

Goal: Minnesotans will be healthy. This goal encompasses both physical and mental health throughout life. It is also aimed at reducing disparities in health status among racial and ethnic minorities. Indicators for the goal deal with both health status and health care.

Rationale: Infant mortality is an important indicator because it reflects the quality of both pre- and post-natal care.

Infant mortality rate, per 1,000 live births

<table>
<thead>
<tr>
<th>Year</th>
<th>Total data</th>
<th>American Indian</th>
<th>Asian / Pacific Islander</th>
<th>Black / African American</th>
<th>Hispanic</th>
<th>White</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>7.3</td>
<td>16.1</td>
<td>6.6</td>
<td>22.8</td>
<td>N</td>
<td>7.4</td>
</tr>
<tr>
<td>1991</td>
<td>7.5</td>
<td>16.0</td>
<td>6.2</td>
<td>22.9</td>
<td>N</td>
<td>6.9</td>
</tr>
<tr>
<td>1992</td>
<td>7.1</td>
<td>17.4</td>
<td>6.1</td>
<td>21.9</td>
<td>N</td>
<td>6.6</td>
</tr>
<tr>
<td>1993</td>
<td>7.5</td>
<td>17.1</td>
<td>6.0</td>
<td>19.9</td>
<td>10.9</td>
<td>6.6</td>
</tr>
<tr>
<td>1994</td>
<td>7.0</td>
<td>16.3</td>
<td>6.4</td>
<td>19.3</td>
<td>9.7</td>
<td>6.6</td>
</tr>
<tr>
<td>1995</td>
<td>6.8</td>
<td>16.5</td>
<td>7.2</td>
<td>18.1</td>
<td>9.3</td>
<td>6.5</td>
</tr>
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<td>1996</td>
<td>5.9</td>
<td>17.2</td>
<td>7.3</td>
<td>16.6</td>
<td>9.1</td>
<td>6.2</td>
</tr>
<tr>
<td>1997</td>
<td>5.9</td>
<td>15.1</td>
<td>7.2</td>
<td>16.4</td>
<td>9.1</td>
<td>6.0</td>
</tr>
<tr>
<td>1998</td>
<td>5.9</td>
<td>16.8</td>
<td>7.0</td>
<td>16.3</td>
<td>8.3</td>
<td>5.6</td>
</tr>
<tr>
<td>1999</td>
<td>6.2</td>
<td>15.5</td>
<td>7.1</td>
<td>15.7</td>
<td>9.1</td>
<td>5.4</td>
</tr>
<tr>
<td>2000</td>
<td>5.6</td>
<td>14.4</td>
<td>6.6</td>
<td>15.1</td>
<td>8.6</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Select data sets for individual graphing:

Infant mortality is presented in total and disaggregated by ethnicity.

The overview level of the city of Phoenix, Arizona, performance report includes a statement of program goal for each reported program, with a list of key services and several related measures of performance including, in some cases, customer satisfaction.
More performance measures

Percent of Scheduled Requests for Street Maintenance Service Completed Within Target

Customer Satisfaction on Mid-Block Streetlight Requests
Based on FY 00-01 survey responses from 5% of customers.

91%

Miles of Streets per Street Maintenance Field Employee

(98.6% 98.8% 1999-00 2000-01)

The Montgomery County, Maryland, report provides, for each program, a statement of the program’s mission, the community outcomes supported by the program, and the outcome or results indicator used to measure progress in achieving the mission. This example illustrates reporting for aging and disability services within the department of health and human services.

### HEALTH AND HUMAN SERVICES
**Aging and Disability Services**

<table>
<thead>
<tr>
<th>PROGRAM:</th>
<th>PROGRAM ELEMENT:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information and Assistance</td>
<td>Senior Information and Assistance Program</td>
</tr>
</tbody>
</table>

**PROGRAM MISSION:** To provide a single point of entry into the service system for seniors, and to promote awareness of services for the elderly through outreach and public education.

**COMMUNITY OUTCOMES SUPPORTED:**
- Individuals and families achieving their maximum possible level of self-sufficiency.

## PROGRAM MEASURES

<table>
<thead>
<tr>
<th>Outcomes/Results</th>
<th>FY99</th>
<th>FY00</th>
<th>FY01</th>
<th>FY02</th>
<th>FY03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of individuals who reported that they received the information, referrals, and/or assistance required to make informed choices about services and benefits</td>
<td>NA</td>
<td>NA</td>
<td>89</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Percentage of customers satisfied with service</td>
<td>NA</td>
<td>NA</td>
<td>89</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Average cost per client contact ($)</td>
<td>211</td>
<td>192</td>
<td>156</td>
<td>158</td>
<td>182</td>
</tr>
</tbody>
</table>

**EXPLANATION:**
The Senior Information and Assistance program provides a single point of entry into the senior system for older Marylanders, their families, and care givers. Through this program, seniors receive information to make informed choices about services, referrals to appropriate agencies, assistance in obtaining services and benefits, and followup. The program promotes awareness of services for the elderly through outreach and public education.

**PROGRAM PARTNERS IN SUPPORT OF OUTCOMES:** Department of Health and Human Services service areas, adult day care centers, mental health services, faith community, Department of Human Resources, Maryland Department on Aging, Developmental Disabilities Administration, home care agencies, community groups serving the elderly, Housing Opportunities Commission, Independence Now, Jewish Council for the Aging, Jewish Social Services Agency, non-profit organizations, and others.

The city of Worcester, Massachusetts, report includes a discussion of why an indicator is important and a narrative explanation of how Worcester is performing and what this means. This example presents information on what the city is trying to accomplish—increasing school attendance and reducing dropout rates.

**Importance of indicator**

**What does this mean for Worcester?**

The attendance rates in Worcester’s schools have been improving steadily over time. Unfortunately, dropout rates do not show a similar improvement. However, Doherty High and South High have seen decreases in their dropout rates each year for the last three years; these schools may have best-practices that could be considered for implementation in other schools. Retaining more students through graduation should improve students’ future success and lifetime earnings.
Trend over time

**INDICATOR 1**

**Attendance and Dropout Rates**

**Why is it important?**

While teacher effectiveness, quality of school buildings, and availability of textbooks and computers are all important elements that contribute to student academic achievement, students must attend classes and not drop out in order to benefit from teachers, facilities and technology. Studies have shown that students who drop out have lower lifetime earnings and less success in today’s labor market.1

One analysis of U.S. Department of Labor statistics showed that high school dropouts had a 6.7% unemployment rate compared to a 3.5% rate for high school graduates, and annual earnings for dropouts were approximately $10,000 less per year than for graduates.2

**How does Worcester perform?**

The average daily attendance rate for all public schools was 93.1% for the ‘00-01 school year.1 Since the ‘95-96 school year, attendance rates at all levels have increased, as shown in Chart 1-1. High schools have seen the greatest improvements, from an average daily attendance rate in ‘95-96 of 87.9% to 90.5% in ‘00-01.

The most recent data available for comparable school districts are for the ‘98-99 school year.4 As shown in Chart 1-2, Worcester’s attendance rate that year of 93.6% was slightly below Lowell’s rate (93.9%), and above the rates in Springfield (93.4%) and Fall River (91.0%).

**Dropout Rate**

The dropout rate in the WPS for the ‘00-01 school year was 6.2%, as shown in Chart 1-3. Between 1995 and 1998, there was a steady decline in the number of dropouts resulting in a 5.9% rate in ‘97-98. In ‘98-99, there was an increase in the rate to 7.3%, but it has since leveled off at around 6%.

Two high schools have seen steady declines in their dropout rates over the last three years: Doherty High had a decline from 5.9% during ‘98-’99 to 4.8% in ‘00-01 and South High had a decline from 8.5% in ‘98-’99 to 5.2% in ‘00-01.

The most recent data available for comparable districts are for the ‘99-00 school year. As shown in Chart 1-4, Worcester’s dropout rate that year (6.1%) was about equal to that of Springfield (6.0%), and below those of Fall River (6.9%) and Lowell (11.6%). During that year, the statewide dropout rate was 3.5%.

These dropout rates are calculated based on the federal government’s guidelines, which tend to inflate the rates for urban communities that have high mobility rates (see Indicator 2: Student Mobility). The Worcester Public Schools has asked the Department of Education to consider using what it regards as a more accurate calculation procedure by which the total number of dropouts is compared to the total student enrollment for the entire year. This alternate calculation results in a dropout rate in Worcester of 5.7% in ‘00-01 rather than the reported rate of 6.2%.

NINE—RESOURCES USED AND EFFICIENCY

Reported performance information should include information about resources used or costs of programs and services. It also could report performance information relating cost to outputs or outcomes (efficiency measures).

Purpose

The purpose of this criterion is to facilitate an assessment of the amount of resources used and the efficiency, cost-effectiveness, and economy of programs and services.

Description

Effective performance reporting should supplement outcome and output measures with related measures of inputs, most notably resources used and workforce. Ideally, a direct relationship exists between the input information and the reported outcome and output measures, such that efficiency measures can be computed. Such indicators divide inputs by outcomes or outputs (or, for instance, the person-hours needed to achieve that unit of production or results). This information also can be used to calculate workload measures, such as tons of garbage collected per sanitation truck or worker. Measures of inputs, including the costs of programs and services, and efficiency should be reported with related outcome and output measures. Normally this will occur at more detailed levels of reporting.

Rationale

Citizens generally are concerned with the effectiveness of government services (outcomes), the resources used to provide those services (inputs), and the costs of producing outputs (efficiency). Taxpayers seek, and government managers attempt to achieve, a balance between meeting public needs and keeping the resources used (and therefore taxes and user charges) at a reasonable level. Although high-quality effective services are desired, they generally are not desired “at any cost.”

Therefore, although performance information should focus primarily on measures of service accomplishments (especially outcomes), the organization is also considered to be accountable for the economic and efficient use of resources. To provide a complete picture, performance information should include information about resources allocated and used. Users should be able to assess the quality of goods and the efficiency of services provided by the organization.

By focusing on a variety of financial and nonfinancial measures of inputs, outputs and outcomes, and measures that relate efforts to accomplishments, performance reporting provides the breadth of information that users of general purpose external financial reports need to assess governmental performance and assess whether the organization has been efficient and economical in its use of resources. These indicators can also be examined over time to assess whether services are becoming more or less efficient and cost-effective, or may be compared with similar jurisdictions to assess an organization's relative efficiency and cost-effectiveness.

GASB Concepts Statement 2 discusses two different approaches to governmental accountability. Both of these approaches state that governments are accountable for the efficiency, economy, and effectiveness of programs and services (GASB 1994, paragraphs 20 and 21).

In Public Performance Reporting: A Management Perspective, the CCAF-FCVI presents as one guideline that “good public performance reporting should recognize and explain the important linkage between resources and results through the integration of financial and non-financial performance information” (CCAF 2001, p. 3). They state that financial resources “can be seen as a form of ‘taxpayer investment’” and that the public wants to know what return has or will be received for this investment. They recognize that providing information about results without relating it to the use of resources can lead to unrealistic expectations and failure to engage in meaningful discussion about what level of resources is needed to carry out strategies that are needed to achieve goals and objectives (pp. 3 and 13).

In Reporting Principles, the CCAF states that the report should integrate financial and nonfinancial information and should indicate how much is being spent on key strategies and explain how changes in spending can affect results (CCAF 2002, p. 5).
The Urban Institute approaches the issue from the perspective of outcomes but nevertheless reaches a similar position. They recommend that, “as part of a state’s budget process, operating agencies and their programs should be required to identify outcome data related to specific dollar and staffing requests for specific programs.” They also recommend that state agencies estimate outcomes that can be expected from various budget levels (Liner & Others 2001, p. 2).

Participants in the GASB citizen discussion groups indicated that they wanted a range of different types of performance information reported. Across all groups, the most common types of performance information requested were outcomes, citizen and customer perspectives, and cost-related information (including efficiency and tax burden).

The Mercatus Center evaluation criteria include under public benefits: “Did the agency link its goals and results to costs?” They proceed to note that “strategic reallocation of resources becomes possible only when financial information includes resource details by outcome measure that can then be used to calculate cost per unit of success and to compare alternative methods of achieving the same goals” (Mercatus Center 2003).

How to Apply

In the case of input data (costs and other), care should be taken to limit the number of measures to only what is essential for understanding the programs and its performance. Because of the ready availability of input data and their importance in the allocation of resources and financial reporting, it would be easy to provide more than is necessary for external users to understand the magnitude of resources being applied to a program. Often organizations present “per capita costs” as a proxy for outputs or outcomes. Care should be taken because per capita information can be misleading, especially for governments that have work or visitor populations that are large in proportion to their residents. (Number of residents normally is used for calculating per capita figures.) In these cases, per capita cost of public transportation or public safety may appear to be greater than for other governments, but this may be the result of a proportionately high number of nonresident workers in a community.

Efficiency measures can be based on resources used compared to either outputs or outcomes. Both types can be of great value to users of performance reports in assessing the performance of the organization. However, cost-effectiveness measures (comparing resources used to outcomes) often are questioned because the relationship between services provided and results often are affected by many factors beyond the amount of resources used. Measures of cost per output are better for comparisons and are more frequently calculated by organizations. In this case, care should be taken to ensure that all relevant resources used are included and that if the measure is to be compared to other organizations, resources used are calculated in the same manner. It is also important to identify whether the resources used are based on expenditure or expense data. Amounts reported in governmental fund statements (and, often, actual budget amounts) for resources used are measured on an expenditure basis that does not include all accruals of incurred costs. Resources used or expenses incurred are reported in the government-wide financial statements (and business-type activity funds) on a full accrual basis.

Efforts have been made by state and local governments to demonstrate the link between outcome and input information. In a section on spending and staffing, the city of Portland, Oregon’s, Annual Performance Report includes information about resources used. The report includes annual operating expenditures often disaggregated by division within major departments or services and authorized staff in full-time-equivalents (FTEs) as well as volunteer FTEs. Expenditures are then converted to “operating cost per capita,” and a comparison to six other, relatively comparable cities is provided (Portland OR 2001, p. 8). Prince William County, Virginia, also provides information about resources used for each program area in a section on spending and staffing. They also provide per capita information or, in the case of libraries, information on “cost per item” circulated (PWC 2002, p. 6).

The North Carolina Local Government Performance Measurement Project sponsored by the Institute of Government at the University of North Carolina has produced valuable information regarding performance measurement, cost accounting, and benchmark efficiency comparisons across jurisdictions. The project’s approach, consisting of service profiles, performance measures, cost accounting, and explanation of results, works extremely well for data consistency and comparability. The project’s accounting model is especially effective in producing reliable and materially accurate cost data.
The GASB case study research identified comprehensive performance-based budgeting systems in Texas and Louisiana. The state of Texas performance budget attaches specific outcome targets to dollars by including outcome indicators in its biennial appropriations legislation. Yet the budget is firmly based in resources allocated to specific strategies for the production of outputs (strategies produce outputs) that are designed to achieve results.

Efficiency measures typically will be among the last to be reported by many organizations because of the lack of available information and the possible misuses of the measures. However, organizations should begin the process of gathering the necessary data and testing efficiency measures. Recent changes in financial reporting requiring the reporting of full–accrual basis expense information for government programs or functions in the annual financial report required by GASB Statement 34 should mean that cost information for many programs and services will begin to be available, even if only at a rather high level of aggregation. Disaggregation of these costs to programs and services being reported continues to be a challenge.
Examples

The city of Corpus Christi, Texas, report includes expenditures by division for programs, efficiency measures such as cost per call for service, and in some cases cost-effectiveness measures such as unit cost per case cleared.

### GENERAL FUND EXPENDITURES (1020)

<table>
<thead>
<tr>
<th>Division</th>
<th>FY2002 Budget</th>
<th>FY2002 Yest.</th>
<th>FY2001 Budget</th>
<th>FY2001 YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Administration</td>
<td>1,920,206</td>
<td>98.97%</td>
<td>1,911,137</td>
<td>101.35%</td>
</tr>
<tr>
<td>Criminal Investigation</td>
<td>3,872,837</td>
<td>95.26%</td>
<td>3,552,875</td>
<td>101.40%</td>
</tr>
<tr>
<td>13 Special Services</td>
<td>3,205,321</td>
<td>93.18%</td>
<td>3,536,664</td>
<td>107.83%</td>
</tr>
<tr>
<td>Unit Divs-Cost Command-Sector 3</td>
<td>22,999,688</td>
<td>99.20%</td>
<td>21,200,304</td>
<td>104.38%</td>
</tr>
<tr>
<td>Central Information</td>
<td>1,204,529</td>
<td>93.73%</td>
<td>1,040,777</td>
<td>90.44%</td>
</tr>
<tr>
<td>Vehicle Pound Operation</td>
<td>574,559</td>
<td>98.21%</td>
<td>557,085</td>
<td>104.82%</td>
</tr>
<tr>
<td>Identification</td>
<td>1,223,289</td>
<td>98.42%</td>
<td>1,178,963</td>
<td>98.35%</td>
</tr>
<tr>
<td>Police Training</td>
<td>925,563</td>
<td>99.92%</td>
<td>625,306</td>
<td>91.38%</td>
</tr>
<tr>
<td>MetroCon</td>
<td>4,361,825</td>
<td>97.27%</td>
<td>3,593,437</td>
<td>108.53%</td>
</tr>
<tr>
<td>14 9-1-1 Call Delivery</td>
<td>312,841</td>
<td>46.38%</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>15 Police Community Services</td>
<td>1,084,657</td>
<td>88.73%</td>
<td>1,179,942</td>
<td>111.27%</td>
</tr>
<tr>
<td>Criminal Intelligence</td>
<td>637,129</td>
<td>97.83%</td>
<td>551,744</td>
<td>106.82%</td>
</tr>
<tr>
<td>16 School Crossing Guards</td>
<td>486,992</td>
<td>83.60%</td>
<td>309,121</td>
<td>95.28%</td>
</tr>
<tr>
<td>Parking Control</td>
<td>193,419</td>
<td>90.56%</td>
<td>163,321</td>
<td>85.49%</td>
</tr>
<tr>
<td>Police Building Maint &amp; Oper</td>
<td>1,135,294</td>
<td>95.12%</td>
<td>1,071,911</td>
<td>103.48%</td>
</tr>
<tr>
<td>Beach Safety</td>
<td>68,002</td>
<td>88.38%</td>
<td>0</td>
<td>n/a</td>
</tr>
<tr>
<td>17 Emergency Management</td>
<td>365,404</td>
<td>76.27%</td>
<td>252,075</td>
<td>71.52%</td>
</tr>
<tr>
<td>Pipeline Transportation</td>
<td>29,155</td>
<td>94.23%</td>
<td>21,084</td>
<td>98.40%</td>
</tr>
<tr>
<td>Police</td>
<td>4,669,161</td>
<td>96.92%</td>
<td>4,197,221</td>
<td>103.77%</td>
</tr>
</tbody>
</table>

### POLICE - 1020

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Budget 2000-01</th>
<th>YE Actual 2000-01</th>
<th>Adopted 2001-02</th>
<th>4th Qtr. YTD 2001-02</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Unit cost per call for service through PSAP (dispatch cost)</td>
<td>$8.71</td>
<td>$8.71</td>
<td>$12.12</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>
The Montgomery County, Maryland, report includes program expenditures (not cost) and efficiency measures such as “cost per class.” This example presents measures for the health promotion and prevention program of the health and human services department.

The New South Wales, Australia, report includes measures of program inputs titled “cost of providing services.” The report also presents information relating revenues to services provided and operational efficiency measures (for example, cost per passenger per kilometer).

<table>
<thead>
<tr>
<th>Inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure and Staffing</td>
</tr>
</tbody>
</table>

Trends in expenditure and staffing.

Context

The data for CityRail in Table 20 are on a cash basis and do not reflect the full costs of operations. Countrylink data are on a cash basis up to 1995-96 and on an accrual basis for 1996-97. State Transit data are on an accrual basis and include depreciation and major periodic maintenance. The data are not comparable because of the different accounting bases used.

<table>
<thead>
<tr>
<th>Table 20: Cost of providing services (Sm)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>CityRail</td>
</tr>
<tr>
<td>612.1</td>
</tr>
<tr>
<td>Countrylink</td>
</tr>
<tr>
<td>137.3</td>
</tr>
<tr>
<td>State Transit</td>
</tr>
<tr>
<td>Sydney Buses</td>
</tr>
<tr>
<td>259.6</td>
</tr>
<tr>
<td>Newcastle</td>
</tr>
<tr>
<td>28.9</td>
</tr>
<tr>
<td>Bus/Ferries</td>
</tr>
<tr>
<td>57.5</td>
</tr>
</tbody>
</table>

Notes: 1 Data reported in 1996-97 dollars. 2 CityRail data provided on a cash basis. 3 Countrylink data provided on a cash basis up to 1995-96; 1996-97 data provided on an accrual basis. 4 State Transit data provided on an accrual basis.

Source: State Rail Authority, State Transit Authority.
Operational efficiency

The Department of Transport, the State Rail Authority and the State Transit Authority have statutory requirements to ensure that transport services are provided efficiently.

Cost per passenger kilometre.

Context

In Table 16, the data for CityRail are on a cash basis and the data for Countrylink are on a cash basis up to 1995-96 and on an accrual basis for 1996-97. State Transit data are on an accrual basis and reflect the full cost of providing services. Because of the different bases used, it is not possible to compare the cost per passenger-kilometre between the two services.

Table 16: Cost of providing services per passenger kilometre* (cents)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>CityRail Trains</td>
<td>16</td>
<td>15</td>
<td>14</td>
<td>14</td>
<td>19</td>
</tr>
<tr>
<td>Countrylink Trains</td>
<td>18.1</td>
<td>17.0</td>
<td>14.9</td>
<td>15.2</td>
<td>13.4</td>
</tr>
<tr>
<td>State Transit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sydney Buses</td>
<td>24</td>
<td>23</td>
<td>21</td>
<td>21</td>
<td>23</td>
</tr>
<tr>
<td>Newcastle Buses &amp; Ferries</td>
<td>30</td>
<td>31</td>
<td>28</td>
<td>29</td>
<td>32</td>
</tr>
<tr>
<td>Sydney Ferries</td>
<td>61</td>
<td>63</td>
<td>54</td>
<td>48</td>
<td>48</td>
</tr>
</tbody>
</table>

Note: 1 Cost per passenger-kilometre expressed in 1996-97 cents before abnormal items. 2 The data for CityRail are on a cash basis. 3 Countrylink data provided on a cash basis up to 1995-96, 1996-97 data provided on an accrual basis. 4 State Transit data are on an accrual basis. 5 The 1996-97 figure in italics is not directly comparable due to the restructure of the State Rail Authority. Source: State Rail Authority, State Transit Authority.

Interpretation

Over the five-year period to 1996-97, Countrylink's operating cost per passenger-kilometre fell by 25 per cent and is now around 13.4 cents. CityRail's operating cost has risen in the past year to 19 cents per passenger-kilometre. This is due to the introduction of access charges by Rail Access Corporation following the restructuring, which has meant that some costs which were previously recognised as capital costs are now treated as operating costs.

Interstate comparisons for suburban train services in 1994-95 were, on a cash basis, around 21 cents per passenger-kilometre for Brisbane's suburban Citytrain services and around 18 cents per passenger-kilometre for Melbourne's MetTrains. These comparisons need to be treated carefully because of differences in the accounting bases, but they may indicate economies of scale: the bigger the system, the lower the cost per passenger-kilometre.

The unit cost per passenger-kilometre has remained fairly stable for State Transit’s Sydney buses and for Newcastle buses and ferries, but has dropped by 21 per cent for Sydney ferries over the five-year period to 1996-97.

The state of Illinois report includes, for each program (such as for the liquor control commission), input indicators (for example, budget expenditures and number of personnel [administrative and field agents]) and efficiency/cost-effectiveness measures or indicators (for example, average inspections per day and cost to perform a field inspection).

Citizen and customer perceptions of the quality and results of major and critical programs and services should be reported when appropriate.

Purpose

The purposes of this criterion are (1) to ensure that a more complete view of the results of programs and services is provided, and (2) to report results not captured by an organization’s other “objective” measures of outputs and outcomes.

Description

Organizations should report on the perceptions of both citizens and service recipients (customers) as a companion to other measures of service outcomes. This would come in the form of data gathered from citizens and customers through one or more methods, such as surveys. These measures should be presented together with other “objective” measures of results at the various levels of reporting.

Rationale

Citizens and customers represent those primarily affected by programs and services. Therefore, it is important for reported performance to include measures of citizen and customer perceptions about the results of the service or program. Without this information against which to compare other, more quantitative measures of performance, a complete picture of results is not obtained. These comparisons allow identification and evaluation of differences between the quantitative measure of achievement for objectives and the qualitative measure of how others perceive those results. These measures also provide a good starting point for raising questions about the results of programs and services and the communication of results to citizens.

Participants in each of the GASB citizen discussion groups generally showed strong interest in information based on surveys of citizen and customer perceptions and satisfaction, although an occasional participant dissented or raised a concern about how representative and accurate survey data would be. In some groups, participants noted an interest in knowing any differences between the perceptions of service “customers” or users, and citizens in general, who may not all use particular services.

In the Urban Institute’s *Making Results-Based State Government Work*, the authors recommended that regular measurement of citizen/customer satisfaction with state services be undertaken. They noted that “the Texas legislature formalized this requirement in 1999 by passing legislation requiring selected Texas agencies to measure ‘customer service satisfaction and create performance measures for state agencies . . .’” (Liner & Others 2001, pp. 41–42). As the Urban Institute reports, “for a majority of state programs, states have had little outcome information, at least on a regular basis. A major missing element has been data on customer satisfaction with particular services” (pp. 69–70).

Members of the GASB SEA task force also commented on the need for citizen and customer survey information. One member noted that it is important because “it’s almost a separate check on all these empirical measures—it’s a different sort of empirical measure—for example, you could have information on efficiency, comparability; a jurisdiction may be doing very well, but the citizens think it’s only so-so.” Another said, “It is also important because it offers a good balance between the reporting entity and the users of the report.” Yet another said that “if the measure shows that the government is performing well on programs, but the citizens are saying otherwise, then we have a major communication problem that needs to be resolved.” Still other comments included: “Since we are a democracy it is very important to see what government is doing, what it is measuring, and how people see it. The way people see it or perceive it is not all that obvious.” “You need to have the outcome, citizen satisfaction. Otherwise, the quality of the service isn’t determined in any way. . . . Quality of service [is] determined by citizens.”
How to Apply

Citizen and customer perception and satisfaction information often is gathered through the use of statistically valid, random surveys. Surveys are a normal method for gathering data on perceptions that can be used to report outcomes from the citizen or customer perspective. Surveys can also provide perception-based outcome data not just for satisfaction with services, but also for citizen perceptions of community conditions, including specific conditions such as “percentage of residents feeling safe walking alone in their neighborhood” and more generalized views of community well-being such as “percentage of citizens who believe their neighborhood livability is ‘good’ or ‘very good.’” Differences in citizen and customer perception and satisfaction should be identified and discussed.

Surveys can be conducted in any of several ways, such as by mail, in person, or by phone. Whatever information-gathering approaches are used, when such data are to be used for external performance reporting, care should be taken to ensure that the data are representative of the perceptions of the citizens as a whole or of all customers of the services examined.

Citizen and customer perception and satisfaction data can also be collected in a variety of nonrandom ways including tracking complaints and compliments, tracking comments, and conducting focus groups. One way of assessing the quality of customer service that does not strictly use customer perceptions, but which also may be very effective, is to use trained “service testers” who pose as customers to assess service quality. The 1999 Texas law on customer service satisfaction even has a provision allowing review offices in both the executive and legislative branches to send persons to pretend to be agency customers to test the quality of the service (Liner & Others 2001, p. 42).

Regardless of the method of obtaining perception and satisfaction information, it should be included with other measures of performance so they can readily be compared. For example, it could be valuable to compare citizen perceptions of safety in their neighborhoods with police data on rates of reported crimes. Citizen and customer information should clearly be identified as such when reported. It often is valuable to disaggregate citizen or customer perception results by geographic area, citizen demographics, or type of customer. Often disaggregations can be communicated using graphic methods such as a map showing all the neighborhoods or community districts within a city, or counties within a state. For example, in Portland, Oregon’s, SEA report, selected citizen survey data are displayed on maps, showing comparative survey results across the community’s districts.

The results of citizen and customer perception and satisfaction data are made more useful by providing data for several data-collection periods. This provides a basis for comparison over time so that trends can be noted.

As important as citizen and customer perception information is, it is not always practical or useful to obtain and externally report data on citizen and customer perception for every service and every reporting period. Also, it may be confusing to report data on citizen or customer perception or satisfaction for many goals and objectives. So this criterion presumes that this type of data will be collected and reported selectively—for example, where citizen or customer data fill a key information gap or are otherwise considered important. Hence, the reporting organization should explain its rationale for why citizen or customer perception data are reported in any given period and for some programs and services, goals, and objectives, but not for others.

The report also should contain a discussion of any issues identified when analyzing the information obtained from surveys or other methods of collecting perception data and the limitations of the research. For example, a limitation of survey research is the effect of nonresponse bias on the external validity or generalizability of the results. Nonresponse bias occurs because nonrespondents might have responded differently from respondents. Other possible limitations include a nonrandom survey, self-reporting bias, and careless or frivolous respondents. Any measures taken to address these limitations also should be discussed.
Examples

The City of Portland, Oregon, Service Efforts and Accomplishments: 2000–01 report includes the results of a citizen survey and compares those results with the reported performance for selected services. For example, the report presents, by neighborhood, the citizen rating of overall fire and rescue quality next to the number of major residential fires. They also report the ratings for five surveys and break out the rating for those who indicate they have used the fire bureau.

Fire and Rescue remains the highest ranked City service, with a City-wide average of 92 percent rating the service “good” or “very good”. The high ratings are consistent across neighborhoods, although the number of fires varies dramatically. East Portland had the highest number of major residential fires last year (40); the Northwest and Southwest areas each had 19.

<table>
<thead>
<tr>
<th>Citizen survey results</th>
<th>Measure of fire performance</th>
<th>Trend data for citizen ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="chart1.png" alt="Chart 1" /></td>
<td><img src="chart2.png" alt="Chart 2" /></td>
<td></td>
</tr>
</tbody>
</table>

The Maricopa County, Arizona, report includes the results of a customer satisfaction survey both in summary form and for the full survey.

The city of Tucson, Arizona, provides client satisfaction data in its report. In the example from the bilingual outreach and crisis counseling center, each client completes a service evaluation upon exit from the center.

<table>
<thead>
<tr>
<th>Program</th>
<th>Agency/Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bilingual Outreach and Crisis Counseling</td>
<td>Tucson Centers for Women &amp; Children</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outputs/Counts of Program Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCWC served 96 Spanish-speaking women who were victims of domestic violence and their children in its two residential crisis shelters. In addition, TCWC’s bilingual counselors provided 617 hours of individual counseling to these women. TCWC bilingual counselors also logged 506 calls from Spanish-speaking women seeking counseling, shelter or referrals. The counselors provided over 200 hours of crisis line counseling to these women. Every quarter over 50 informational fliers and posters were mailed to contacts in the Spanish-speaking community. These fliers brought awareness to domestic violence as well as to the services that TCWC provides to victims of domestic violence. In addition, TCWC’s bilingual staff provided nearly 20 hours in community outreach as they spoke in bilingual classrooms about domestic violence and domestic violence issues.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Client Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client satisfaction is measured through an evaluation of services which is completed by the client upon her exit from shelter. The evaluations are reviewed and discussed by program staff in terms of program success and needed areas of improvement. They are then forwarded to the Administration office where questions and answers are assigned numerical values so that the findings can be reported on aggregate. The findings for the evaluations conducted by participants in TCWC’s bilingual program were:</td>
</tr>
<tr>
<td>-24% or 23 of the participants did not complete evaluations.</td>
</tr>
<tr>
<td>-Of the 73 participants that completed evaluations, 72% or 53 indicated that their experience during intake was positive; 28% or 20 stated that it was adequate; no participants cited it as poor.</td>
</tr>
<tr>
<td>-90% or 66 indicated that the counselor, throughout the program, understood what they were experiencing; 10% or 7 felt as though the counselors did not understand.</td>
</tr>
<tr>
<td>-96% or 69 felt that their counselors were helpful with any questions or problems they might have had; 4% or 4 said the counselors were not as helpful as they would have liked them to be.</td>
</tr>
<tr>
<td>-55% or 68 stated that client rights and program expectations were thoroughly explained to them; 5% or 5 indicated that this did not occur.</td>
</tr>
<tr>
<td>-87% or 64 indicated that groups were helpful; 3% or 2 indicated that groups were not as helpful as they would have liked them to be; 10% or 7 stated that they never attended the group meetings.</td>
</tr>
<tr>
<td>In addition, when asked what in the program seemed most helpful to them the clients answered:</td>
</tr>
<tr>
<td>-individual counseling sessions</td>
</tr>
<tr>
<td>-having a safe place for me and my children</td>
</tr>
<tr>
<td>-counselors were supportive and helpful</td>
</tr>
<tr>
<td>-shelter and food</td>
</tr>
<tr>
<td>-having someone to talk to</td>
</tr>
<tr>
<td>-referrals and community information</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Case Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leticia, a Spanish speaker, entered TCWC’s crisis shelter with her two children ages 3 months and 7 years. Leticia was escaping her abusive spouse of 1½ years who she had left several times in the past. Leticia stated that she had returned to her abuser on these previous occasions due to financial instability, lack of United States citizenship and communication barriers which she felt prevented her from reaching much needed resources and assistance.</td>
</tr>
<tr>
<td>Leticia received counseling for domestic violence and related issues. She developed a treatment plan, in collaboration with her bilingual counselor, that listed the goals and issues that she wanted to address while in the program. She addressed most of these goals and issues while in shelter. She also learned enough English to carry herself in a conversation.</td>
</tr>
<tr>
<td>She was provided the assistance and advocacy provided through the crisis shelter’s bilingual program. Leticia obtained legal advice regarding divorce and custody issues as well as child support assistance from DES and the Pima County Attorney’s Office. Upon exit from shelter, Leticia qualified for and entered TCWC’s Second Step Transitional Housing program where she could continue outreach counseling for her domestic violence issues as well as case management services aimed at helping her to continue to reach the goals addressed in her treatment plan.</td>
</tr>
</tbody>
</table>

The City of Austin, Texas, *Community Scorecard* report includes information about priorities and satisfaction with services from two citizen surveys. The example shows citizen satisfaction with, and priority for, health and human services and a listing of highlights from the report.

**MEMORANDUM**

TO: Mayor and Council  
FROM: Rudy Garza  
DATE: November 2001  
SUBJECT: Community Scorecard

In June of 1997 the City of Austin published the first “Community Scorecard”, an attempt to summarize some of the most significant information available to us on our community. That Scorecard was organized around the Council Priorities: Public Safety; Youth, Family and Neighborhood Vitality; Sustainable Community; and Affordability. It also included some overall benchmarks that were chosen to reflect the livability of our community and to track those over time.

We have again organized the report around the Council Priorities. Each section of the report utilizes a chart as shown below to illustrate the information from two customer surveys: the City of Austin 2001 Citizen Satisfaction Survey and the City of Austin Citizen Survey of City Priorities.

![Chart of Level of Priority and Satisfaction with Health and Human Services](image)
### Highlights

Highlights of this report include the following:

- Traffic flow and street repair are a high priority for our citizens (74% and 82%) and we rank high in traffic flow and moderate in street repair (90% and 67%) in satisfaction.
- Affordable housing is a moderate priority (50%) and availability of housing for low income has a low satisfaction (34%).
- The only service that customers ranked low in priority but high in satisfaction was municipal court – specifically convenience in paying traffic citations.
- Our crime rates have been dropping and citizen perception of safety is staying level in the neighborhood and decreasing in downtown.
- Traffic fatalities per 100,000 population have fluctuated since 1996.
- Although our spending for health care services is more than double any other major Texas city, citizen satisfaction with health care for low-income individuals has averaged 58%.
- Since 1994, the percent of congested intersections has been increasing.
- Austin has the lowest property tax rate of the five major cities and ranks in the middle for total cost of government, including city, county, school district, utility charges and fees.

Reported performance information should include comparative information for assessing performance, such as to other periods, established targets, or other internal and external sources.

Purpose

The purpose of this criterion is to provide a clear frame of reference for assessing the performance of the organization, its programs, and its services.

Description

The usefulness of reported performance information is enhanced when comparative information is included. The GASB overview SEA Research Report identifies six types of comparisons: with previous years, with similar jurisdictions, with technically developed standards or norms, with targets or goals set by the program or service, with geographic areas or client groups within the same jurisdiction, and with similar private-sector organizations (GASB 1990, pp. 24–26).

The two staples of comparative performance reporting are time series and comparison against targets. Users are also interested in comparing their government with other, similar governments or industry standards. Comparisons with other organizations can be very informative as long as any significant differences in measures or circumstances that have been identified are noted. This desire for geographic comparisons also extends below the organizational level; users often have expressed an interest in seeing government-wide indicators broken down by city or neighborhood, by school or institution, and so on.

Rationale

The GASB overview report presents an answer to the question: Why is it important for comparisons to be reported for the various SEA indicators? The report states that a key question for users of performance information is “whether the level of service accomplishment reported is ‘good’ or ‘bad,’ and whether it is improving, worsening, or staying about the same” (GASB 1990, p. 24). To answer this question, the users of performance information will seek to compare reported performance with other information.

Concepts Statement 2 states, “SEA measures, when presented alone, do not provide a basis for assessing or understanding the level of performance. Therefore, SEA information should include comparative information. This information may take various forms” (GASB 1994, paragraph 63). The inclusion of comparison information should help provide a clear frame of reference for assessing the performance being reported.

Participants in the GASB citizen discussion groups agreed with the need for various types of comparisons for reported performance information. The types of comparisons were discussed in all groups. Although there was general agreement on the value of comparisons, some types were questioned by some participants. For example, although some participants were very enthusiastic about comparisons between jurisdictions, others had deep concerns about the difficulty of making real “apples to apples” comparisons of performance and about the potential for misinterpretation or abuse because of noncomparable data that purport to compare jurisdictions. Comparisons over time and between geographic districts with the same organization were considered important. Neighborhood-to-neighborhood comparisons also were mentioned often as being of interest (Fountain & Others 2002).

In Performance Measurement: Getting Results, the Urban Institute devotes a chapter to comparing findings to benchmarks. (In this case, the term benchmark is being used to denote comparisons.) They note that once outcome
data are available to “find out whether the level of performance they reflect is good or bad,” it is necessary to compare outcomes with benchmarks (measures of what can be expected). They list seven major types of benchmarks that can be used to assess performance (Hatry 1999, Ch. 9):

1. Performance in the previous period
2. Performance of similar organizational units or geographical areas
3. Outcomes for different workload or customer groups
4. A recognized general standard
5. Performance of other jurisdictions or the private sector
6. Different service delivery practices
7. Targets established at the beginning of the performance period.

The CCAF-FCVI set forth the following guideline for presenting comparative information: “Good public performance reporting should compare current performance to that of prior periods when such information will significantly enhance the ability of users to understand or use the performance information being reported.” They also state that comparisons of performance to that of similar organizations should be provided under similar conditions. They believe that comparisons will provide a point of reference that helps users understand the significance of results achieved. They recognize that comparisons can be made in a variety of ways, but mention that “comparisons can be made to specific organizations that are considered to have excelled in achieving results, i.e., benchmarking against ‘the best.’ Or, it may be the case of making more general comparisons with the results of individual organizations or groups of organizations” (CCAF 2001, pp. 14–15). In Reporting Principles, the CCAF set forth as a reporting principle that public reporting should provide comparative information when it would significantly help Canadians understand or use the report, and when relevant, reliable, and consistent information is or can be reasonably available (CCAF 2002, p. 5).

Participants in almost all GASB field discussion groups on the suggested criteria agreed with the need for some form of comparisons, and most said they already make some comparisons. Although some concerns were raised about comparisons between governmental organizations, comparisons against targets and comparisons over time (period to period) were always mentioned in a positive light.

How to Apply

When considering reporting of comparison information, there are several issues to address. First, what types of performance comparisons should be considered for reporting? Second, how many different comparisons should be made for a specific performance measure? Third, what comparisons should be made at different levels (layers) of performance reporting?

The issue of how many different comparisons or what types of comparison to present requires judgment on the part of the preparer. At a minimum, comparisons with prior periods (time series) and against established targets should be provided. Time series involves the presentation of a performance measure for a particular organization for multiple years, which allows users to judge whether performance has improved or declined over time. Comparing actual performance results with predetermined targets permits users to make assessments about whether an organization is accomplishing what it set out to do.

If information can be obtained that is comparable, then other types of comparisons also should be considered. This is especially important for disaggregated information (by geographic area, neighborhood, or divisions within the same organization) and intergovernmental comparisons.

At the overview level of detail (because of the need to limit its size), the organization may choose to provide only one comparison, perhaps against the prior period or a target set for the current period. All that might be necessary is a statement that performance for a specific measure or group of measures has been improving over time or that performance has been above (or below) target. However, if other comparisons are made at more detailed levels, the overview should reference these and explain how to obtain that information. At the introductory summary level, it might be possible to provide comparisons against both prior periods (perhaps change over five or ten years) and established targets. Comparisons against other organizations and between geographic areas or divisions within the organization usually will be presented at a more detailed level of reporting so that there will be not only more
performance measures presented, but more types of comparative information for those measures. Care should be taken to ensure that reported information is comparable. (The same measures are measured the same way and use reliable data.) If the information is not truly comparable, either no comparisons should be reported or sufficient explanation should be provided to describe how the information is not comparable.

Care also should be taken when selecting the pool of organizations with which to make interorganizational comparisons. Efforts should be made to select organizations that are similar or comparable to the organization making the comparison. Care also should be taken to ensure that comparative information about other organizations was collected in a reliable manner.

The ICMA Comparative Performance Measurement Project is one effort that addresses the comparison problem. For this project, over 120 cities and counties have agreed on measurement methods for a selected number of performance measures. The organizations were trained on how to develop and report the selected performance measures, and testing is done to check whether there is a reasonable degree of comparability among the data reported.

Three types of comparisons typically have few comparability or measurement issues (for example, no way to verify the reliability). These comparisons frequently are used in financial reporting as well as for SEA measures. The first type is comparison with the previous periods (trend data) or baselines (a type of prior-year data that often focuses on a specific year that is considered the starting point for a program or the last period before a program was begun). This can provide an indication of whether a program or service is making progress in improving the condition it is designed to address.

The second type, comparisons against targets or objectives set by the organization, provides a means of assessing whether the program or service is achieving the level of results anticipated. Because targets can be established that are too high or too low, a reasonableness check is to also compare performance against prior periods. Targets that are too high or too low then become evident in subsequent years as performance information for multiple periods becomes available. When targets are established, it is important that the target is measured in the same way as reported performance. Then users can reasonably assess the degree to which the service has achieved the target (or objective) established for it. (Explanations may be necessary for results that vary significantly, either positively or negatively, from the established targets.)

Comparisons of performance against prior periods and against organizational targets are probably the two most common types of comparisons used in public performance reporting, and they have been used in public reports for many years. For example, the New York City Mayor’s Management Report and the city of Portland, Oregon’s, Service Efforts and Accomplishments Report have been providing these types of comparisons since their inceptions in 1977 and 1989, respectively.

A third type of comparison that should be free from some of the more serious measurement issues is intra-organization comparisons. The use of intra-organization comparisons reduces the problems of measurement because controls can be established to ensure that the performance measures being compared are measured consistently. These comparisons typically are made if disaggregated information is available for either geographic or organizational divisions (divisions of the same department, for instance).

In its annual Service Efforts and Accomplishments Report, the city of Portland, Oregon, displays maps dividing the city into eight community districts, with selected performance data shown on the maps to compare results across districts. Similarly, the New York City Mayor’s Management Report maps performance for selected measures for its 59 community board districts, 32 community school board districts, and 123 police precincts. As part of its September 2002 report, New York City made comparative maps for fourteen community-based indicators available on the Internet.
Examples

The Bellevue, Washington, report presents performance measures for the current and two previous years and the target for the current year, with an indication of whether the target was met or exceeded.

![Performance Measures Table]

The city of Portland, Oregon, report includes comparisons over time (trend data) and with six other cities.

Comparisons for crimes with other cities

Comparisons over time

New Mexico State University in its report on 2001–2002 targets presents several performance indicators including a trend of student retention between freshman and sophomore years. They then compared that trend to a stated target of 75 percent.

The Public Policy Institute report presents forty-eight tables with comparisons of all fifty states for various indicators. This includes a comparison for percentage of population without health insurance.

<table>
<thead>
<tr>
<th>Rank</th>
<th>State</th>
<th>Amt.</th>
<th>Rank</th>
<th>State</th>
<th>Amt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>New Mexico</td>
<td>25.8%</td>
<td>27</td>
<td>Virginia</td>
<td>14.1%</td>
</tr>
<tr>
<td>2</td>
<td>Texas</td>
<td>23.3%</td>
<td>28</td>
<td>New Jersey</td>
<td>13.4%</td>
</tr>
<tr>
<td>3</td>
<td>Louisiana</td>
<td>22.5%</td>
<td>29</td>
<td>Vermont</td>
<td>12.3%</td>
</tr>
<tr>
<td>4</td>
<td>Arizona</td>
<td>21.2%</td>
<td>30</td>
<td>Kansas</td>
<td>12.1%</td>
</tr>
<tr>
<td>5</td>
<td>Nevada</td>
<td>20.7%</td>
<td>31</td>
<td>Maine</td>
<td>11.9%</td>
</tr>
<tr>
<td>6</td>
<td>California</td>
<td>20.3%</td>
<td>32</td>
<td>Maryland</td>
<td>11.8%</td>
</tr>
<tr>
<td>7</td>
<td>Florida</td>
<td>19.2%</td>
<td>33</td>
<td>North Dakota</td>
<td>11.8%</td>
</tr>
<tr>
<td>8</td>
<td>Alaska</td>
<td>19.1%</td>
<td>34</td>
<td>South Dakota</td>
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</tr>
<tr>
<td>9</td>
<td>Idaho</td>
<td>19.1%</td>
<td>35</td>
<td>Tennessee</td>
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</tr>
<tr>
<td>10</td>
<td>Montana</td>
<td>18.6%</td>
<td>36</td>
<td>Delaware</td>
<td>11.4%</td>
</tr>
<tr>
<td>11</td>
<td>South Carolina</td>
<td>17.6%</td>
<td>37</td>
<td>Michigan</td>
<td>11.2%</td>
</tr>
<tr>
<td>12</td>
<td>Oklahoma</td>
<td>17.5%</td>
<td>38</td>
<td>Hawaii</td>
<td>11.1%</td>
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<tr>
<td>13</td>
<td>West Virginia</td>
<td>17.1%</td>
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<td>Ohio</td>
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</tr>
<tr>
<td>14</td>
<td>Colorado</td>
<td>16.8%</td>
<td>40</td>
<td>Wisconsin</td>
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</tr>
<tr>
<td>15</td>
<td>Mississippi</td>
<td>16.6%</td>
<td>41</td>
<td>Indiana</td>
<td>10.8%</td>
</tr>
<tr>
<td>16</td>
<td><strong>NEW YORK</strong></td>
<td><strong>16.4%</strong></td>
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<td>Nebraska</td>
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<tr>
<td>17</td>
<td>Georgia</td>
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<td>43</td>
<td>Massachusetts</td>
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<td>18</td>
<td>Wyoming</td>
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<td>44</td>
<td>New Hampshire</td>
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<tr>
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<td>Washington</td>
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<td>Connecticut</td>
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<td>North Carolina</td>
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<td>46</td>
<td>Pennsylvania</td>
<td>9.4%</td>
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<tr>
<td>21</td>
<td>Arkansas</td>
<td>14.7%</td>
<td>47</td>
<td>Missouri</td>
<td>8.0%</td>
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<tr>
<td>22</td>
<td>Oregon</td>
<td>14.6%</td>
<td>48</td>
<td>Iowa</td>
<td>6.9%</td>
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<tr>
<td>23</td>
<td>Kentucky</td>
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<td>49</td>
<td>Minnesota</td>
<td>6.9%</td>
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<tr>
<td>24</td>
<td>Alabama</td>
<td>14.3%</td>
<td>50</td>
<td>Rhode Island</td>
<td>6.9%</td>
</tr>
<tr>
<td>25</td>
<td>Utah</td>
<td>14.2%</td>
<td></td>
<td>U.S. average</td>
<td>15.5%</td>
</tr>
<tr>
<td>26</td>
<td>Illinois</td>
<td>14.1%</td>
<td></td>
<td>N.Y.S. % above avg.</td>
<td>5.8%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau
http://www.census.gov/hhes/hlthins/hlthin99/hlth99e.html

As New York's economy has improved, the proportion of residents who lack health insurance has improved; it was 17.5% in 1997.

The Connecticut Policy and Economic Council report on school district performance provides comparisons between Connecticut school districts and comparisons for selected measures between states.

### Fairfield Region — Performance

<table>
<thead>
<tr>
<th>Town/District</th>
<th>ERG</th>
<th>CT Mastery Test (CMT) Reading Grade 4</th>
<th>CT Academic Performance Test (CAPT) Grade 10</th>
<th>Average SAT Scores ’09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bethel</td>
<td>B</td>
<td>% At or Above State Index ’03</td>
<td>% of Change in Index</td>
<td>Average % At or Above State Index ’10</td>
</tr>
<tr>
<td>Bridgeport</td>
<td>I</td>
<td>63</td>
<td>65.7</td>
<td>72.9</td>
</tr>
<tr>
<td>Brookfield</td>
<td>B</td>
<td>73</td>
<td>73.3</td>
<td>74.5</td>
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Connecticut Mastery Test results for 4th grade reading
CAPT (Connecticut Academic Performance Test) results for 10th grade
SAT scores

TWELVE—FACTORS AFFECTING RESULTS

The report should include a discussion of identified external and internal factors that have had a significant effect on performance and will help provide a context for understanding the organization's performance.

Purpose

The purpose of this criterion is to help users understand the factors that might have an effect on performance, including relevant conditions in the state, region, or community, or in the operating environment of the reporting organization.

Description

The results of services provided by an organization often are affected not only by the service itself but also by services provided by other organizations (both within the government and outside it), by factors within the organization, and by factors independent of the organization. The report should provide a context for understanding and assessing whether and why the services being provided are achieving their objectives by including a discussion of explanatory factors that have been identified as possibly affecting service results.

Explaining those factors will create a better context to help users assimilate performance information. Internal factors may include complementary services provided by other agencies or even separate organizations, staffing levels, letting of service contracts, delays in acquiring materials, or limitations in overall resources. External factors can be as simple as the weather, such as an unusually wet rainy season, a hurricane or other natural disaster, or unusually high snow accumulations, or as complex as the economy or the nature and magnitude of a parent's involvement in a child's education.

It will not be possible to identify all the factors that have affected or possibly will affect service results; but, it is important for users, as well as management, to understand that these factors do exist and, where possible, the nature of their potential effect.

Rationale

Many factors besides direct service efforts (for example, age of equipment, the weather, changing demographics of the population served) can have an effect on results achieved by public programs. It is important to identify the most important factors that can affect results and report on them with appropriate explanations.

In Concepts Statement 2, the GASB included “explanatory information” as one of the elements of SEA reporting. Explanatory information was described as including “both quantitative and narrative information that can help users to understand reported SEA measures, assess the entity’s performance, and evaluate the significance of underlying factors that may have affected the reported performance” (GASB 1994, paragraph 51). The Board went on to define “two primary types of quantitative explanatory information that can be reported with SEA measures: (a) Factors substantially outside the control of the entity, such as environmental and demographic characteristics . . . [and] (b) Factors over which the entity has significant control, such as staffing patterns . . .” (paragraphs 51–52). In this criterion, “external factors” are meant to be factors substantially outside the control of the entity, and “internal factors” are meant to be factors over which the entity has significant control.

The CCAF-FCVI's performance reporting guidelines also address this issue, saying that “good” performance reporting should put results in their proper context by describing other key performance factors that are central for users to:

- Understand why the entity is doing what it is doing
- Interpret the meaning and significance of the performance (CCAF 2001, p. 3).
In *Reporting Principles*, the CCAF states that the report should explain other factors critical to performance. These might relate to or stem from general changes in the economic, social, or demographic context for a program (CCAF 2002, p. 4).

Participants in the GASB citizen discussion groups stated that they want explanatory information reported along with performance data. They commented that explanatory information would help them have a context for understanding and using performance data. They noted that supporting narrative, contextual numerical data, and definitional types of explanatory information should be included along with interpretations of what reported levels of performance mean and explanations of variances from targets and future plans (Fountain 2002, pp. 24–25).

Participants in most GASB field discussions groups on the suggested criteria agreed with the need for reporting explanatory factors; some said they are already doing so. A few participants thought explanatory factors should be limited to key measures or to factors whose effect on performance is generally understood.

**How to Apply**

The internal and external factors affecting performance should be reported and the actual or possible implications of those factors explained where they are considered important and the relationship shows a significant effect on results.

Factors affecting performance can be reported in quantitative and graphic form as well as a narrative, to explain the context of performance to the reader. Government performance reports issued by a number of jurisdictions over the years have included explanatory narratives, which often include, among other things, explanatory factors that have affected performance. For example, New York City’s *Mayor’s Management Report* has long included an explanatory narrative section for every city agency included in the report.

Key explanatory factors also can be important to report when performance comparisons are reported across jurisdictions. The ICMA has used explanatory factors to help put comparisons of different cities and counties into context. Several of ICMA’s *Comparative Performance Measurement* data reports include not only direct comparisons of different city and county information, but also diagrams that plot indicator results against an explanatory factor’s quantitative level. Such diagrams include statistical regression lines, so one could judge whether a city’s or county’s performance is better or worse than might be predicted by the explanatory factor, and how far above or below “predicted” performance each city or county has achieved. ICMA has published such charts—for example, for “Annual [Public Library] Circulation per Capita v. Percent of Population with High School Diploma or Higher” and “[Road] Maintenance Cost per Lane Mile v. Percent of Average Year with Freezing or Snow Conditions”—among many other such comparisons (ICMA 2001a).

In jurisdictions with significant differences in key internal or external factors that affect performance by geographic district, by facility (for example, by school or by park), or by operating unit, it is useful to report those factors in a disaggregated fashion when reported performance is also disaggregated.
Examples

The Wisconsin report on education performance includes charts comparing performance to various explanatory factors. For example, the following chart presents the various districts in the state and percentage of students scoring at the advanced and proficient level to the percentage of economically disadvantaged in the student population.

The state of Illinois report on education performance comments on the relatively good "overall" performance by students, but then mentions that this masks a critical performance difference between students. For example, poor and minority students score much more poorly than does the general population.

**Student Achievement**

The primary outcome indicator for the elementary and secondary education system is student achievement — i.e., how well students perform against the Illinois Learning Standards. A number of other outcome indicators, such as college remediation rates, would provide useful insights into the effectiveness of the elementary and secondary education system; however, information about these indicators is not available at this time.

The academic performance of Illinois students is measured by several large-scale tests, including four that are used by the State Board of Education as part of its accountability system. These tests include: the Illinois Standards Achievement Test (ISAT), which measures performance by elementary students in reading, writing, mathematics, science and social science and is administered at grades 3, 4, 5, 7 and 8; the Prairie State Achievement Exam (PSAE), which measures the same five learning areas for high school students and incorporates the ACT; the Illinois Alternate Assessment (IAA), which is for students with disabilities whose Individual Education Plans (IEPs) indicate that all other state assessments are inappropriate, even with accommodations; and the Illinois Measure of Annual Growth in English (IMAGE) which measures the progress of students with limited English proficiency in attaining English-language reading and writing skills.

At the elementary level, student achievement in mathematics was particularly impressive, with 74% of the third graders, 61% of fifth graders and 50% of eighth graders meeting or exceeding the Mathematics Learning Standards in fiscal year 2001. At each grade level, the "meet or exceed" percentages represented the third year of successive increases.

Elementary reading scores remained about the same as last year, with about 62% percent of students across all grades (62% of third graders; 59% of fifth graders and 66% of eighth graders) meeting or exceeding the state reading standards.

At the high school level, a majority of the approximately 113,000 students participating in the new 11th grade assessment also met or exceeded the Learning Standards in all but one of the five subject areas tested. Overall, 57% of students met or exceeded the Reading standards and 54% met or exceeded the Mathematics standards.

These statewide averages mask critical achievement differences among students. The performance of elementary students on the ISAT indicated a serious gap in achievement between groups of students. For example, 76% of white, non-Hispanic fifth-graders met or exceeded the Mathematics standards, but only 30% of black students and 41% of Hispanic fifth-grade students achieved comparable scores.

Similar gaps were evident at the high school level, where only 24% of "low income" students met or exceeded the Mathematics standards while 60% of "not low income" achieved at that level.

The Connecticut Policy and Economic Council has provided a printed report on the performance of Connecticut school districts. In addition to information about the performance of the districts on the Connecticut Mastery Test, it also identifies each district’s economic resources group (ERG), provides data about education expenditures for the district, and includes information for selected demographic measures (such as students in single-parent families and students with one or more parent with a college degree).

Note: ERG is a measure of the socioeconomic strength of a community. A is the highest rating and I the lowest. Not all school districts in Fairfield County are included because of space constraints.

### Fairfield Region — Performance

<table>
<thead>
<tr>
<th>Town/District</th>
<th>ERG</th>
<th>% Al or Above State Goal '98</th>
<th>Index '93</th>
<th>% of Change in Index</th>
<th>Average % Al or Above Goal '99</th>
<th>Overall Index '95</th>
<th>Overall Index '98</th>
<th>% of Change in Index</th>
<th>Advanced Placement Challenge Index '99</th>
<th>Combined Math and Verbal Averages</th>
<th>% Test</th>
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Academic performance by school district within county.
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<th>Town/District</th>
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<th>Demographics</th>
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<td>Education Spending and Enrollment '00-'01</td>
<td>Per Capita Personal Income '00</td>
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<td>Net Current Expenditure Per Student</td>
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**Expenditures for education**

**Demographic factors that might affect performance**

**Note:** This chart does not include all school districts in Fairfield County. The chart was reduced in order to increase the size of print and readability.

The Minnesota Milestones report provides a discussion of progress toward goals and the challenges facing the organization in trying to reach those goals. The report notes that generally positive trends can mask wide differences in results among different areas of the state or different groups within the state.

**Progress toward each goal**

**Challenges**

Generally positive trends can mask wide gulfs within the state. In education and health care, significant disparities persist between White people and people of all other racial/ethnic backgrounds. Although infant mortality in the Black/African American population has declined significantly, rates for Black/African American, American Indian and Hispanic infants remain much worse than rates for Whites. In Minnesota’s public schools, only 37 percent of Black/African American students, 43 percent of American Indians and 47 percent of Hispanic students graduate on time. Although the rate of teenage pregnancy is declining, it remains very high among Black/African American girls and is increasing among Asians and Hispanics.

There are also disparities associated with socioeconomic position. While the state enjoyed a thriving economy until 2001, lack of statistics leaves uncertain the state’s progress toward eliminating child poverty, although the percentage of schoolchildren approved for free or reduced-price school meals leveled off in the latter part of the decade.

Many Minnesota families are thriving, but a growing number seem to be living under increased stress. Public school transfers have fluctuated throughout the decade and the number of runaways is increasing. While the number of determined cases of child abuse and neglect has changed only slightly, the number of children reported as having died from maltreatment increased significantly, from three in 1998 to 28 in 1999.

Despite Minnesota’s progress on academic achievement in the 1990s and the high rankings compared with other states, there is evidence that school results need to be improved nationwide. Only about one-third of Minnesota elementary and secondary students demonstrate “proficient” mastery in national mathematics and reading tests. About one-fourth fall short of basic mastery. In a recent study by the Organization for Economic Cooperation and Development, U.S. students age 15 were ranked 15th in reading, 19th in mathematics and 14th in science out of 31 developed countries.

Troubling health trends include the continued rise in the percentage of newborns with low birth weight. Although life expectancy and premature death statistics have improved, cancer and unintentional injury continue to be the leading causes of premature death. Smoking use among adults and tobacco use among teens continue to be a concern with daily use rates of 20 and 25 percent respectively.

Minnesota has taken a lead among the states in establishing a comprehensive system of early childhood screening. This gives clear indication of commitment to the goal of healthy preschool children who enter school ready to learn. Since early childhood screening was begun, the data has indicated mixed results. However, referring children for further assessment or placing them in special education gives them a better chance to get the help they need.

Prince William County, Virginia, provides information about a possible internal explanatory factor connecting the criminal justice caseload with the adult detention center (ADC) population for five years. The report then includes a brief discussion of factors other than Criminal Justice Services (CJS) caseloads that might affect the average daily population in the ADC results.

**Comparison of ADC Population and CJS Caseload**

**Purpose:** To provide an indicator of the possible impact of the CJS case workload on the ADC population. Average daily caseload represents the average number of active clients on supervision on any given day. Average daily inmate population in the ADC is computed by dividing the total number of incarceration days by 365.

**Comparison of Daily ADC Population With CJS Average Daily Caseload**

Fiscal Year 1996 Through Fiscal Year 2000

**Trend:**
- While both the CJS and ADC workloads have grown over the five-year period from FY 1996 through FY 2000, the CJS caseload grew more—from 573 in FY 1996 to 1,008 in FY 2000 (75.9 percent). The ADC average daily population grew from 474 inmates in FY 1996 to 539 in FY 2000 (13.7 percent).

**Comments:**
- The data suggest that the growth in CJS caseload may have helped to control the increase in the ADC population. As defendants/offenders are referred to CJS pretrial and post trial programs, they can receive services that are an alternative to traditional incarceration.
- A number of other factors also impact the ADC population including: sentencing, the definition of 'state'-ready inmates and how quickly state-ready inmates are accepted into state facilities, and the movement of inmates to other programs such as work release and Peumansend Creek Regional Jail.

Reported performance information should be aggregated or disaggregated based on the needs and interests of intended users.

**Purpose**

The purpose of this criterion is to provide performance information that (1) is not misleading because it obscures or is not representative of true performance and (2) is relevant to users with different interests and needs.

**Description**

An organization should determine the appropriate level of aggregation at which to report performance information for each level of reporting based on an evaluation of the needs and interests of intended users. Reporting by geographic area (neighborhood, service district) and institutional unit (for each school, each jail, each park) is quite common. Reporting also may be presented by demographics, such as age group or gender. Generally, organization-wide indicators (aggregated) would be presented for overview and introductory summaries, with disaggregated information based on geography or demographics presented at more detailed levels. The organization should also review aggregated data to ensure that they do not obscure performance that varies greatly from data reported in disaggregated form. If there are instances where this type of variance is identified, the report should contain a discussion of the variance and a link to more disaggregated data.

**Rationale**

To effectively communicate, users should be able to understand reported performance information and how it affects or relates to them personally. For example, although state or citywide data will be of some interest to citizens, they may be more interested in performance measures that provide the crime rate, condition of roads, or student performance disaggregated by geographic area or demographic group.

Highly aggregated data may also obscure true performance. This can occur because organization-wide data can obscure the fact that certain geographic areas or demographic groups may have performance that varies greatly from the average for the organization.

Disaggregated information, especially at more detailed levels of reporting, also can provide a basis for comparisons within the population or area served by the organization, program, and service. For overview or introductory level reporting, aggregation at the organization-wide level is usually appropriate. However, this information should be considered as a beginning point.

GASB Concepts Statement 2, in its section on enhancing the usefulness of service efforts and accomplishments information, notes that “disaggregation of reported SEA information by geographical location within a jurisdiction, by operating division or facility within a department, and so forth, may be particularly helpful in enhancing users’ ability to understand performance. Disaggregation helps communication by providing information at a more meaningful level and by separating variations in performance that may be hidden by aggregation of information” (GASB 1994, paragraph 68e).

Participants in most GASB citizen discussion groups felt that although they are important, statewide, countywide, or citywide data provided an incomplete basis for citizens to use to assess performance. They said, “Citizens want to know how things affect ‘my neighborhood’ or ‘my kids.’” They saw geographic disaggregation as important, especially by neighborhood, but also by other defined geographic districts. They also expressed interest in demographic disaggregation, such as by income level or ethnic background. Participants in several GASB citizen discussion groups stated that they found reports on student achievement in each school (“school report cards”) and the entire school district to be popular and useful. Some participants noted the importance of disaggregating state health data by county, and other data by town or neighborhood (Fountain & Others 2002, p. 19).
The Urban Institute found that citizens appeared to have little interest in states’ attempts to communicate with them about state activities in the form of reports that only identify expenditure and output information. However, they found that citizens were interested in outcome data specifically about their community. To meet these needs, “the report should provide county and/or city level performance information—as well as statewide aggregate information.” In their book Making Results-Based State Government Work, the Urban Institute and the National Conference of State Legislatures recommended that “agencies and their programs should not only provide statewide aggregated data for each performance indicator, they should also provide breakout data, such as outcomes broken out by key demographic characteristics, by location within the state, and for each specific operating unit.” They note that agency personnel pointed out that, “until local data are provided, citizens and the media are much less likely to be interested, since aggregate data may not directly pertain to their scope of interest” (Liner & Others 2001, p. 47).

How to Apply

Performance reports generally should include a mix of key measures reported on a disaggregated basis and key measures aggregated to show results program-wide or organization-wide. The number of disaggregated versus aggregated measures will vary by the level (layer) of reporting detail. Reporting organizations should decide which disaggregations to provide at which levels of reporting detail. Preferably, organizations should ask report users what information they are most interested in seeing by neighborhood, by other geographic district, or by some demographic characteristic. Reporting of disaggregated information can be made more effective through the use of well-designed graphs and charts. Reporting organizations also should consider cost-effectiveness in deciding what disaggregations to report, and they are more likely to start with data they have already been collecting and compiling in a disaggregated form. Over time, they should consider adding or revising measures collected, compiled, and reported on a disaggregated basis based on report users’ needs and preferences.

Many governments collect their information on a disaggregated basis but then aggregate it for reporting purposes. In other words, many may already have disaggregated information; for example, the New York Police Department collects all of its data from the precincts but then also reports command-level, borough-level, and citywide information.

In his book Performance Measurement: Getting Results, Hatry (1999) discusses making outcome information more useful by providing “breakouts” (his word for “disaggregations”) that can reveal highly useful performance findings otherwise hidden by aggregation. On page 109 he lists a variety of different geographic breakouts that can be useful—for example:

- Neighborhood
- Areas within organizational boundaries (such as service districts or precincts)
- Political boundaries (such as electoral districts)
- Counties or cities
- Zip codes
- Regions
- States.

Disaggregating data into districts or categories multiplies the amount of data available to be reported. So it should be expected that most disaggregations will be presented at more detailed levels of performance reporting. The Internet can be a valuable medium for giving users electronic access to a wide variety of disaggregations, giving on-line report users the opportunity to select the specific data of greatest interest to them without cluttering up overview or introductory reports. For example, New York City’s data disaggregations that map fourteen indicators by various community districts are available only in the on-line version of the September 2002 Mayor’s Management Report (www.nyc.gov/mmr), not the print version. However, in previous years, when the web and print versions were the same, or when only printed reports were issued, fewer district-based disaggregations were included in the report.

The GASB Research Report, Service Efforts and Accomplishments Reporting: Its Time Has Come—An Overview, addressed the issue of how, and to what extent, individual SEA indicators should be disaggregated. Members of the advisory committee for the research expressed concern that disaggregation could be carried too far, “swamping users
of the SEA reports with too much information as well as adding cost and verifiability problems." “More disaggregation seems desirable and likely to be useful for many governmental programs and policy issues, but selectivity is needed to provide only major disaggregations in basic reports and more detail, where needed, in special backup reports” (GASB 1990, pp. 20–21).

In *Performance Measurement*, Hatry raises another form of aggregation that can be important, besides aggregation of program or service results, to show organization-wide performance. Hatry discusses the need for aggregating outcomes across a number of different projects or programs that have similar objectives, to show the cumulative impact on desired outcomes that all the programs are intended to support (Hatry 1999, p. 247).

With respect to aggregate data, in addition to reporting performance measures aggregated organization-wide for specific programs, organizations should consider reporting outcome measures that represent aggregations of multiple programs, services, or agencies that are working in the same government or organization. For example, a local, state, federal, or private resource provider may be supporting a number of projects aimed at the same set of public health outcomes in one local district, or in multiple localities or regions. Where multiple programs serve one local district, it can be useful to measure the commonly sought outcomes district-wide to assess the cumulative impact of all the programs. Where several localities or regions are served, it can be useful to add up the outcomes of each project or program across all sites to assess what total outcomes had been achieved by the total investment of resources.
Examples

The Fulton County (GA) School District report includes SAT scores for the entire district compared to state and national scores. The report then includes SAT scores disaggregated by special populations and for individual schools within the district.

Fulton SAT Scores Reach All Time High

*Six-point increase over previous year raises score to 1039*

Fulton County students have done it again! SAT results show a 6-point overall gain over 2001, marking the eighth consecutive year that Fulton's scores have increased. Fulton reported a combined verbal and mathematics score of 1039, with the mathematics score rising six points to 629 and the verbal score of 611 remaining the same.

<table>
<thead>
<tr>
<th></th>
<th>Verbal</th>
<th>Math</th>
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</tr>
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<td>526</td>
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<td>520</td>
<td>1019</td>
</tr>
<tr>
<td>National</td>
<td>504</td>
<td>516</td>
<td>1020</td>
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</table>

SAT Mean Verbal Scores by Special Populations

SAT scores for special populations
### Fulton County Schools SAT Five Year Comparison

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
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<th>Change from 2001</th>
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<td>420</td>
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<td>430</td>
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<tr>
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</tr>
<tr>
<td>Number Taking Test</td>
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<td>342</td>
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<tr>
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<td>865</td>
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<td>865</td>
<td>865</td>
<td>865</td>
</tr>
</tbody>
</table>

**Total for district, and state and national comparisons**

| **Total Fulton** | 3,519 | 3,525 | 3,520 | 3,516 | 3,517 | 3,518 |
| **Georgia** | 4,505 | 4,597 | 4,597 | 4,597 | 4,597 | 4,597 |

The city of Albuquerque, New Mexico, reports disaggregates dropout rates by high school and presents the rate for both cohort group and annually.

**What can we tell from the data?**

The District-wide 1997-98 annual dropout rate for 9th - 12th graders in Albuquerque Public Schools' eleven comprehensive high schools is 9.35 percent, with a range for the individual schools of between 8.73 and 12.68. Some return to school the next year and eventually finish high school, others do not and remain on the dropout rolls. The rate for 1997-98 reflects a steady decrease over the last five years from 12.1 percent in 1993-94. The District-wide cohort dropout rate, which includes only those students who actually left and did not enroll elsewhere, was 33.9 percent in 1997-98. As shown on the following table, in 1997-98, the range was between 3.4 and 44.7 percent. All cohort dropout rates and most annual dropout rates for all the schools were lower, some substantially lower, than for the previous year.

**Linkages**

High school dropout rates are linked to indicators of second grade reading level and developmental assets scores. They are also linked to indicators of economic vitality and probably to community building indicators also.

<table>
<thead>
<tr>
<th></th>
<th>Albuq.</th>
<th>Cibola</th>
<th>Del Norte</th>
<th>Eldorado</th>
<th>Highland</th>
<th>La Cueva</th>
<th>Mancos</th>
<th>Rio Grande</th>
<th>Sandia</th>
<th>Valley</th>
<th>West Mesa</th>
<th>District Wide</th>
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<tbody>
<tr>
<td>Annual</td>
<td>10.15</td>
<td>8.33</td>
<td>8.63</td>
<td>14.10</td>
<td>12.06</td>
<td>2.70</td>
<td>5.73</td>
<td>12.66</td>
<td>5.85</td>
<td>8.91</td>
<td>8.46</td>
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<tr>
<td>Cohort</td>
<td>40.9</td>
<td>26.0</td>
<td>23.8</td>
<td>14.1</td>
<td>26.0</td>
<td>8.4</td>
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<td>44.7</td>
<td>16.4</td>
<td>32.3</td>
<td>34.6</td>
<td>33.9</td>
</tr>
</tbody>
</table>

*Table of Dropout Rates by High School for Years 1993 - 1998*

The city of Portland, Oregon, report includes a disaggregation of citizen survey results by geographic area of the city. Groups of neighborhoods are combined into “district coalitions” for purposes of organizing engagement of citizens and neighborhood associations. The city has used the district coalition boundaries for reporting disaggregated data from surveys of citizen perceptions, as well as other selected performance measures, as displayed on maps in Portland’s annual Service Efforts and Accomplishments Report.

FOURTEEN—CONSISTENCY

Reported performance measures should be consistent from period to period; however, if performance measures or the measurement methodology used is significantly changed, that change and the reason(s) for the change should be noted.

Purpose

The purposes of this criterion are to allow users (1) to compare an organization’s performance from period to period, (2) to better understand, and be familiar with, the organization’s performance over time, and (3) to be informed of changes in measures or methodology and the reasons for those changes.

Description

Consistency in performance reporting means measuring and reporting the same measures in the same way from period to period. This will result in performance reports that have a similar look from year to year so users can expect to find measures they are familiar with and already understand when they begin to review the report. This should occur at the various levels (layers) of reporting used by an organization.

However, there are many acceptable reasons for changing measures and methodologies, such as the introduction of new and innovative techniques for measurement or performing activities, changes in program features, or shifts in external factors. The methodology for calculating a performance measure may change (for example, the criteria for scoring cleanliness of a park are revised, or examinations of parks may be conducted at different times from previous years). The manner of presentation may also change (for instance, indicators may have been reported by county in one year, but aggregated by region in the next.) Regardless of the reason, reporting organizations should fully and clearly identify and explain significant changes to users.

Rationale

The purpose of performance reporting is to communicate information about results to citizens and other users so that they will have a basis for assessing the results being achieved by the reporting organization. Consistency in reported performance measures meets two needs: (1) The effectiveness of communication is enhanced if users understand and are familiar with the measures of performance being reported. (2) Consistent reporting of measures provides a basis for period-to-period comparisons and helps give a level of comfort to users of the importance of what is being reported. However, it should be recognized that changes in goals and objectives and in methods of measuring performance occur and in many cases result in improved measures. In these cases, it is important that users understand that a change has taken place and the reason(s) for the change.

In GASB Concepts Statements 1 and 2 and in FASB Concepts Statement 2, one of the basic characteristics of financial reports identified is consistency. Consistency has always been regarded as an important quality that makes accounting numbers more useful because consistency from one period to another enhances the utility of information to users by facilitating analysis and understanding of comparative data (FASB 1990a, paragraph 120). As stated in GASB Concepts Statement 2, “SEA information should be reported consistently from period to period to allow users to have a basis for comparing performance over time and to gain an understanding of the measures being used and their meaning” (GASB 1994, paragraph 65).

GASB Concepts Statement 2 states: “SEA measures also need to be reviewed regularly and modified or replaced as needed to reflect changing circumstances” (para. 65). This recognizes that inevitably some programs, services, goals, and objectives will be modified because of changes in scope or direction, or in the service needs being addressed.

There was no disagreement among participants in the GASB field discussion groups on the suggested criteria on the need for consistency, with several participants describing how they attempt to ensure consistency in their reports. Participants also emphasized the need to alert users to changes in performance measures and changes in “methodology,” such as changes in definitions, calculation methods, or sources of data.
How to Apply

In any report that has changes in measures, significant changes should clearly be noted. Similarly, whenever there is a significant change in the definition of a measure, or in the methodology used to collect or calculate a performance measure or any of its data elements, such changes should clearly be noted even if the measure itself has not changed. Although not every reporting level may be suitable for complete explanations of changes, interested users should be able to find, in a readily accessible way, explanations of what each change is, the reason for each change, and what significant effects each change in measures, definitions, or methodologies may have on reported performance.
Examples

The state of Florida Department of Transportation reports number of lane-miles resurfaced for the current period and prior four fiscal years using a consistent measure of lane-miles resurfaced.

Consistent measure of number of lane-miles resurfaced

Statewide Performance
* The Department achieved 99% of plan, having resurfaced 1,639 of 1,711 lane miles planned. The Department advanced and resurfaced five lane miles planned for future fiscal years. Fifty-eight (58) lane miles were added and resurfaced during the year.
* For FY 1999/00, the percentage of state road lane miles meeting standards was 79%, falling short of the Department objective of 80%.

<table>
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<tr>
<th>FY</th>
<th>95/96</th>
<th>96/97</th>
<th>97/98</th>
<th>98/99</th>
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<td>1,908</td>
<td>2,216</td>
<td>1,702</td>
</tr>
</tbody>
</table>


The city of Phoenix, Arizona, report notes that the measure of crime index changed for the period starting January 2002. The report also states that this change will have a slight impact on comparisons with prior years and gives the reason for the change.

Starting with the January 2002 report, the crime index is based on a total count by crime type using Arizona Revised Statutes, rather than by specialty detail caseload. This streamlined reporting process will have a slight impact on the various crime categories and comparisons with prior years should be made with caution. The reporting standard for homicides and sexual assaults did not change. Ultimately, this improved reporting process will result in a more accurate reflection of crimes reported in Phoenix.

The Montgomery County, Maryland, report on the aging and disability services discusses changes in the calculation of expenditures used for input and efficiency measures.

<table>
<thead>
<tr>
<th>HEALTH AND HUMAN SERVICES</th>
<th>Aging and Disability Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROGRAM:</td>
<td>PROGRAM ELEMENT: Social Services to Adults (SSTA)</td>
</tr>
<tr>
<td>PROGRAM MISSION:</td>
<td>To ensure that clients receive protection and other services to prevent abuse, neglect, self-neglect, exploitation, or inappropriate institutionalization</td>
</tr>
<tr>
<td>COMMUNITY OUTCOMES SUPPORTED:</td>
<td>Individuals and families achieving their maximum possible level of self-sufficiency</td>
</tr>
<tr>
<td>PROGRAM MEASURES</td>
<td>FY99</td>
</tr>
<tr>
<td>Outcome/Results:</td>
<td>ACTUAL</td>
</tr>
<tr>
<td>Percentage of clients continuing to live in the community two years after service is initiated</td>
<td>73.3</td>
</tr>
<tr>
<td>Service Quality:</td>
<td></td>
</tr>
<tr>
<td>Average caseload (cases per staff member)</td>
<td>59:1</td>
</tr>
<tr>
<td>(State standard is 50:1)</td>
<td></td>
</tr>
<tr>
<td>Efficiency:</td>
<td></td>
</tr>
<tr>
<td>Average cost per client served ($)</td>
<td>3,161</td>
</tr>
<tr>
<td>Workload/Outputs:</td>
<td></td>
</tr>
<tr>
<td>Number of visits with clients</td>
<td>1,366</td>
</tr>
<tr>
<td>Number of collateral visits</td>
<td>1,636</td>
</tr>
<tr>
<td>Number of clients served</td>
<td>535</td>
</tr>
<tr>
<td>Inputs:</td>
<td></td>
</tr>
<tr>
<td>Expenditures ($000)</td>
<td>1,691</td>
</tr>
<tr>
<td>Workyears</td>
<td>14.3</td>
</tr>
</tbody>
</table>

Notes:
- Beginning in FY03, expenditures include personnel and operating costs; in FY01 and FY02, only personnel costs were shown. As a result, per client costs will increase in FY03.
- Starting in FY01, to reach its goal of achieving a true measure of the cost of providing services, Aging and Disability Services reevaluated and revised the input methodology to more accurately attribute staff time and salary expenditures to defined program elements.
- Staffing was reduced in FY03 due to the transfer of one position to Recreation and Assistance.

Comments on change in a measurement of expenditures used for calculating efficiency and input measures

The availability of an external report on performance and how to obtain that report should be widely communicated through channels appropriate for the organization and intended users. Performance information should be communicated through a variety of mediums and methods suitable to the intended users.

Purpose

The purposes of this criterion are (1) to ensure that a broad group of potential users are aware that performance reports are available and (2) to provide the performance information in forms that different users can access, understand, and use to reach conclusions about the results of the organization.

Description

This criterion involves widely communicating the availability of a report on performance information using a variety of methods to reach a broad section of potential users in ways that will both make them aware of the report and its content and enhance their interest in obtaining the report and reading it. The print and electronic media both can be valuable by presenting highlights from the report and providing information about how to obtain the report itself. A separate overview with a message from a high administrative officer or elected official mailed with utility bills or by e-mail to citizens who have requested this service provides another method. Of course, discussion at public meetings, over community access radio and TV, and to civic organizations also can be used to announce that a report on the organization’s performance is available and to present highlights from that report.

Once users have the report, it is important that they read and understand it. To accomplish this, a variety of mediums and methods should be used. The same mediums used to communicate the availability of the report can be used in communicating the information contained in the report. Methods of presenting the information within the report should also be suitable for the intended users. Graphs and charts that can readily be understood are one tool. Narratives that describe and help readers grasp the meaning of reported information can also be helpful, as are a number of other communication methods. Each organization should endeavor to attain a variety of communication approaches—or a “communication mix”—that are effective in engaging elected officials and many citizens about government performance, at a reasonable cost to the organization.

Rationale

If performance information is to be communicated to users, they should first become aware that such information is available and how to obtain it, and then be able to understand the information being reported. Because users have various backgrounds and process information differently, these reports should communicate the information using a variety of methods designed to meet the needs of various groups of users.

One of the criteria used by the Mercatus Center to ascertain how well federal agency performance reports inform the public about results is: “Is the report easily accessible and easily identified as the agency’s Annual Performance Report?” They also include as a criterion: “Is the report easy for a layperson to read and understand?” They describe the importance of this by stating, “Access to performance information is critical because public accountability can only be served if members of the public can actually find out what benefits an agency provides” (Mercatus Center 2003, p. 7). They go on to state, the “Annual Performance Report is a communications device directed at non-specialist audiences. Therefore, its style, language, and subject matter should reflect that purpose. It should focus on an agency’s mission, how it organizes efforts toward that end, and how much progress was made toward its achievement in the preceding fiscal year. Contents should be clear, logical, easy to navigate, and presented in such a way that their structure aids understanding. Consistent format, clarity of text, absence of jargon, minimal use of acronyms, and effective use of visual techniques like headings, graphs, tables, and photos are helpful. Details can either inform or confuse, depending on how they are presented” (p. 8).
In the GASB citizen discussion groups, “participants urged the use of multiple methods of communication with citizens about performance. Multiple communication mediums were suggested from distribution of printed information, to use of the Internet, to use of the press or other media (for example, municipal TV), to public forums. . . . Participants in several groups noted how people react differently to different styles of presenting information, and pay attention to different communication channels, suggesting that each community needs to use multiple modes of communication to get the attention of its citizens” (Fountain & Others 2002, p. 28).

The citizen discussion group report also noted that “specific details and combinations of communication approaches suggested varied by discussion group, reflecting different kinds of effective citizen communication channels in different communities.” For example, “in several discussion groups, the local major daily newspaper was seen as a good vehicle . . . but in two other discussion groups, the major press was seen as a problematic distribution source, in one case because of a lack of credibility of the paper with [those] citizens, and in another because of a lack of identity of the papers with the jurisdiction doing the reporting” (pp. 28–29). These differences in discussion groups support the need for organizations to focus on what communication channels work best for reaching the citizens in their jurisdiction, and selecting a “communications mix” appropriate for their situation.

The strong message of the GASB citizen discussion groups concerning use of multiple methods of communicating the information itself also applies to the communication of information about the availability of reports on performance information. Participants in several groups noted that not only do people react differently to different styles of information, they also “pay attention to different communication channels.” Thus, it is just as important for organizations to use a range of communication channels in making people aware that performance information is available and how it can be obtained. As one participant said, “You just can’t do enough communicating. . . . There is so much noise out there that you have to communicate something ten times for people to hear it once” (p. 28).

Another source calling for multiple ways to communicate the availability of performance information is the Urban Institute. In commenting on recommended annual reports on state government performance, the Urban Institute stated, “For these reports to be effective, citizens and citizen interest groups need to be notified that the reports are available, possibly through notices when they receive tax, vehicle, or voting information. States should also brief the media and might also place ads in newspapers throughout the state, summarizing highlights and announcing the availability of the reports” (Liner & Others 2001, p. 38).

Almost all of the participants in the GASB field discussion groups on the suggested criteria that commented on this criterion agreed with it. One suggested adding that the information should be “accessible as well as available.” Participants also suggested noting that highly detailed measures do not have to be printed if they are available to interested users in other forms.

How to Apply

Preparers should consider various approaches to communicate performance information such as on the web or in a printed report (book format), pamphlet, or brochure; or in meetings with community groups, civic associations, or advocacy groups. Each method of reporting will require careful planning.

Organizations are likely to identify effective communication methods for their community more quickly by reaching out to citizens (for example, asking them at meetings of their own groups and including questions in citizen surveys about which communications vehicles they prefer). The city of Charlotte, North Carolina, has surveyed citizens to learn the extent to which they use various sources (for example, newspapers, TV, radio, the city’s website) to obtain information about city government. This type of outreach is useful to repeat periodically, to learn how well various communication channels are working and what new ones should be considered. The same range of approaches described for communicating performance information applies to communicating the availability of performance information. Generally, less media time, space, or cost—for any given communication channel—is required to let people know a report is available than to report the performance information itself. So even more communication channels generally can, and probably should, be used for cost-effective communication of the availability of performance information than for communication of the information itself.

Organizations should consider how different methods of communication can work together to engage users. For example, brief printed “overview” reports can be widely distributed, with information calling attention to a website where interested users can find more detailed information. Similarly, information can be presented to a variety of
groups in meetings, with attention paid to selecting information likely to be of interest to each group and presenting it in a compelling way. Organizations can make such meeting presentations work with other methods of communication by, for example, offering more detailed printed reports to people attending meetings, including in these meetings demonstrations of how to use websites to obtain more information, or offering materials and instructions to attendees to enable them to hold their own meetings about the organization's performance with their neighbors or business colleagues.

Participants in the GASB citizen discussion groups stated that there are many ways to get people’s attention—for example, household mailings (on their own, or notices included in tax or utility bills), e-mail subscriptions, notification (and perhaps inclusion of part of the report) in the local newspaper(s), reports in neighborhood association newsletters, and press conferences and press releases that could generate electronic media presentations and discussions on radio and television (for example, on municipal TV). Participants also suggested holding public hearings, focus groups, and public forums to discuss the results, and taking reports and presentations to meetings of established organizations. By extension, even if discussion of results is not put on the immediate agendas of these meetings, whenever public officials attend meetings with citizens for any purpose, they can mention the availability of a new or recent performance report and how to get it. They might also provide attendees with handouts—which may contain report excerpts—providing information on how to obtain more detailed performance information in print or electronic form.

At a minimum, governments should consider presenting performance information both in printed form and on the Internet, although citizen discussion participants suggested that even more methods of communication may be needed for truly effective communication. Other electronic versions (for example, CD-ROM) may also be effective communication approaches. On the Internet and CD-ROM, multiple levels and “views” (see end of description of criterion 4) of information could be made available, while allowing users to choose the levels of detail and views they want to use. Also, on both the Internet and CD-ROM, hypertext links can be used to make varying types of information and levels of detail easily accessible. Some jurisdictions currently provide printed reports, some provide information on the Internet, and some do both (for example, Portland, Oregon, and New York City).
Examples

The state of Arizona printed report includes a description of the report organization and several ways to obtain copies of the report. The state provides information on how to obtain further information, with both the URL and a phone number.

Report Organization

The SPAR report includes, after this Introduction, three sections as follows:

I. **OSPB Findings and Recommendations (on white paper)** – The findings and recommendations on the program area are based upon the agency's self-assessment and/or responses to specific questions. The Overview provides a summary of the findings and recommendations and is followed by program funding specific to the lead agency. The balance of the report is a more thorough exam of the findings and recommendations.

II. **OSPB Appendixes (on white paper)** – SPAR program descriptions and general funding overview. The program descriptions and funding as required by A.R.S. § 41-1275(B) are included in Appendixes A and B.

III. **Agency Response (on lavender paper)** – Each agency involved in the SPAR process was invited to submit a response detailing their comments of the review.

Further Information

Copies of the individual SPAR reports are available through the OSPB web site ([www.state.az.us/ospb](http://www.state.az.us/ospb)). Copies of this report can also be obtained by contacting Benny Walter, Strategic Management Analyst, at the OSPB office (602-542-5381). She can respond to general questions about the SPAR process. For additional information about the specific areas related to this SPAR, readers should contact the appropriate person from the agency, or OSPB. These contacts are listed in the table below.

(Source: State of Arizona, Governor’s Office of Strategic Planning and Budgeting. *Special Education Strategic Program Area Review (SPAR)*. January 2002. Electronic version accessed December 2002 from [www.state.az.us/ospb](http://www.state.az.us/ospb))
The New York City Mayor's Management Report includes a description of how the report has been changed, detailed information on where to find the report on the web, and a note that it is also available through City Store (both the phone number and the URL for the website are provided). This is followed by a user guide on how to read and use the report.

THE MAYOR’S MANAGEMENT REPORT ON THE INTERNET

The information below is now accessible on the Internet at NYC.gov/MMR.

The Mayor's Management Report (MMR) has been reorganized and enhanced in an effort to report results that matter most to City residents. The Fiscal 2002 MMR includes a streamlined print report and web-based information. In the past, the information provided on the Internet was identical to the print report. This is not the case for the Fiscal 2002 MMR. While the Internet captures fully the print version of the document, the web also contains supplemental information. This additional information includes updated agency performance status, measurements that were reflected in the Preliminary Fiscal 2002 MMR, released on 28, 2002, but are no longer a part of the printed version. A second important web-based feature is the availability of neighborhood mapping of selected measurements. Finally, detailed information is provided on the Internet for each performance measurement included in the print report.

The following links are available:

Fiscal 2002 Mayor's Management Report (MMR) - covers 41 agencies and over 800 performance indicators (also available in print);

Fiscal 2002 MMR Executive Summary - describes changes and enhancements to the Fiscal 2002 MMR (also available in print);

Supplementary Indicator Tables - Provides data for all indicators included in the Preliminary Fiscal 2002 MMR;

Indicator Definitions - provide description and source of each performance indicator in the printed Fiscal 2002 MMR;

My Neighborhood Statistics - a pilot feature which maps selected performance indicators by neighborhood using a street address or intersection;

MMR Archives - Fiscal 1997 through Preliminary Fiscal 2002 MMRs.

The Mayor's Management Report is also available through CityStore (212-669-8246; NYC.gov/citystore).
3. Leveraging Technology — Mapping Performance in Neighborhoods

Residents want to know what’s happening to City services in their neighborhood, and how their community is faring compared to others. Technological advancements made since the original launching of the MMR, such as the development of geographic information systems and the proliferation of Internet use, now make public presentation of neighborhood-level information possible. For the first time, citizens will be able to view locally mapped performance statistics through the use of the City’s website. This Internet application will allow users to quickly display community information based on a specific street address or street intersection (Figure 2).

Access to the report on New York City’s website

Figure 2

---

Neighborhood Statistics

Click on statistic name to view citywide performance map(s). Click on map to:

- Refresh Statistics
- Community Boards
- Zoom In
- Police Precincts
- Zoom Out
- School Districts

Redraw map based on:

- Brooklyn Community Board #14 (Fiscal 2002)
- Acceptably Clean Streets (%) 75.4%
- Acceptably Clean Sidewalks (%) 88.4%
- Small Parks — Acceptable Conditions (%) 80%
- Small Parks — Acceptably Clean (%) 85%
- Structural Fires 544
- Public Assistance Recipients 10,543

Brooklyn Community Board #14 (Calendar 2001)
- Childhood Lead Poisoning Cases Reported** 42
- Infant Mortality/1000 Live Births 7.9

Police Precinct #70 (Fiscal 2002)
- Total Major Felonies* 3,669
- Murders and Non-Negligent Manslaughter 13

Community School District #21 (School Year 2001-2002)
- Certified Teachers (%) 89%

Notes:
* Data is preliminary and subject to further revision.
** New cases requiring environmental intervention for lead poisoning.
**MMR User’s Guide**

**DEPARTMENT OF PARKS AND RECREATION**

Adrian Benepe, Commissioner


---

### Key Public Service Areas
- Maintain a green, clean and safe park system and urban forest for all New Yorkers.
- Strengthen the infrastructure of New York’s park system.
- Provide recreational opportunities for New Yorkers of all ages.

### Critical Objectives
- Optimize the overall condition and cleanliness of park facilities and playgrounds.
- Maintain drinking fountains, comfort stations and spray showers.
- Plant and maintain street and park trees.
- Restore and preserve natural areas, monuments and historic houses.
- Build and renovate parks and playgrounds.
- Operate seasonal beaches and pools.
- Increase attendance at recreation centers and programs.

---

#### Performance Report

- Maintain a green, clean and safe park system and urban forest for all New Yorkers.

#### Description of how to use this report

1. **Easily Recognized Icon** appears on every page of the agency section for fast reference.
2. **Agency Internet Address** provides further information about programs and services.
3. **Key Public Service Areas** - a listing of what an agency does on a daily basis that impacts City residents.
4. **Critical Objectives** - a listing of what an agency expects to accomplish with regard to its Key Public Service Areas.
5. **Scope of Agency Operations** - a quick definition of agency services, facilities and resources.
6. **Performance Report** - explains whether an agency is achieving its Critical Objectives.
7. **Web Maps** - for selected performance measures, neighborhood-level online maps can be found at nyc.gov/myneighborhoodstats.
8. **Performance Statistics** - statistical measurements of agency results.
9. **Targets** - projected levels of performance. An asterisk means no target is available.
10. **Boldface** means a statistic is new.
11. **NA** - although the statistic has appeared in prior editions of the MMR, data for certain years is not currently available.
12. **Charts** show trends over time, or other comparisons (such as borough by borough, or NYC vs. the nation) related to services.
13. **Agency Resources** - an overview of an agency’s current and historical resources which affect performance.

---

**Parts Rated “Acceptable” for Overall Condition**

<table>
<thead>
<tr>
<th>FY02</th>
<th>FY01</th>
<th>FY00</th>
<th>FY99</th>
<th>FY98</th>
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<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
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**Parts Rated “Unacceptable” for Overall Condition**

<table>
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<th>FY99</th>
<th>FY98</th>
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<tbody>
<tr>
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**Parts Rated “Inadequate” for Overall Condition**

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<th>FY00</th>
<th>FY99</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

**Spray stations in service (as measured only)**

- 100%
- 100%

---

**Newly opened within 30 days of service request**

- 57%
- 59%
- 59%
- 59%
- 59%

---

**Performance Statistics**

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>FY02</th>
<th>FY01</th>
<th>FY00</th>
<th>FY99</th>
<th>FY98</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations (in millions)</td>
<td>$177.7</td>
<td>$193.5</td>
<td>$218.1</td>
<td>$224.2</td>
<td>$224.3</td>
</tr>
<tr>
<td>Revenues (in millions)</td>
<td>$415</td>
<td>$417</td>
<td>$471.9</td>
<td>$504.9</td>
<td>$542.5</td>
</tr>
<tr>
<td>\textit{Current Target}</td>
<td>\textit{Bold indicates new statistic, &quot;NM&quot; means not available in this report}</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Revenues (in millions)</td>
<td>$415</td>
<td>$417</td>
<td>$471.9</td>
<td>$504.9</td>
<td>$542.5</td>
</tr>
<tr>
<td>Capital construction (in millions)</td>
<td>$199.6</td>
<td>$175.4</td>
<td>$145.3</td>
<td>$288.9</td>
<td>$193.3</td>
</tr>
<tr>
<td>\textit{Capital Construction (in millions)}</td>
<td>\textit{Bold indicates new statistic, &quot;NM&quot; means not available in this report}</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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**Authorized budget level**

- 7,500
- 7,134
- 4,239
- 2,589
- 1,774

---

Performance information should be reported on a regular basis (usually annually). The reported information should be made available as soon after the end of the reporting period as possible.

**Purpose**

The purpose of this criterion is to ensure that organizations report performance information on a regular and timely basis so such information can be used as a key part of the decision-making and accountability processes.

**Description**

This criterion recognizes that performance information should be reported on a regular and timely basis. However, the organization issuing the report and users of that report are the ones who will determine whether the report meets this criterion. Therefore, the report should provide a basis for assessing whether it is issued regularly and in a timely manner. The report should provide information about the period covered by the report and for each performance measure. If reporting for all or part of the organization is less frequent than annually, the reason for choosing a less-frequent period should be discussed. The report should also include the date of issuance of the report.

**Rationale**

In order for performance information to be valuable and useful to users for assessing accountability and making decisions, the information should be timely and be received by users on a regular basis. Normally, an annual performance report that is available soon after the end of the reporting period (say, within four to six months) should be sufficient to meet the needs of decision makers.

Participants in the GASB citizen discussion groups discussed the frequency of communication of performance information. Several spoke of the importance of annual reporting, but another thought the reporting cycle should be the same as that used for the budget. Generally, participants suggested annual or biennial reporting cycles consistent with periods when the organization’s information would be updated and accessible (Fountain & Others 2002, p. 33).

In GASB Concepts Statements 1 and 2, one of the six basic characteristics of government financial reports is timeliness. As stated in Concepts Statement 2, “SEA information should be reported in a timely manner so that it will be available to users before it loses its capacity to be of value in assessing accountability and making decisions” (GASB 1994, paragraph 64).

The Urban Institute recommends annual state performance reports to citizens. Its *Making Results-Based State Government Work* concludes that “accountability to citizens is the ultimate accountability. Providing regular information to a state’s citizens about the progress being made in addressing problems important to those citizens is key” (Liner & Others 2001, p. 38).

In its *Sustainability Reporting Guidelines*, the GRI refers to the annual reporting cycle as the norm but notes that more frequent reporting may be needed in certain circumstances. They recommend that the reporting period used be clearly indicated and reasons given if the period is less frequent than annual. They also note that the reports should be issued on a regular cycle (GRI 2000, p. 18).

**How to Apply**

To meet this criterion, the organization first should carefully assess the benefits of preparing the report annually, or more or less frequently, and reach a conclusion about the frequency at which it intends to report. This assessment should consider the needs of the various users of the report as well as the processes of collecting and reporting data. Then, the organization should carefully consider how to ensure that necessary data are available and can be processed for timely report preparation. Finally, the organization should develop a plan with a goal for issuing the report at a specific time each reporting period. In scheduling publication dates, consideration should be given to important dates in public decision processes, such as budget deliberations.
Some governments have recognized the need for timely information for decision making by having agencies report at least some performance data more frequently than once a year. For example, the state of Texas requires quarterly reporting of agency inputs and outputs to the legislature but annual reporting of outcomes. The state of Wyoming must present the annual performance report to the governor and legislature by December 1 of each year, five months after the end of the fiscal year. Some governments (for example, New York City) issue interim performance reports during the fiscal year, with partial-year results and projections of annual results, which are then available for use in the annual budget process. If these organizations reported performance only on an annual basis and used their fiscal year as the reporting period, current-year performance data would not be available for their annual budget debate, as elected officials generally try to pass the next year’s budget before the current year is over. Some governments that pass two-year budgets generally have annual appropriations processes, for which interim performance reports are useful before an annual or biennial report is ready.

When local governments report performance information, it is not uncommon for them to use an annual reporting period linked to their annual financial reporting period, or fiscal year, as do Portland, Oregon, and Prince William County, Virginia. However, some organizations use a biennial budget cycle and may find that issuing performance reports annually is too frequent to justify the costs. These organizations may decide to issue biennial performance reports. However, the data they report still should reflect two years of annual results for the organizations, programs, and services reported, except in special cases where annual data are not available (for example, citizen surveys conducted biennially). Annual data should be reported because even if biennial budgets are used, organizations still work on a fiscal-year basis, and many report users will think in terms of yearly performance. If an organization decides to issue performance reports less often than annually, the reason for using this reporting period should be stated.

In reporting performance, it is also important to consider the complexity of certain programs or services for which desired results may take several years to achieve. In this case, “initial” and “intermediate” outcome measures, rather than “final” or “long-term” outcomes, can be used to monitor the program and see if it is making expected progress toward the long-term objective.

In some jurisdictions, especially larger, more complex ones, it can be useful for programs or agencies to issue their own performance reports separately from the organization as a whole. For example, the Urban Institute and the NCSL recommended this approach for state governments (Liner & Others 2001, p. 39). In these cases, the program- or agency-specific reports could be based on different schedules from the organization-wide report (for example, annual versus biennial, or by federal fiscal year for programs that are mostly federally funded).

Multnomah County, Oregon, presents another reporting model. The county’s Service Efforts and Accomplishments Report covers a different group of county agencies every year, with at least two years of annual data reported for each agency. In a two-year cycle, all major and critical programs are reported (Multnomah County Auditor’s Office, 2002).

Organizations can use the Internet to keep users up-to-date on many performance measures on a more frequent basis than with formal printed reports. For example, they might issue annual or biennial print reports with full interpretations and explanations provided, while updating data for performance measures on their website quarterly, semiannually, or annually.
Examples

Note: This criterion can be met by the action of the organization in reporting on an annual basis and soon after the end of the reporting period. These examples go beyond that and explain the frequency of the report and its due date.

The Multnomah County, Oregon, report provides a description of the report’s frequency, saying that the report includes information about social and health services one year and public safety the next.

(Source: Multnomah County Auditor’s Office. Multnomah County Service Efforts and Accomplishments Report Public Safety FY 2001. February 2002.)
The state of Wyoming performance report includes an excerpt from the state statute explaining that annual performance reports should be presented to the governor and legislative service office on or before December 1 of each year.

28-1-115. Submission of state agency plans to legislature; contents; purposes.
   (c) Each agency shall submit by December 1 of each year an annual performance report to the governor with copies to the legislative service office to provide a basis for evaluation of attainment of agency goals and objectives in the agency's plan developed under subsection (a) of this section. The report shall be included as part of the annual report required by W.S. 9-2-1014(a).

The District of Columbia Performance Accountability Report states that a year-end report on the performance of individual agencies must be submitted to Congress no later than January 15 (fiscal year ends September 30) and that the government-as-a-whole performance report is due no later than March 1.

The District of Columbia 2001 Performance Accountability Report provides the United States Congress and the Council of the District of Columbia with a year-end report on the performance of individual District agencies and the government as a whole against the goals and performance targets established at the start of FY 2001. In addition, the report provides results against 26 agencies fiscal year 2001 scorecard goals.

Timeliness of Report
Pursuant to the GMAA Amendments Act of 2000, individual agency performance accountability reports are now due to Council no later than January 15. The District's consolidated performance accountability report is due to Congress no later than March 1. After failing to meet both of these deadlines in submitting its FY 2000 reports, the District took several steps to ensure the FY 2001 reports were submitted in a timely manner. In particular, the District:

• **Set a Single Reporting Period:** In 2000, the District had a mix of fiscal and calendar year goals and measures that extended the reporting period to December 2000, making the January 2001 Council deadline impossible to meet and compromising the Congressional deadline as the District completed reports for Council during February-March 2001. The District set the reporting period for all 2001 performance results to a fiscal year basis primarily to make reporting more consistent across all agencies but the September 30 fiscal year end-date also provides agencies with several months to review and report their year-end results.

• **Accelerated the Delivery of Guidelines:** The Office of the Deputy Mayor/City Administrator (OCA) incorporated the Performance Accountability Report instructions into the FY 2003 Budget Instructions. As a result agencies received guidelines for reporting year-end data in early October, six-eight weeks earlier than the FY 2000 reporting guidelines were prepared.

• **Developed a Goals and Measures Database:** During summer 2001, OCA and the Office of Budget and Planning (OBP) developed specifications for a performance goals and measures database. During fall 2001, OBP designed the database and populated it with the goals and measures published in the FY 2002 Proposed Budget and Financial Plan. As a result, agency performance reports were more easily prepared and the District has established a tracking system to document changes to goals and measures in future years.
