

**CASE STUDY:
STATE OF ILLINOIS**

**EMPHASIS ON ACCOUNTABILITY
AND MANAGING FOR RESULTS**

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GASB SEA RESEARCH CASE STUDY

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GASB SEA RESEARCH CASE STUDY

State Of Illinois
Emphasis on Accountability and Managing for Results

EXECUTIVE SUMMARY

The [State of Illinois](#) has renewed its interest in performance measurement and is developing a strategic management system for use across the government. There is a bipartisan approach to improving accountability and managing for results in the state particularly from within the executive branch.

The state has two elected officials that are leading the campaign for performance measurement within the executive branch. These individuals are the [Governor](#) and the [Comptroller](#). The legislative branch has also expressed an interest in accountability through the introduction of the Agency Performance Review Act (HB0067) in the 1999 legislative session of the current general assembly. This bill has been referred to committee.

The state of Illinois is an experimental site for the Service, Efforts and Accomplishment (SEA) reporting encouraged by the Governmental Standards Board. The [state's Comprehensive Annual Financial Statement](#) has included SEA information since fiscal year 1997.

The Office of Strategic Planning and the Office of Statewide Performance Review were established in 1999 by Executive Order of the Governor to facilitate the performance-measurement movement. These offices work cooperatively to provide a comprehensive performance review of all agencies and to train the staff within the agencies about performance measurement.

The Office of Statewide Performance Review works cooperatively with the Office of the Comptroller in publishing *The Public Accountability Report*. This report realizes a goals of the SEA experimentation project by (1) making government more results-oriented; (2) increasing public awareness of the efficacy of State government programs; (3) facilitating informed decision-making on the allocation of State resources; and (4) increasing accessibility to information on state government programs¹

The Office of Strategic Planning integrates strategic planning with quality issues, performance planning, outcome-based budgeting, and performance monitoring and reporting. This comprehensive approach is new in the State of Illinois. Therefore, the effects from the efforts of this office are minimal. Many agencies and programs have used and reported performance measures for many years. In some cases the performance measures provide indications of the quality and outcome of the programs and agencies. Most of the performance measures, however, are merely output or workload measures.

The [Auditor General's Office](#) performs performance audits of state agencies and programs. These audit reports are provided to the legislature and to the media. The legislature seems interested in obtaining information about the performance of a program or agency. In 1999, the [House of Representatives](#) introduced the Agency Performance Review bill (HB0067) requiring each state agency to develop operational plans and standards for measuring agency/program

¹ Office of the Comptroller, State of Illinois, (1999). [The Public Accountability Report](#). p ii-iii.

success each fiscal year. There is similar interest in the [Senate](#). Currently, HB0067 remains in committee. It is not possible, however, to determine if legislative decisions are made using the performance information.

Some elected officials, members of the executive staff, and others outside of the government express pessimism about performance measurement in the State of Illinois. They cite the different culture and political interests of the constituents of the government as the major obstacle.

This may be changing. The [Governor](#) appears interested in performance measurement as is evidenced by the establishment of key offices to promote performance measurement. The recent legislative action of HB0067 is also positive. While the performance measurement initiative in the State of Illinois is relatively young, the outlook is bright. One reason for the optimism is that a key ingredient exists that is typically identified as required for a performance measurement or any new initiative to be successful—the leadership of both the executive and legislative branches promotes and is interested in performance measurement.

TYPES OF PEOPLE INTERVIEWED AND THEIR ORGANIZATIONS

Interviews were conducted with elected officials within the executive and legislative branch, staff of executive elected officials, agency directors, administrators within the executive branch, and a member of the media. The names, titles, and organization of these individuals are indicated in Table 1 below:

Table 1: Individuals Participating in Case Study

Interviewee/Official	Title	Organization
Mike Hoffman	Project Manager, SEA	Comptroller
Ann Sundeen	Assistant Comptroller, Fiscal Policy	Comptroller
Jim Dimas	Administrator of Strategic Planning and Performance Management	Department of Human Services
Bruce L. Bullard	Assistant Director, Financial/Compliance Audits	Auditor General
Robert D. Brock	Director, Research & Fiscal Information	Comptroller
James F. Schlouch	Director, Performance Audits	Auditor General
Tom Loobey	Director/ Financial & Compliance Audits	Auditor General
Daniel G. Harris	Budget Director	Department of Economic Security
Rick Larison	Director	Office of Statewide Performance Review
Ed Harmeyer		Office of Statewide

Interviewee/Official	Title	Organization
		Performance Review
Thomas R. Herndon	Director, Office of Strategic Planning	Office of the Governor
Steven J. Rauschenberger	State Senator, 3 rd District, Chair Senate Appropriations Committee	State Senate
Anthony Man	Bureau Chief	Lee Enterprises News Bureau

OVERVIEW AND RELEVANT BACKGROUND

The constitution of the State of Illinois requires the election of six executive branch officers by the citizens of the state. These officers are the (1) [Governor](#), (2) [Lieutenant Governor](#); (3) [Secretary of State](#); (4) [Attorney General](#); (5) [Comptroller](#); and (6) [Treasurer](#). This constitutional requirement does nothing to ease partisan politics. However, it may prove beneficial to the state's performance-measurement initiative.

The State of Illinois, through the Office of the Comptroller, voluntarily agreed to participate in the GASB experimental initiative designed to introduce Service Efforts and Accomplishment (SEA) information to state financial reporting. This reporting was included in the state's *Comprehensive Annual Financial Report for the fiscal year ended June 30, 1997*, and continues to be developed and included in each fiscal year's [Comprehensive Annual Financial Report](#). The goals established in the CAFR are realized in the Public Accountability Project that seeks to (1) make government more results-oriented; (2) increase public awareness of the efficacy of State government programs; (3) facilitate informed decision-making on the allocation of State resources; and (4) increase accessibility to information on state government programs². The findings from the Public Accountability Project were reported in the [Public Accountability Report](#) in 1999.

In addition to the SEA information included in the CAFR, the Office of the Comptroller published three primary and complementary short-term goals for the SEA project in fiscal year 1998. The goals are (1) institutionalization of SEA reporting; (2) greater integration of financial and SEA information; and (3) broader coverage of SEA reporting. The Office also published *Procedure Bulletin No. 47, Service Efforts and Accomplishments Reporting*, which provided a general procedure on SEA reporting. This bulletin was issued along with the *Statewide Accounting Management System (SAMS) Manual*.³

² Office of the Comptroller, State of Illinois, (1999). *The Public Accountability Report*. p ii-iii.

³ *The Executive Summary* for the Fiscal Year 1998 Financial Activity.

In November 1998, the citizens of the State of Illinois elected a new Republican governor and lieutenant governor and a Democratic comptroller along with a split legislature, a Republican majority Senate and a Democratic majority House of Representatives.

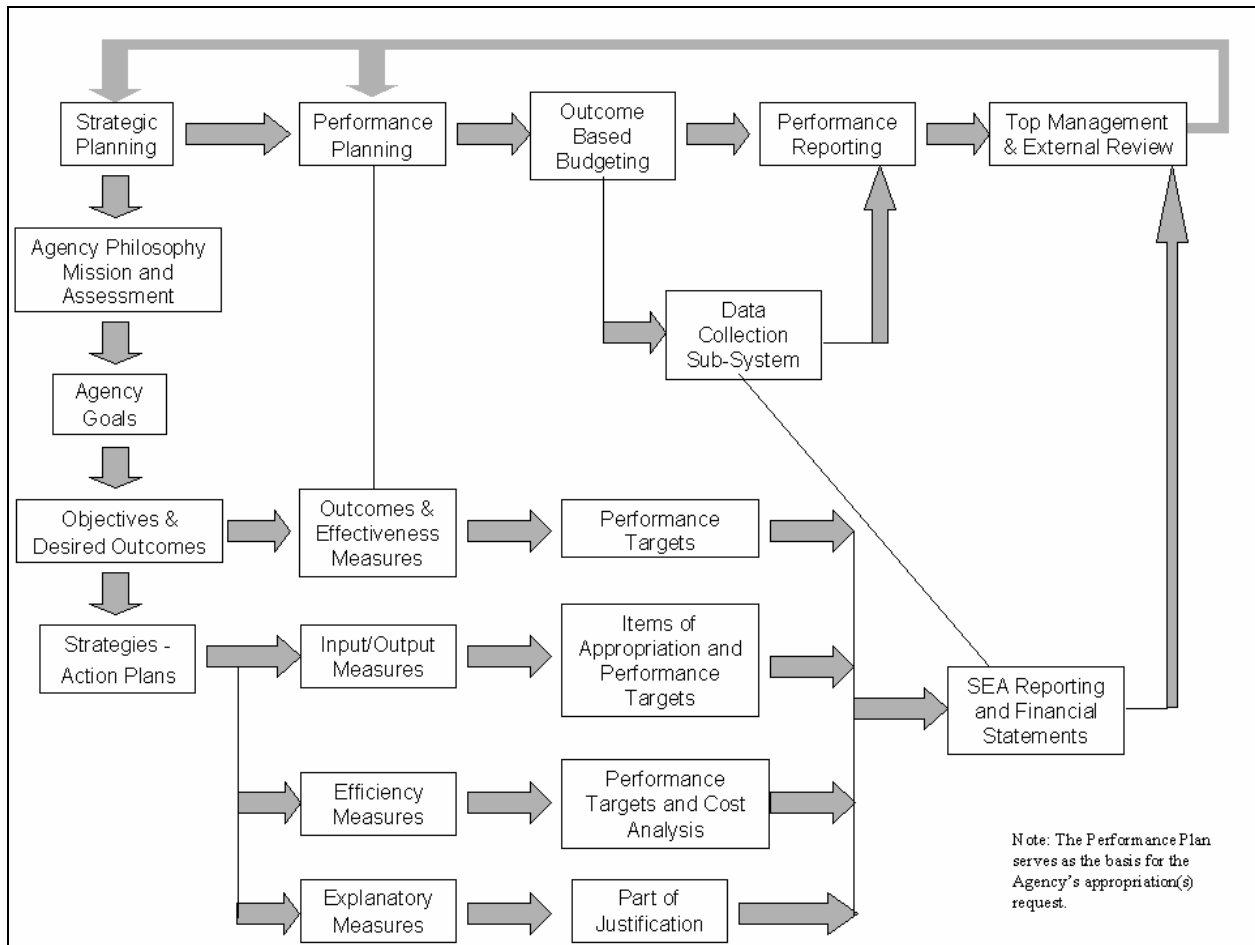
Within months of taking office, on March 10, 1999, Governor Ryan issued Executive Order Number 7 creating the Office of Statewide Performance Review. The purpose of this office is to conduct a comprehensive review of each program of every state agency under the Governor's jurisdiction and evaluate the agencies to determine if changes are necessary to improve the quality, scope, and efficiency of program services.

Executive Order Number 7 also created the [State Government Accountability Council](#). The Governor appointed the Lieutenant Governor to coordinate efforts to review all state programs reporting to the executive to ensure efficient administration of services and programs. All programs and related laws and regulations are subject to review. Reviews are designed to make state government more responsive to the needs of the public by (1) eliminating unnecessary duplication; (2) discontinuing obsolete programs; (3) easing overly costly or burdensome regulation; and (4) ensuring that rules are clearly written. The Council membership includes 25 individuals from academia, the private sector, and government. The State Government Accountability Council works with the Governor's Statewide Performance Review and Strategic Planning offices to conduct performance reviews and to establish good government strategies for the future. An initial report is now available from the [Government Accountability Council](#).

The Office of Strategic Planning was created on March 10, 1999, by Executive Order Number 8. The purpose of the Office of Strategic Planning is to integrate strategic planning with quality issues, performance planning, outcome-based budgeting, and performance monitoring and reporting. These components are essential to the strategic management system for the state, which is illustrated in Figure 1, titled *Strategic Management System*.

The Office of the Comptroller and the Governor's Office of Strategic Planning work together to produce an annual report on the agency's performance within their statutory missions. The Office publishes the [Public Accountability Report](#), which includes *The Public Accountability Report*, providing written communication about the results and outcomes of the programs and services offered by the largest state agencies. The report presents quantifiable [indicators of these programs' accomplishments](#) as well as measures of their efficiency in delivering their results.

Figure 1: Strategic Management System



Source: *A Trilogy of Planning Circulars Covering Concepts, Principles, & Practices of the Office of Strategic Planning*

FINDINGS

The findings of this case study are obtained through face-to-face interviews using a semi-structured interview instrument, in addition to the collection and review of relevant documents provided by the State of Illinois. This information is organized around three themes that provide a basis of understanding performance measurement in Illinois. These themes are (1) people and their roles; (2) uses and effects of performance measurement; and (3) implementation and use of performance measures.

PEOPLE AND THEIR ROLES

Who have been involved in initiating, developing, and using performance measurement, and how have they been involved?

Elected members of the legislature and executive branches, as well as appointed and administrative executive staff, are active in the performance-measurement movement in Illinois. The roles and level of participation differ between the branches, among elected officials, and within the administrative positions of the executive branch. Nevertheless, there is a general agreement that the performance-measurement initiative is positive for the state. The differences

among and between individuals involve perspective, perceived purpose, and areas of personal interest.

The legislature participates in the performance-measurement initiative in several ways. The Auditor General reports to the legislature and performs compliance audits of state programs. The [Auditor General's Office](#) also engages in performance audits separate from compliance audits. Auditors are encouraged in all audit activities to be attentive to statutory mandates and management activity, and to provide comments and observations about issues that impact the performance audit.⁴ At the time of this study, the findings of a compliance audit were released to the media that indicated one department had appropriate performance measures demonstrating a problem with code compliance for that department.

In general, however, use of performance measures within the legislature is difficult to assess. Legislators were not clear as to whether they actually used performance-measurement data, and in some cases did not seem sure that performance measures even existed related to certain agencies. For example, the [Department of Transportation](#) was cited as having performance information about contractors and road materials, but there was no mention of measures that provided information about the agency's performance. This observation seems to be supported by the introduction of the Agency Performance Review Act (HB67) in the 91st General Assembly (1999). This act would require each state agency to develop operational plans and standards for measuring agency/program success each fiscal year.

The Governor has demonstrated an interest in improving state government performance as well as requiring that agencies be more accountable to the public. The [State Government Accountability Council](#) and the Governor's Statewide Performance Review Office were created to improve and/or prompt efficiencies in state agencies. And the Office of Strategic Planning was established to maintain the state's strategic management system. These three organizations work together to promote accountability and improve results in state government operations. Beginning fiscal year 2001, agencies that have new initiatives requiring state funding must provide outcome indicators during the budget process.

The [Comptroller](#) is heavily involved in the performance-measurement effort in Illinois. That this is an elected position provides visibility and leadership for this initiative and could provide an incentive for other elected officials to support and participate in these efforts. The Office of Comptroller received a copy of the survey designed by the [Governmental Accounting Standards Board \(GASB\)](#) and the [National Academy of Public Administrative](#) in 1997. The purpose of this survey was to collect information about the current use and reporting of performance measures by state and local governments. In June 1997, the Office of the Comptroller commissioned a study to assess the "state of the art" of results measurement in the State of Illinois⁵.

As noted earlier, Illinois' Comptroller is an elected position. The Office of the Comptroller has provided leadership in communicating performance information in the *Comprehensive Annual Financial Report* since fiscal year 1997. One of the priorities of the office is to improve the amount and quality of information on performance and measurement in state government. The office noted that performance management and reporting provisions, requirements, or expectations exist in Illinois code and that actions to accommodate the intent of these statutes has

⁴ From Introduction to *Audit Guide for Performing Compliance Audits of Illinois State Agencies*. (1998).

⁵ Letter dated June 1997 from Loleta Didrickson, Comptroller to Agency Heads.

improved from very informal, voluntary participation to more formal reporting requirements of all state agencies.⁶

Many executive agencies and offices have used performance measurement for many years. This is the case with social-service programs and agencies and the Department of Transportation. In social-service programs, the performance measures used are primarily workload measures, although some outcome measures have been developed. For example, performance measures for the Welfare-to-Work program have become particularly outcomes-focused. And indicators are measured over short periods of time, typically 13 weeks. This is relatively short considering the need to provide training for a lifetime of employment. In the Department of Transportation, cost comparisons and benchmark data from other states are used to assess performance. And the department has included performance measures in contractual agreements engaging service providers for many years. Performance measures in contractual agreements are included in the terms of the contract as deliverables that must be provided prior to receiving payment.

It is evident that there is growing interest regarding performance measurement within the executive branch. The Governor is a primary champion of the performance-measurement initiative in the state. This is evident by the recent establishment of two offices and a council to focus on the performance of state government departments, agencies and programs. The Comptroller is also leading the performance-measurement movement in the state through participation in the [GASB SEA Project](#). The Comptroller encourages agencies and programs to develop performance measures in concert with their established goals and objectives. Further, the Comptroller is advocating the establishment of standards for agencies to report regarding their performance.

USES AND EFFECTS OF PERFORMANCE MEASUREMENT

Comments under the two questions below contrast “intended and expected” uses and effects of performance measurement with “actual” uses and effects to date. While not all “intended and expected” uses and effects have been realized, several interviewees noted that performance measurement (as currently implemented) is still relatively new in Illinois, so some of these intended uses and effects may yet develop.

What intended and expected uses and effects of performance measurement were articulated?

What actual uses and effects of performance measurement were identified?

Introduction to Use of Performance Measures

The intended use of performance measures differs between the legislative and the executive branches in Illinois. Within the executive branch, the purpose for the performance-measurement movement is also articulated differently up and down the organization. At the executive and department-director level, there is general agreement that performance measurement is intended to improve the performance of government. Yet, within departments, there are different perceptions about the reason for performance measurement. These perceptions vary from staff believing in the need for explaining how funding is used or understanding the true cost of programs, to improving performance, communicating program results to the legislature to prevent funding reductions, and communicating about performance to the public at large.

⁶ Ibid, 1.

The Office of Strategic Planning published three circulars that clearly explain the intended purpose of performance measurement. Performance measurement is a component of the state's Strategic Plan, which calls for linking the strategic plans to outcome-based budgeting, the collection of data to demonstrate progress, and performance measurement and reporting. The strategic plan and related components mentioned above occur within a Strategic Management System framework. The Strategic Management System is mandated by executive order and has two focuses: (1) accountability; and (2) managing-for-results. Managing-for-results is a synonym for performance measurement that means "the purposeful use of resources and information to achieve and demonstrate measurable progress toward agency and program goals" (Wholey, 1999).⁷

The executive's centralized performance-measurement initiative began with the creation of the Office of Strategic Planning, the State Government Accountability Council, and the Governor's Statewide Performance Review Office in March 1999. This effort is young but has ambitious plans to provide training and assistance to agencies and to institute a comprehensive performance measurement system in the government.

Several agencies have been active in developing, collecting, using, and reporting performance information. The [Department of Transportation](#) is often listed as a department that provides performance information regarding contractors and materials. The social-service agencies use performance information for reporting and monitoring program performance. Much of the social-service agency data is caseload information, such as number of cases initiated and ongoing, time required to closing cases, and so forth. Such information is not truly indicative of program results, but rather program activities.

Resource Allocation and Other Decisions

Intent and Expectations

The general consensus of those interviewed is that performance measurement can be beneficial to the state. However, there is concern about agreement on the goals and desired outcomes of agencies and programs, and that it is goal attainment that should be measured. This concern seems political rather than academic. Generally, those interviewed expressed the hope that performance measures would be used to determine where resources are most needed.

Actual Use

The budget process that was described during these interviews seems to indicate little use of the performance information that is currently generated regarding appropriations. The Bureau of the Budget located within the executive branch drafts the budget. It provides expenditures for the last fiscal year and then projects program growth and expansion to determine changes necessary for next year's budget. The budget process takes advantage of economic models that would include cost of living indices, program trends found in other states, caseload growth, and payment for group health insurance. One interviewee stated that the budget is formulated "using a consumption model, not an output or outcomes model." The primary "measures" used by the

⁷ As quoted in *A Trilogy of Planning Circulars Covering Concepts, Principles, and Practices of the Office of Strategic Planning*. (1999).

Senate Appropriations Committee during budget deliberations are the budget base (comparison of budget requests with last year's spending), the cost of living adjustment required, and the consumer price index.

Some previous attempts to link performance measurement with the budget format to impact decision making were made by the Bureau of the Budget. These attempts were not successful, however. Two reasons given for the lack of success of such attempts include (1) lack of support or interest by the leadership; and (2) the difficulty of verifying performance data. For example, while performance measures are used and reported by the Department of Transportation, there is no evidence that these performance measures come into play for decisions made farther up in the administration or throughout the budget deliberation process (that is, by the Bureau of the Budget, the Governor, or by the legislature). And, for instance, executive departments compare leased costs to regional standards and monitor the employee benefits program with that of the private sector. Yet, most performance measures related to program costs that are used in the budget process are fairly crude. The departments of Education and Human Services, for example, use caseloads and caseload cost as their primary measures of performance.

Effect of Use

There has not been a measurable result in terms of dramatic allocation changes or trends realized from using performance measures in the budget process. In fact, the recent attempt to present performance measures in the budget may make the linkage more difficult in the future. Doomsayers often discount new initiatives when previous similar attempts at reform have failed. There is also a perception among many individuals that the State of Illinois is not interested in allocating resources based on anything other than political factors.

Strategic Planning, Performance Monitoring, and Performance Improvement

Intent and Expectations

As indicated above, the published purpose for using performance measurement is to demonstrate progress towards agency and program goals. Most individuals interviewed in Illinois expected performance measurement to help guide decision making that would then result in more effective performance and use of resources by government agencies and programs. Nonetheless, the general consensus of those interviewed regarding the purpose of the performance initiative in Illinois is to make government and its operations more efficient.

There was concern expressed that some agencies are better suited to performance measurement than others. There was a sense that some agencies would be able to report higher quality and better performance than other agencies.

Actual Use

The departments that use performance measures for monitoring and improving performance primarily use input measures. Some output measures have been developed. The Department of Transportation makes extensive use of output measures to compare performance standards with payment types for improving the performance of the department. Performance measures used by the Department of Transportation are concerned about the cost of operation. A management audit by the [Auditor General's](#) office provided benchmarking data from other state transportation departments, to contrast with measures of performance in purchasing and contracting.

Often performance measures are developed, collected, and reported but not used to improve programs. This is illustrated by the case identified in a recent state audit of the [Department of Children and Family Services](#). The Department developed, collected, and reported indicators that measure performance on state-mandated investigations of child abuse and neglect cases. However, the audit findings revealed that the department was delinquent in investigating all reports of child abuse and neglect within 24 hours and further the department failed to provide a determination of the validity of all cases within 60 days, as state law requires.

Various forms of performance measures are used across the agencies. The social-service agencies provide workload measures as well as simplistic measures of outcomes. Such measures are reflective of efficiency of operation, such as timelines of providing services (e.g., investigation of abuse). Quality measures include, for example, number of weeks employed following training; effectiveness measures include amount of unemployment compensation recovered.

The [Department of Human Services](#) distinguishes performance measurement from performance management. Those interviewed maintained that they use performance management that takes advantage of the tenets of performance measurement, i.e., establishing goals and objectives and measuring progress against those objectives. Performance management goes further by prescribing agency-wide objectives that pertain to the entire organization, and then establishing targets for all cost centers within the agency. There is also a continuous improvement initiative within performance management in this department that uses data with hypotheses and assumptions for improvement, and then measures the results to determine the effectiveness of the improvement initiative.

In 1997, the Department of Human Services needed to improve services and activities related to key federal requirements for child support collections by 50 percent. The department instituted a business model that required caseworkers to act as problem solvers "thinking outside of the box." This is a distinctly different orientation for the caseworker, requiring altered skills. The caseworkers and department administrators analyzed the root cause of low child support collections originally believed to be beyond the department's controls—the department's inability to obtain court orders for child support. Through further analysis, the caseworkers and department administrators discovered that court orders could only be issued once paternity was established. Once the real root of the problem was uncovered, different strategies were used to address the true root cause of low child support collections—paternity. The department learned through this exercise that poor performance believed beyond their control was something they could help influence. The results of the department's focus on determining paternity, and then obtaining court-ordered child support are now tracked and strategies adjusted to prevent further degradation in performance.

Effect of Use

Many individuals confirmed that the performance measurement initiative in Illinois was new and that measures being developed, collected, and reported were not necessarily being used to further performance improvement, at least just yet. There is a fear among some that performance measures illustrating deficiencies will result in punitive action against a department or program. In fact, this fear was realized by the [Department of Children and Family Services](#) when their own performance measures revealed failure of state legislated requirements for child abuse investigations and was not corrected by the department's management. This resulted in adverse

publicity communicated internally within the government and externally by the media. Thus, some feel that a department's inability to use performance information to improve operations and results will be reflected negatively by negative audit reports and press in the media. There is even fear that this may result in eroded support and eventually declining appropriations.

Most of the success with performance measurement in the State of Illinois has been in using the data for monitoring performance. As illustrated, there are limited examples of performance measurement being used to improve performance.

Accountability and Communication

Intent and Expectation

Government accountability is a stated purpose of the performance-measurement initiative in Illinois. Published circulars indicate that accountability is a major component included in the Strategic Management System. Comments from many interviewees also indicate that greater accountability was the intent of the performance-measurement initiative.

Actual Use

Formalized reporting is required through bipartisan efforts of the Governor's Office of Strategic Planning and the Office of the Comptroller. The performance information reported by the agencies is provided in the [Public Accountability Report](http://www.ioc.state.il.us/ioc-pdf/SEA99/99SEAPartInCAFRForWebPart2.PDF) (<http://www.ioc.state.il.us/ioc-pdf/SEA99/99SEAPartInCAFRForWebPart2.PDF>) as well as in the *Comprehensive Annual Financial Report*. The Office of the Comptroller and the Governor's Office of Strategic Planning work together to produce an annual report on the agency's performance within their statutory missions. The Office of the Comptroller publishes the *Public Accountability Report* that includes results and outcomes of the programs and services provided by the largest state agencies. This report provides quantifiable indicators of these programs' accomplishments as well as measures of their efficiency of delivery.

Management audits performed by the Auditor General's office provide another mechanism for communicating about performance and being more accountable to the public. The results in these reports are often communicated to the media.

Effect of Use

By reporting performance measures in external documents, a government can provide greater accountability to citizens. The practice of including performance measures in the *Comprehensive Annual Financial Report* provides an incentive for agencies to develop, collect, and report such information.

PERFORMANCE MEASUREMENT IMPLEMENTATION ISSUES

How is the quality of performance information perceived? How have performance-measurement quality issues been addressed?

Perceptions of the Quality of Performance Information

Each interviewee was asked to describe performance measures that are most useful to assess program results, and then asked if those types of measures are developed, used, and/or reported. The responses were that the measures were (1) outcomes-oriented; (2) relevant; (3) related to the programs mission; (4) a gauge of the input against stated outcomes; (4) timely; (5) focused; (6) reliable; (7) verifiable; and (8) understandable.

Most individuals indicated that there is interest in obtaining measures that focus on outcomes, are relevant, are developed within the mission of the program, and provide some type of cost/benefit assessment. There are, however, few measures that meet such criteria. Several of those interviewed noted that because there is not a formal requirement to publish or report specific service efforts and accomplishment information for which there is agreement across government and that provides quantifiable and verifiable indicators of performance, agencies will continue to publish only data that is favorable to their programs and activities.

According to the media, the public is interested in program results and costs. Yet, often the information government provides for public consumption is difficult to understand. Such information is often provided without comparative statistics, making it difficult for citizens to determine how well a government agency is performing. And there are other problems with such information -- lack of communication in a timely manner, and often communicated with a "political spin" that further muddies the water regarding government performance.

Even though the information that comes from the Auditor General's office is considered valid and reliable by the media, given the point above, it is not surprising that the information provided to the press is often viewed with skepticism.

Efforts to Address Information Quality Issues

While the Office of the Comptroller publishes the results of agencies' performance in [The Public Accountability Report](#), this information is not audited, verified, or reconciled prior to publication. There is concern over an apparent lack of sensitivity to the quality of the data provided in public documents. The Office of the Comptroller does, however, encourage improvement by facilitating a web-based platform for all citizens to make suggestions for improving state government and state government accountability. (<http://www.ioc.state.il.us/office/Project>)

The Bureau of the Budget evaluates many of the performance measures that are presented during the budget process. The Office of Statewide Performance Review and the Office of Strategic Planning are expected to provide ongoing assistance to departments in evaluating existing measures and developing better quality ones.

What kinds of organizational supports are provided, and how have organizations been changing to accommodate performance measurement?

As mentioned earlier, the Governor has created an Office of Strategic Planning, State Government Accountability Council, and the Governor's Statewide Performance Review Office for the specific purpose of providing accountability and performance management in state government. The Statewide Performance Review Office has provided a seminar and one-on-one training to agency staff on the development and use of performance measures. The Office expects to utilize external experts for additional training. One agency provided extensive training for the staff.

The Office of Strategic Planning has produced four circulars that explain the purpose of the strategic planning and management initiatives in the state. These circulars also provide information to assist agencies in developing performance measures and for understanding the jargon of strategic planning and performance measurement. The Office of Technology was also created, in part, to accommodate the need for additional data and systems that would facilitate the performance-measurement initiative.

EVOLUTION OF PERFORMANCE MEASUREMENT

What barriers have been identified in making effective use of performance measurement, and are those barriers being addressed?

Several individuals interviewed expressed that the political diversity evident in Illinois was a barrier to the use of performance measurement. The citizenry of this state is more diverse than might be found in smaller states. Government decisions are highly political because of this diversity. Spending decisions, therefore, may not lend themselves to the use of rational or objectives measures of performance. Some of those interviewed even expressed doubt about whether government performance really matters. Partisanship is further escalated because of the number of elected positions within the executive branch. These two factors often prohibit consensus among elected officials and the public regarding the purpose of government, its programs, and the desired outcomes for those programs.

Several also indicated that the culture of Illinois would not promote effective use of performance measurement. For example, it was noted that citizens had supported failed programs in the past, and they questioned why citizens today would be any different.

The Office of the Comptroller provided a list of issues that must be resolved for performance measurement to aid the decision-making process in Illinois. These are:

- the performance-reporting policy must focus more on goals and objectives of government programs;
- there must be minimal reporting standards;
- agency budget and accounting systems must be able to generate the necessary performance information;
- there is a need to rationalize the institutional and programmatic framework;
- the amount of information necessary to provide and report frequency have not been determined; and

- performance data must be both valid and reliable.⁸

It was found that within agencies, the greatest barriers to developing and using performance measures in the state include:

- fear of retribution if performance measures do not indicate improvement;
- difficulty in obtaining reliable information so performance can be assessed;
- resistance from those whose performance is being measured;
- choosing the correct measures for managing; and
- the overall culture of the government being one that promotes political rather than rational cues for decision making.

What lessons have been learned from the performance-measurement experience to date?

When asked what were important lessons learned from developing and using performance measures, the central theme expressed was the need for a comprehensive approach that provides support state-wide with a central driving force leading the initiative. Another recurring theme was the importance of the leadership to support the initiative in both word and action.

An external change agent is necessary for performance measures to really become entrenched in government. The business community and the general public must be interested in improving the budget process for performance measures to have the impact necessary. Too often, the interest from outside the government is on substantive action, or policy issues. “No one takes the budget process seriously.”

In addition to the external change agent, there needs to be “state wide support and central driving force. Someone has to take initiative to take the process from planning through the implementation stages.” In Illinois, “the Governor has done it with two new entities,” the Office of Statewide Performance Review and the Office of Strategic Planning.

For the initiative to be successful, it is important “to get everyone on board and that this [performance measurement] is not punitive [or viewed as] a way to micro manage and to control.” Although a lot of people understand the importance, it is often easy for them to “say it will not work here.” There is a need to make the initiative less academic and “grounded in benefits that can be received.” Using “GASB as leverage that this will be required” has been effective.

“The people in leadership positions need to embrace [performance measurement], but it is a hard step for them to take...It is scary going in...People don’t know anything about what that is about [performance measures] and [they] get white knuckled and have the ‘deer in the headlights’ [reaction]. If they [will] embrace it [performance measurement] and actually put in the energy and the time required to do it right, it can be remarkably powerful. That is something that you have to live through once to appreciate.”

“You need to find ways to keep the governor committed and involved in the process then that will influence his agency directors and their commitment to the process. You can evoke long term change if you go at it in a way that is both obvious and encourage them to showcase their best efforts and validate their need for additional resources.”

⁸ Ibid, 1.

“The culture cannot be minimized.” The public acceptance of government and their expectations for the quality of government services greatly impacts how much change performance measures can have on government efficiency and effectiveness. “The most important thing [for an effective performance measurement initiative] is to determine what stage of development your particular state is at. Look at the long view and not expect immediate change.”

“The most important thing that we have done as an agency is to focus on our customers. Talk to your customers...It is essential. Government doesn’t have the natural feedback of sales.”

What are future expectations for the use of performance measurement?

Many individuals expressed optimism for the future applicability of performance measurement in Illinois. There is hope that eventually the state will be able to link employee performance appraisals and the performance of each agency or program. On the other hand, most individuals held little hope that citizens would drive the performance-measurement initiative or that the public would provide any pressure for producing better indicators of performance. And several individuals held out little hope that the use of performance measurement would make a marked difference in resource allocation in the state because of the political importance of many of Illinois' social programs. Rather, it is generally expected that performance measures will provide agencies with a much better idea of where they are performing well and where improvement is needed.

The Office of the Comptroller published goals related to performance measurement in *The Executive Summary*⁹ that clearly provides the formal expectations for that office. These formal expectations include (1) institutionalizing SEA reporting; (2) achieving greater integration of financial and SEA information; and (3) expanding the reporting and coverage of SEA. The office remains committed to meaningful, practical, and useful SEA reporting.

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