CASE STUDY:
State of Texas

USE AND THE EFFECTS OF USING PERFORMANCE MEASURES FOR BUDGETING, MANAGEMENT, AND REPORTING

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State of Texas
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EXECUTIVE SUMMARY

The State of Texas is an excellent example of a state government that has effectively institutionalized the use of performance measures. Performance measures have been used for more than twenty years, and the most notable improvements have been the legislative requirements for including performance measures in the printed budget beginning in 1991 and the actual use of performance measures in the budget allocation process. This most recent initiative has survived changes in the executive administration and appears to be thoroughly institutionalized in the state government.

For the past nine years, the state of Texas has cooperatively worked across the branches, through executive staff offices, including the Office of Budget and Planning, and legislative staff offices, such as the Legislative Budget Board, with legislative appropriations committee members and agency staff, in developing performance measures that effectively communicate the performance of programs and departments. The State Auditor’s Office has also played a key role in training agency staff and verifying the reliability of the performance measures once they have been developed.

There is some participation with citizens and citizen groups in developing and reporting performance measures. Many of the agencies prepare reports that share some performance information. The Education Agency publishes test scores in the newspaper. The Department of Criminal Justice also provides some information through a report to their policy council. There is presently no statewide effort to publish or report performance information in any format other than the budget. The communication about performance remains inter-governmental.

This process is evolving but is maturing quickly. It is difficult to link actual dollars allocated to specific performance measures and convincingly argue that X dollars were appropriated because of Y performance. However, there is evidence that budget decisions include discussions about agency and program performance. Other factors, including policy and legislative mandates, affect the actual funds allocated to programs and agencies at the present time.

Performance measures in the state of Texas are being used to strategically identify desired outcomes, focus on achieving those outcomes, and identify when and what improvement is needed to improve programs. The key reasons for this success are (1) the leadership; (2) cooperation between the branches of government; (3) communication across government; and (4) training.

The leadership, both legislative and executive, is interested and actively pursuing the use of performance measures by state agencies. The staff ask questions about performance. As one legislator stated, “I ask about at least one performance measure every time I speak with a department head or program director. You have to show them you are interested or the initiative will fail.”

The cooperation between the branches of government has enhanced the government’s ability to focus on outcomes. This cooperation is found between the executive and legislative budget offices and the involvement and participation between members of the legislature, the governor, and the agency staff. The State Auditor’s Office works with the executive and legislative budget offices and agencies to improve the measures once they are established, through their performance audits.

The importance of communication in developing and using performance measures has been expressed as a key to success. Performance measures have helped communication with the state government by focusing on the relevant issues. On the other hand, without communicating priorities, it would have been impossible to formulate meaningful performance measures that would improve the government. Communication is also a component of the leadership factor. Communication about the vision, purpose, and objectives occurs from the top of the government and must be clear and follow up on the objectives.
The State of Texas has invested heavily in training. Outside consultants have been used, other governments and organizations have been studied first hand, and internal training has been provided by the State Auditor’s Office, the Legislative Budget Office, and the Office of Budget and Planning. There is an ongoing commitment to continuous training. This is viewed as critical to the continued success of the system.

The state of Texas has some challenges that threaten the performance measurement initiative. Several agencies said that they had limited participation in developing their performance measures and that better measures can be developed. However, the performance measurement system stipulates specific measures in the General Appropriations Act (Committee Substitute House Bill 1—2000-2001), and agencies are required to report these measures. Some agencies indicate that they continue to maintain, track, and report measures for programs or services that are no longer valid because it is difficult to change measures. There is, however, a need to stabilize and perfect the system. The legislature is aware of this problem and is working to provide more flexibility and participation in selecting and changing those measures that should be changed. Until this is solved, it will undermine the effectiveness of the system and the perception of the agencies that performance measures are indeed useful tools.

Another challenge for Texas is the “sense of disconnect” that was expressed by the agencies between those performance measures that they use for managing the programs and those that the governor views as indicators of the performance of the entire state. Often these are different measures, and agencies indicate that they have little input into the development of them. Agencies maintain, track, and report those measures but have no investment in them beyond the reporting requirement that the executive establishes.

It is evident that the state of Texas is serious about performance measurement. It has invested in this effort through refocusing energies and reorganizing around performance measures. There have been no new funds appropriated for this effort, with the price being shouldered by each agency and department. While it appears that this effort will continue to evolve, there are important linkages expected between performance and appropriations, which are expected to materialize in the next biennium.

TYPES OF PEOPLE INTERVIEWED AND THEIR ORGANIZATIONS

Interviews were conducted with elected officials, administrators within the executive branch, citizen representatives, and a member of the media. The names, titles, and organizations of these individuals are indicated in Table 1 below.

Table 1: Individuals Participating in Case Study

<table>
<thead>
<tr>
<th>Interviewee/Official</th>
<th>Title and/or Division</th>
<th>Organization</th>
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<tbody>
<tr>
<td>Ara Merjanian</td>
<td>Group Director, Planning and Development</td>
<td>Office of Budget and Planning</td>
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<tr>
<td>Debbie Roberts</td>
<td>Assistant Director, Programs and Services</td>
<td>Department of Criminal Justice</td>
</tr>
<tr>
<td>Joe S. Graff</td>
<td>Director, Maintenance Section, Maintenance Division</td>
<td>Department of Transportation</td>
</tr>
<tr>
<td>Jean M. Mitchell</td>
<td>Director of Workforce Development</td>
<td>Texas Workforce Commission</td>
</tr>
<tr>
<td>Samuel A. Martin</td>
<td>Manager, Performance Audit</td>
<td>Legislative Budget Board</td>
</tr>
<tr>
<td>Interviewee/Official</td>
<td>Title and/or Division</td>
<td>Organization</td>
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</tr>
<tr>
<td>Ernest Cuellar</td>
<td>Senior Systems Analyst</td>
<td>State Auditor’s Office</td>
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<tr>
<td>Henry Cueller</td>
<td>Representative, Appropriations Committee Member</td>
<td>House of Representatives</td>
</tr>
<tr>
<td>Deborah L. Kerr</td>
<td>Director</td>
<td>State Auditor’s Office</td>
</tr>
<tr>
<td>Blaine Brunson</td>
<td>House Appropriations Committee Staff</td>
<td>House of Representatives</td>
</tr>
<tr>
<td>Lara Wendler</td>
<td>Senator staff</td>
<td>Senate</td>
</tr>
<tr>
<td>Paula Morelock</td>
<td>Director, Contract Programs and Quality Assurance</td>
<td>Texas Youth Commission</td>
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<tr>
<td>Melinda Hoyle Bozarth</td>
<td>Assistant Director for Program and Services Division</td>
<td>Department of Criminal Justice</td>
</tr>
<tr>
<td>Linda Reves</td>
<td>Assistant Deputy Executive Director of Rehabilitation Services</td>
<td>Texas Youth Commission</td>
</tr>
<tr>
<td>Dan Arrigona</td>
<td>Executive Assistant, Strategic Planning Manager</td>
<td>Texas Education Agency</td>
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<tr>
<td>Bill Monroe</td>
<td>Chief of Operations</td>
<td>Texas Education Agency</td>
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<tr>
<td>Yuki Miyamota</td>
<td>Performance Measurement Coordinator</td>
<td>Texas Education Agency</td>
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<tr>
<td>Mickey Jacobs</td>
<td>Executive</td>
<td>Texas Cancer Council</td>
</tr>
<tr>
<td>Doug Mitchell</td>
<td>Program Manager</td>
<td>Texas Cancer Council</td>
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<tr>
<td>Andrea Claire</td>
<td>Project Manager</td>
<td>State Auditor’s Office</td>
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<tr>
<td>Richard English</td>
<td>Strategic Policy Initiatives, Administration</td>
<td>Office of Comptroller of Public Accounts</td>
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<tr>
<td>Ruth Ford</td>
<td>Strategic Policy Initiatives, Citizens’ Commission</td>
<td>Office of Comptroller of Public Accounts</td>
</tr>
<tr>
<td>Bill Eggers</td>
<td>Strategic Policy Initiatives, Administration</td>
<td>Office of Comptroller of Public Accounts</td>
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<tr>
<td>Ken Fultz</td>
<td>Director of Pavement Management</td>
<td>Department of Transportation</td>
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<tr>
<td>Vijay Ganju</td>
<td>Strategic Planner</td>
<td>Department of Mental Health and Mental Retardation</td>
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<tr>
<td>Betty Ressel</td>
<td>Manager</td>
<td>Texas Public School Performance Review</td>
</tr>
<tr>
<td>Jayna Burgdorf</td>
<td>Chief Financial Officer</td>
<td>Department of Parks and Wildlife</td>
</tr>
<tr>
<td>Melanie Callahan</td>
<td>Director of Finance</td>
<td>Department of Parks and</td>
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<tr>
<td>Interviewee/Official</td>
<td>Title and/or Division</td>
<td>Organization</td>
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<tr>
<td>Renita Bankhead</td>
<td>Budget Director</td>
<td>Department of Parks and Wildlife</td>
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<tr>
<td>Susan Harris</td>
<td>Performance Measurement Coordinator</td>
<td>Department of Parks and Wildlife</td>
</tr>
<tr>
<td>Steve Hall</td>
<td>Education Director</td>
<td>Department of Parks and Wildlife</td>
</tr>
<tr>
<td>Dennis Gissell</td>
<td>Project Manager</td>
<td>Department of Parks and Wildlife</td>
</tr>
<tr>
<td>Michael Lauderdale</td>
<td>The Willoughby Professorship in Criminal Justice in Social Work</td>
<td>University of Texas</td>
</tr>
<tr>
<td>Elizabeth Cooper</td>
<td>Strategic Planner</td>
<td>Department of Insurance</td>
</tr>
<tr>
<td>Audrey Selden</td>
<td>Associate Commissioner</td>
<td>Consumer Protection</td>
</tr>
<tr>
<td>Nancy Williams</td>
<td>Statistical and Financial Analyst</td>
<td>Comptroller of Public Accounts</td>
</tr>
<tr>
<td>Judy Denton</td>
<td>Director, Texas Works</td>
<td>Department of Human Services</td>
</tr>
</tbody>
</table>

**OVERVIEW AND RELEVANT BACKGROUND**

**HISTORY**

The state of Texas has included written performance measures in the budget since 1991.\(^1\) This was the beginning of the “managing-for-results” initiative that emerged from Governor Ann W. Richard’s pledge to make the State of Texas government more accountable and customer-focused.\(^2\) In 1991, House Bill 2009 was passed establishing requirements and time frames to complete the first planning cycle for all state agencies within the executive branch. The Strategic Planning and Budgeting system was adopted in 1992.\(^3\) In the next biennium, Senate Bill 1332 amended the law by consolidating planning requirements and changing the minimum planning timeline from six to five years.\(^4\) Agencies are required to complete and submit formal plans every two years (biennium).

In January 1998, the governor issued an updated version of *Vision Texas: The Statewide Planning Elements for Texas State Government*. This document lists a goal for the eight functional areas within the state government and 85 state-level related benchmarks. Agencies are required to link each of the strategies within their 2000-2001 biennium appropriation requests to one functional area goal and at least one state-level benchmark. Also, the state-level benchmarks are expected to be used as the basis for further

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\(^1\) Zamrazil, (1997), p. 5.
\(^2\) Aristigueta, María P. (December 1997), p. 182.
\(^3\) Senate Finance Interim Subcommittee on Articles I, VI, and VII: Recommendations to the Senate Finance Committee (June 1998), p. 5.
\(^4\) Ibid. p. 187.
developing and improving outcome measures at the agency level. The ultimate goal is to link agency funding and performance to achievement of state-level benchmarks.\(^5\)

The 1998-1999 **General Appropriations Act** requires all state agencies to submit performance reports to the Legislature, the **Legislative Budget Board**, and the **Governor’s Office of Budget and Planning**.

**PERFORMANCE MEASUREMENT IN THE STATE**

The state’s strategic-planning process incorporates feedback and improvement through the use of outcomes, outputs, efficiency, and explanatory performance measures. This **Governor’s strategic plan** is the basis for the agencies’ strategic plans and budgeting structure. Figure 1, “Strategic Planning Template,” illustrates the narrowing of broad statewide vision, mission, philosophy, and established goals and benchmarks into agencies’ strategic plan and how that plan narrows as performance measures and the budget structure support that plan.

\(^5\) Interim Report to the 76\(^{th}\) Texas Legislature, Committee on Appropriations (November 1998) p. 9-10.
According to the Office of Budget and Planning, agencies are encouraged to engage in continuous planning efforts. They may adjust their formal plans internally as conditions change and modifications are required. The relationship between the elements of the strategic-planning process is illustrated in Figure 2, “Relationship between Elements of the Strategic-Planning Process.”

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6 Legislative Budget Board, Office of Budget and Planning (January 1998), p. 3.
Figure 2: Relationship Between the Elements of the Strategic Planning Process

The linkage between the strategic planning process and the performance budgeting process in the State of Texas is illustrated in Figure 3, “Linking Strategic Planning and Performance Budgeting.” As illustrated in the figure, agencies are required to provide information about performance targets for outcome, output, and efficiency measures. Output measures must also include appropriation information with performance targets.

Source: Office of Budget and Planning and Legislative Budget Board, (January 1998).
Figure 3: Linking Strategic Planning and Performance Budgeting

<table>
<thead>
<tr>
<th>Strategic Plans</th>
<th>Performance Measures</th>
<th>General Appropriations Act</th>
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</thead>
<tbody>
<tr>
<td>Mission</td>
<td></td>
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<tr>
<td>Philosophy</td>
<td></td>
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<td>External/Internal Assessment</td>
<td></td>
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<tr>
<td>Agency Goals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Objectives →</td>
<td>Outcome Measures: →</td>
<td>Performance Targets</td>
</tr>
<tr>
<td>Strategies →</td>
<td>Output Measures: →</td>
<td>Items of Appropriation &amp; Performance Targets</td>
</tr>
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<td></td>
<td>Efficiency Measures: →</td>
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<td></td>
<td>Explanatory Measures: →</td>
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</table>

Quantifiable results measuring how the public is benefited by the agency meeting the objective

Quantity of agency workload and work product as it pursues its strategies

Agency workload unit costs or time for completion

External factors relating to agency operations

Source: Office of Budget and Planning and Legislative Budget Board, (January 1998).

Key performance measures are reported using the Automated Budget and Evaluation System of Texas (ABEST). Key output and efficiency measures are reported quarterly; key outcome and explanatory measures are reported annually. Any non-key measures are reported by agencies in their Requests for Legislative Appropriations and in the operating budgets that agencies submit in the first year of the biennium. Quarterly performance results are compared to targets in the General Appropriations Act, and agencies are required to explain variances of five percent or more.\(^7\)

The results from studies published by the House of Representatives and the Senate in 1998 helped improve the system. Some of the findings of this study have been used to change the statewide performance measurement system. These findings include:

- Most agencies are pleased with the strategic planning and budgeting process.

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\(^7\) Senate Finance Interim Subcommittee on Articles I, VI, and VII, Recommendations to the Senate Finance Committee (June 1998), p. 10.
Several agencies indicated that they had little input in establishing or changing performance measures, definitions, and targets. The Legislative Budget Board expressed hesitancy in allowing changes to measures or targets that were legislated in the General Appropriations Act because of the importance of maintaining historical trends.

Thirty-four percent of the respondents indicated that performance measures “always” or “almost always” provide an early warning of problems.

Agencies need continued feedback from the Legislative Budget Board staff after an agency’s quarterly performance had been assessed.

Agencies need increased training for staff from the Legislative Budget Board analysts.

As a result of this study, the Legislative Budget Board and the Governor’s Office of Budget and Planning are providing more opportunity for the agencies to participate in establishing or changing performance measures. Agencies are encouraged to use performance measures more in the management of operations and for external contracts. The agencies and the Legislative Budget Board are also encouraged to work cooperatively to improve forecasting methods used for establishing targets. Agencies are to provide continual updates on performance targets during the budget process, after the initial appropriations request was made. They are also to place more emphasis on using outcome measures as key measures, and the Legislature is considering revising the structure of the General Appropriations Act to include only outcome measures. Thus, measures that are outside of the agencies’ control are identified and will be separately classified on the General Appropriations Bill. The Legislative Budget Board also is to provide more training to the agencies on the use of performance measures.8

The Office of the State Auditor is identified as the office responsible for certifying the accuracy of all key measures. This office is required to report and make recommendations to the Legislative Budget Board and the Governor’s Office of Budget and Planning based on the audit findings.

FINDINGS

The findings of this case study are obtained through interviews using a semi-structured interview instrument and review of relevant documents provided by the state of Texas. This information is organized around three themes that provide a basis for understanding performance measurement in the state of Texas. 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 has been involved in initiating, developing, and using performance measurement, and how have they been involved?

The State of Texas involves a wide variety of people in the performance measurement process. Elected officials are working together to improve performance in the state. A former governor is credited with starting the performance measurement initiative and it has been echoed and revitalized by the current governor. Members of the legislature enacted legislation requiring the use of performance measures and continue to be active in monitoring and using performance measures in policy and appropriations discussions with agencies.

8 Ibid. p. 5-11.
The legislative staff works cooperatively with the executive staff in the Office of Budget and Planning and with agencies in developing, monitoring, and using performance measures. In fact, the Legislative Budget Board has a key role in being the gatekeeper for changes in performance measures. The Legislative Budget Board also has an important training role and provides guidance to state agencies in the use of performance measures and projection of performance targets. This assistance is encouraged by the legislature.

The executive staff also is active in performance measurement. The Office of Budget and Planning provides guidelines and assistance to state agencies as they develop their budgets. This office publishes strategies, performance measures, and targets in the biennium budget and monitors performance along with the Legislative Budget Board. Agencies and program staff are active in the government’s performance measurement initiative as well. They work with the executive Office of Budget and Planning, independent policy and oversight commissions, the Legislative Budget Board, and legislative staff to develop, use, and change performance measures.

The State Auditor plays a critical role in assessing the reliability and accuracy of performance measures. The Office of the State Auditor has published documents to assist agencies in performance measurement development, collection, use, and reporting. This office also performs programmed performance audits of state agencies.

The key offices of state government are involved in the performance measurement initiative. As one legislative staff member said, “One of the strengths of this system is the level of communication between the governor’s office and the Legislative Budget Board staff. It was not affected by change of administration and we literally changed staffs. It is a very good working relationship.”

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. A general overview of the use of performance measures is provided, using the following two questions to guide the discussion.

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 1991 legislation that instituted performance measurement in Texas had high goals. According to a 1995 article published in the International Journal of Public Administration, the initiative was intended…

…to stimulate state government to move beyond incremental thinking to a more holistic perspective; to rise above the organizational view to a global, public vision; to transcend traditional functional and programmatic considerations to reach a more integrated system of governance and service delivery.  

(Craymer, et al., 1995)

Six years later, the Executive Director of the Criminal Justice Policy summarized the intended purpose of performance measurement in a report prepared for state agencies to use in improving the performance of the performance measurement system.

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The main infrastructure supporting the strategic planning and budgeting process in Texas is a system that requires state agencies to show results through certain “performance measures” agreed upon with the Legislative Budget Office and the Governor’s Office of Budget and Planning. This system presently includes 10,000 measures, of which 3,000 are classified as “key performance measures.” These key measures are supposed to be results-oriented, concentrate on the most important indicators of performance, and provide the information needed by policy makers to determine whether desired results are being accomplished. The analysis of key performance measures by policy makers should be one of the main factors influencing decisions related to the agencies’ budget. \(^\text{10}\) (Fabelo, Tony, 1997)

Performance measures were expected to fulfill three purposes. First, performance measures would help the administration focus on the goals and objectives of the programs and the agency. This, in turn, would cause the administration to be more effective in providing services to the public. The second purpose for performance measures was for resource allocation. By evaluating the program and agency goals and objectives, the viability of special initiatives could be objectively evaluated by the administration, the executive, and the legislature when making funding decisions. Finally, accountability would be achieved. Accomplishments and variance from stated goals and objectives would be provided to the public for them to decide the appropriateness of programs and funding. The end result expressed consistently throughout the government was that performance measures would cause government to be more effective in its activities.

Many administrators within the executive branch expressed skepticism that performance measures would achieve the intended results. They were concerned about the practicality of the expectations. They were also concerned about how information would be used and interpreted, and questioned whether enough information could be conveyed to provide an adequate assessment of performance using the performance measures developed. Apprehension about adequacy of performance measures to provide appropriate information to decide the fate of programs was another fear. As one agency director expressed, “Are we looking at the right things? Is what we are looking at short-term or long-term? Are we missing apples and oranges?”

**Resource Allocation and Other Decision Making**

**Intent and Expectations**

The staff of the Office of Budget and Planning explained that the intent of performance measurement in 1991 was to “develop a system to support more rational decision making at the agency and legislative level. Governor Richards expected performance measures to be “used in the legislative appropriations process.” There were slightly different expectations for performance measurement under Lt. Governor Bullock. “The Lt. Governor [sometimes referred to as “Governor Bullock”] had specific expectations of reforming the budget process, [specifically] simplifying the budget process, reducing paperwork, and particularly that [paperwork] required by agencies and analyzed by the legislature.”

Members of the legislative staff were excited about the possibilities for performance measurement. They expected that the “budget offices would be able to identify some ways to bring the state some identified problems, some identified solutions as a result of these measures.”

Many agency directors said that performance measures were intended to influence funding. During the initial stages of implementation, performance measures were used to evaluate the viability of special initiatives.

**Actual Use**

Performance measures are used in the statewide budget process. They are included in the agency’s budget request and used extensively by the staff of the Office of Budget and Planning as well as the Legislative Budget Board in analyzing these requests. The budget staff of these two offices analyze outcome and outputs for workload, efficiency measures, trends over time, and other changes and context items. Performance measures are also used throughout the government by agencies in requesting emergency funds and in decisions to engage consultants. Commissions and governing boards are encouraged to use performance measures in rule making and in developing policy.

The Department of Criminal Justice through the work of the Texas Board of Criminal Justice prioritizes biennium funding needs using the Department’s strategic goals. This is documented in Legislative Appropriations Requests.

The key measures used by the Maintenance Division of the Department of Transportation include preventative output measures of acres of right of way mowed and lane mile of sealed coat and overlay. This information is used in the budget allocation process and for inventory purposes to determine district budget allocation.

In the legislature, performance measures are used to determine the cost of service and the total number of people served. For example, an agency of the state is responsible for ensuring that boilers are properly maintained. Schools use boilers for heating. The legislature discusses with the agency the actual number of boilers inspected, the average cost, and whether that cost is a reasonable cost. The legislators compare the average cost per boiler to revenue generated by licensing fees. Issues of centralization and privatization have been explored by the legislature.

**Effect of Use**

Prior to using performance measures, the primary source of information for legislators was their constituents, which was often problem-focused. While that source of information still exists, performance measures allow legislators to focus on broader objectives. “We have a basis on which to make decisions. So, speaking for the Appropriations Committee and the Senate Finance Committee, I think that they are in a much better position to make funding decisions”

**Strategic Planning, Performance Monitoring, and Performance Improvement**

**Intent and Expectations**

The Office of Budget and Planning staff expressed that the original intent for performance measurement in 1991 in addition to the resource allocation and decision-making purpose discussed above was to “build a system to connect all processes so that systems context with successive elements feed together and are used. Performance measurement was a major connection for planning. Governor Richards expected managers would manage based upon information and [that information would] bubble up and be useful to her in managing. [It would] professionalize the agency” and be used for planning and reinforce initiative.
Agencies and programs were expected to establish broad measures that could be used by multiple agencies and functions to provide consistency for reviewing and evaluating the effectiveness of programs, agencies, and ultimately the government. Many agency directors believed the purpose of performance measures was to focus on goals and objectives thereby resulting in priorities being more clearly communicated. They expected performance measures would assist them in making decisions using data where appropriate.

Under Lt. Governor Bullock, the expectation changed slightly. According to the Office of Budget and Planning, [Lt. Governor Bullock wanted to] focus on more critical issues [like] outcomes, customer information, achievement of results” and improve the quality of decision making.”

Among members of the legislative staff, there was a general belief that when agencies started to measure their performance, there would be a tendency to improve performance. “The very process of measuring would bring about improvement.”

The Department of Criminal Justice uses contractors to provide services for offenders. They expected to use performance measures to compare vendors bidding on these contracts. The abilities of the contractor would be compared to a predetermined model. The department would select the vendor who was determined to be most capable. The department would then use performance measures to track the contractors’ performance.

The Maintenance Division of the Department of Transportation expressed frustration and little hope that performance measurement would be used in the division. The performance measures used in maintenance were primarily output measures. The data was not thought to be accurate. Further, most of the information was not available in a centralized database but throughout many regions across the state. Performance measures were not decentralized but districts reported the performance measures from decentralized locations.

**Actual Use**

The Office of Budget and Planning reports that performance measures are used throughout the government and by the agencies to review processes and make improvements.

Many agency heads said that most of the measures that are reported to the executive are not used for making decisions within the agency or program.

Various performance measures are used to improve performance within the Workforce Development program of the Texas Workforce Commission. Client information collected to determine the appropriate services needed by a client is also used to track day-to-day progress of the client, providing feedback and sense of the effectiveness of program services. Many of the program services are contracted with performance measures included in the formal agreement. The performance measures are used to communicate the desired outcomes and include (1) beginning wage rate; (2) duration of employment; and (3) wage rate progression.

Two measures that the Department of Criminal Justice use are recidivism and completion rates (the number of offenders repeating probation programs while incarcerated and after-care probation supervision) to measure performance of contractors. The goal of the department is to increase the number of offenders completing the contracted program. They will use financial resources more to keep offenders in these programs. The department also monitors reports from contractors. Staff use performance measures that indicate the ratio of certified to non-certified counselors as a primary indicator of contractor performance. Monetary sanctions are taken against contractors who have an unacceptable ratio of uncertified counselors.
The strategic plan for the Department of Transportation uses a balanced scorecard for performance assessment in their strategic plan (ftp://ftp.dot.state.tx.us/pub/txdot-info/fin/strategicplan.pdf). The balanced scorecard includes four strategic perspectives of outreach, customers, employees, and its own process and makes use of “a small set of carefully chosen measures (selected for cause-effect analysis)”¹¹ to provide an indicator of the department’s performance. The measures for each of these perspectives are provided in Table 1, “Department of Transportation Balanced Scorecard Measures,” below.

The Department of Transportation monitors 100 function codes and accumulates performance information on units of work performed to gain a statewide perspective of how the department is improving. It takes advantage of historical analysis in determining the cost of specific activity, the long-term life of projects, and compares costs across districts in considering alternative materials or methods for achieving desired results. The department uses benchmarking information available through professional associations. These professional associations include, but are not limited to, the American Association of State Highway and Transportation Officials (AASHTO), the Western Association of State Highway and Transportation Officials (WASHTO), the Transportation Research Board (TRB), the National Association of State Aviation Officials (NASAO), the American Public Transit Association, the Gulf Intercoastal Canal Association, and the National Waterways Conference. Information from external sources, such as the professional associations, are used to evaluate the department’s operation against similar departments of transportation in other localities, and other related organizations. This information provides the department with the opportunity to review and revise its performance measures based on existing best practices. The staff have been able to collect benchmark information for pavement evaluation and bridge inspection, but they have been less successful obtaining measures of roadside conditions and traffic operations.

The Texas Youth Commission uses performance measures to monitor performance of residential contract programs. Standards are established at the beginning of each fiscal year and quarterly status reports are issued that report on those standards. The standards include the percent of positive releases, the percent of negative releases, the number of escapes, the percent of students escaping, number of felony arrests, the number of misdemeanor arrests, numbers of confirmed mistreatments, and the percent of early movement.

Progress sustainability is an important issue to the Public School Performance Review division of the Comptroller of Public Accounts. Currently, progress within school districts is achieved through the personality of the superintendent. School districts traditionally focus administratively on completing state strategic plans but are not very effective in implementing the plan, except when the superintendent is personally interested. There are several school districts that were not addressing strategic goals and had marginal academic and financial performance indicators. There was a fear that the marginal districts would have financial problems, and then become low academic performers. In September 1998, a state law was passed mandating that if the Board of Education requires a review of an marginal school districts, the school district must pay 25 percent of the cost of the review.

**Effect of Use**

Agencies have effectively used performance measures to monitor performance and to overcome potential barriers to performance. Alternatively, some agencies reported that the latest performance measurement initiative within the state of Texas has been overwhelming. Different measures are needed for

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managing daily operations than are necessary to provide strategic direction. The difference in the types of measures is often difficult to manage within an agency.

As a member of the legislative staff observed, “Some agencies really focus on what causes change to their measures.” Agencies “monitor them [performance measures] on a frequent basis and try to figure why things happen. For those agencies where managers are actively involved in trying to improve their performance, I think that the measures have given [agencies] a way to set goals. I think that they have given ways for managers to communicate to their employees what the primary objectives of the agency are, and most importantly for our [legislative and legislative staff] perspective, they have given agencies a way to communicate with the legislature, [providing] documented verified ways that they are improving their performance.” By comparing costs, agencies, such as the Department of Transportation, have proved overall effective within districts across in the state.

The Office of Budget and Planning observes that through agencies using performance measures as a tool to “look outside themselves,” the results have been positive. “Enough agencies have taken [performance measures] as an opportunity to comply, and [this] made it easier to steer the agency, to imprint the philosophy, and to focus on people and outcomes.” The Department of Criminal Justice has used performance measures to prevent contractor non-performance. Contractors with the Department of Criminal Justice must obtain permission to reduce the number of programs or to limit the number of offenders participating in the programs. If a contractor fails to perform or has to alter the terms of the contract by reducing the programs or offenders participating, the Department and the program are both adversely impacted. Because of the high stakes, the Department has become proactive in using performance measures, such as the ratio of certified to non-certified counselors to monitor the contractors and to determine prior to awarding the contract those vendors who have appropriate processes in place to manage the contract.

**Figure 4: Department of Transportation Balanced Scorecard Measures**

<table>
<thead>
<tr>
<th>Strategic Perspectives</th>
<th>Area of Concern</th>
<th>Example of Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outreach</td>
<td>Customers and Related Parties</td>
<td>Number of people participating in planning focus groups</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percent of commercial carriers indicating satisfaction with TxDOT’s regulatory process</td>
</tr>
<tr>
<td>Effectiveness</td>
<td>Partners and Stakeholders</td>
<td>Percent total dollar value of contracting and purchasing services awarded to HUBS</td>
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<tr>
<td></td>
<td></td>
<td>Number of lane miles using nontraditional funding</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of intermodal facilities that TxDOT helps develop or improve</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percent of contracts using partnering</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percent of stakeholders and partners indicating satisfaction with TxDOT processes</td>
</tr>
<tr>
<td>Strategic Perspectives</td>
<td>Area of Concern</td>
<td>Example of Measures</td>
</tr>
<tr>
<td>------------------------</td>
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<td>---------------------</td>
</tr>
<tr>
<td><strong>Customer Satisfaction</strong></td>
<td>Mobility/Accessibility</td>
<td>Percent of state highway mainlane pavement mileage rated good or better based on the Pavement Management Information System condition score</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Percent of state highway system mainlane pavement mileage on NAFTA corridors rated good or better based on Pavement Management Information System condition score</td>
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<tr>
<td></td>
<td></td>
<td>Number of centerline miles that are operational under traffic management systems</td>
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<tr>
<td></td>
<td></td>
<td>Number of new location lane miles contracted to increase capacity</td>
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<tr>
<td></td>
<td>Safety</td>
<td>Percent change in the number of public transportation trips</td>
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<tr>
<td></td>
<td></td>
<td>Percent change in the roadway congestion index</td>
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<tr>
<td></td>
<td></td>
<td>Percent of customers (general public) reporting satisfaction with travel mobility</td>
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<tr>
<td></td>
<td></td>
<td>Percent of change in highway emission levels within areas not attaining air quality standards</td>
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<td></td>
<td></td>
<td>Percent of state maintained bridges structurally deficient or functionally obsolete</td>
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<td></td>
<td>Percent of change in statewide traffic accident fatality rates</td>
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<tr>
<td></td>
<td></td>
<td>Number of high accident locations improved</td>
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<td></td>
<td>Services</td>
<td>Percent change in number of people provided service at travel and information centers</td>
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<tr>
<td></td>
<td></td>
<td>Average number of days to issue and mail titles</td>
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<tr>
<td></td>
<td></td>
<td>Percent of customers (general public) reporting satisfaction with vehicle titling and registration responsiveness</td>
</tr>
<tr>
<td><strong>Employee Development</strong></td>
<td>Stability</td>
<td>Voluntary turnover rate</td>
</tr>
<tr>
<td>Compensation</td>
<td></td>
<td>Salaries are competitive with similar jobs in the community</td>
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<tr>
<td>Work Environment</td>
<td></td>
<td>The right information gets to the right people at the right time</td>
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<td></td>
<td></td>
<td>Decision-making and control area given to employees doing the actual work</td>
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<td></td>
<td></td>
<td>Employees have adequate computer resources</td>
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<td></td>
<td></td>
<td>Employees feel that training is adequate and timely</td>
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<tr>
<td>Physical Environment</td>
<td></td>
<td>Number of lost time accidents for TxDOT employees</td>
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<tr>
<td></td>
<td></td>
<td>Workforce composition percentages</td>
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<tr>
<td>Strategic Perspectives</td>
<td>Area of Concern</td>
<td>Example of Measures</td>
</tr>
<tr>
<td>------------------------</td>
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</tr>
<tr>
<td>Internal Process Efficiency</td>
<td>Overhead</td>
<td>Administrative and support costs as a percent of the total agency budget</td>
</tr>
<tr>
<td></td>
<td>Innovations</td>
<td>Percent of research project study recommendations implemented with two years of study completion</td>
</tr>
<tr>
<td></td>
<td>Planning</td>
<td>Number of environmental clearances completed on time</td>
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<tr>
<td></td>
<td>Design</td>
<td>Number of construction project preliminary engineering plans completed</td>
</tr>
<tr>
<td></td>
<td>Right of Way</td>
<td>Percent of projects for which right-of-way acquisition is completed in advance of originally scheduled contracting dates</td>
</tr>
<tr>
<td></td>
<td>Construction</td>
<td>Highway construction preliminary engineering costs as a percent of highway construction contract costs</td>
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<tr>
<td></td>
<td></td>
<td>Highway construction dollars contracted in fiscal years as a percent of dollars scheduled</td>
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<tr>
<td></td>
<td></td>
<td>Texas highway construction costs as a percent of national costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of field changes resulting from design error</td>
</tr>
</tbody>
</table>


The Texas Youth Commission quarterly report to residential contract program providers allows the providers to “find out how they have been doing. The report provides corrective action required by the provider. We can look to see if anything is a red light for us, something is going on at this program; they may have too many kids escaping or something like that. So we go in and investigate.” If a provider falls below average on many indicators, the commission will investigate and possibly impose sanctions, including not placing any more youth in that program. This information is particularly helpful for contract monitoring and renewals and for making improvements.

After the law was passed in September 1998 requiring school districts to pay 25 percent of the cost of a review if voted by the Board of Education, the Galveston Independent School District’s Board voted and requested a review. It did not want to hold off until the list was compiled and be put on a waiting list.

### Accountability and Communication

**Intent and Expectation**

The staff in the Office of Budget and Planning said one of the purposes of the performance measurements system as it was developed in 1991 was to “provide a framework of accountability for decision making.”

One individual expressed an expectation that agencies would use performance measures to compete and judge each other. There has been an expressed need to focus on communicating results to the public.

**Actual Use**

The Workforce Development Program of the Texas Workforce Commission communicates its performance through standardized reports and annual reports provided to the legislature, the Office of Budget and Planning, other state agencies, and to the state accounting office. Public reports that describe programs, services, and initiatives to expand programs and services are used as tools to educate constituency groups, research organizations, employers, educators, and job seekers.

The Department of Criminal Justice communicates its performance through a number of different media. Newsletters are distributed quarterly within the government and to program participants. A policy
council report is sent throughout the state, to the media, to members of the legislature, the governor, and
sometimes published for wider dissemination. Informal communication is provided through governmental
groups, local judges, and criminal justice safety programs. Performance information about the state of
county jails and the length of jail time prior to entering a program is provided to a jail standards oversight
commission.

The Department of Transportation produces an annual report of activity and performance of the
department, provided to the 25 districts and to the state auditor, legislatures, and any other person or
organization that requests a copy. The annual reports can also be disaggregated at the district level.
Performance is reported to the legislature in four priority areas: (1) safety; (2) product investment; (3) user
comfort; and (4) aesthetics. There is a general feeling in the department that the staff could identify more
important activities that should be reported to the legislature but that these measures are “set politically by
legislator questions.”

Information is used primarily within the agency and between the legislative and executive branches.
There is no evidence that performance measures are used across agencies, except through the statewide key
measures developed by the governor.

The legislative staff produces a report on the performance of agencies. The number of appropriation
targets achieved is the unit of analysis, and the historical achievement of the agency is also noted. They also
report on agencies’ timeliness in reporting performance information. They are trying to generate some
competition between the agencies. Information from various agencies is included in this report, including
maintenance information from the Department of Transportation.

**Effect of Use**

Overall, agencies indicate that agreement on performance measures helps provide consistency and
agreement on goals and objectives and how performance should be measured. A legislative staff member
said that many agencies “consider performance measures something that they have to do, not unlike
budgeting. It is a tool. It is something that you have, but you really don’t put much attention on it. It is
more a reporting function.”

The Office of Budget and Planning staff acknowledge improved accountability because of legislative
and executive involvement in the process. Many agencies have used performance measures to be
responsive to external stakeholders. It has “opened the process, allowed benchmarking” and served as a
way “to involve stakeholders.” For example, the “Department of Parks and Wildlife held hearings” to
involve their stakeholders.

The Department of Criminal Justice said that although a wide range of measures have been
developed for reporting performance with the state government, those measures are not important to the
public. As a director said, “They only want to look at one number because the issue is so complicated.
Reduction and recidivism are the only measures the public wants.”

One program director stated that “sometimes information is not adequate to reflect efforts, and [the
measures] create artificial pictures of success and failure. They can become consuming and [the measures]
become the focus rather than an indicator of progress or circumstances. The tendency is to expect more
from performance measures than we should and has resulted in measuring more than using information that
is available.”
PERFORMANCE MEASUREMENT IMPLEMENTATION ISSUES

How is the quality of performance information perceived, and how have performance measurement quality issues been addressed?

Perceptions of the Quality of Performance Information

Interviewees were asked what types of performance measures are useful to them. The majority of the responses can be summarized as (1) understandable; (2) simple; (3) accurate; (4) meaningful; (5) timely; (6) valid; (7) obtainable; (8) reliable; (9) comprehensive; (10) customer-focused; and (11) outcome-focused. There is general consensus that the quality of the measures is a concern throughout the process of developing, collecting, using, and communicating performance. Issues of concern include data legitimacy, accuracy, reliability, and validity. This concern is not that the measures do not meet these values, but that they will be assessed by external sources to determine if they meet the appropriate standards for continued use.

Efforts to Address Information Quality Issues

Performance measures are developed by input from many people across the government. For agencies like the Department of Criminal Justice, these people include the contractors, a policy council, the administrators within the programs, members of the legislature, the Legislative Budget Board, and the Office of Budget and Planning. “The agency always participates [in deciding measures] yet the influence is variable,” as the director of another agency observed. The input from all individuals includes not only what should be measured but also how it is to be captured and defined. There is an attempt to include both financial and non-financial information, but one program director stated that “bringing those together is difficult.”

To address the concerns of data legitimacy, accuracy, reliability, and validity expressed above, the measures have been refined, and documentation about the measures is required. Training and communication have been formalized so that data requirements are provided to all individuals and organizations involved in the process of developing, collecting, using, and reporting performance measures. Sometimes the actual measures are changed because of (1) change in legislated mandates (federal and state); (2) clearer understanding of goals and objectives; (3) too little or too much information; and (4) change in priorities.

The Office of the State Auditor is charged with assessing the reliability and accuracy of performance measures after they are developed and used by the agencies. A legislative staff member said, “It is the broadest, and it is the most consistent review of any state that I am aware of. It is a broad based review with strict standards for accountability, which agencies must meet in terms of how they collect their information. If the agency has reported inaccurately, the Auditor’s Office tries to determine the correct number so that we in the legislature have some assurance that the information that is reported is accurate. We still have some problems. The Auditor’s Office is reporting that 80 percent of the information is accurate. A lot of the time that has to do with procedures used by agencies with adequate controls in the system to assure consistent, accurate information.” The Office of Budget and Planning and the Legislative Budget Board perform more informal analysis.

The number of measures being used was viewed as impacting the quality of the measures. The legislature found this to be true in a study of performance measures in 1998. Performance measures have been reduced from 11,000 to 6,000 in over eight years.
The Department of Transportation has an internal quality-control process. Aberrant performance results (i.e., unusually high or low) are returned to the district for review and explanation. The measures are “constantly being revised.” For example, the maintenance division originally had 28 functions it measured. Those functions are now approaching 100. “One reason is because too much was being included in one measure and because of differences in cost.”

The Department of Transportation is also concerned about the timeliness of information, given the workload and work flows of the department staff. Often monthly performance results cannot be obtained until two or three weeks after the end of the month. This “lag” time hinders the effective use of performance information. One department manager said that often the performance report is “not accurate and timely, and the people who need to use it are not using the information because of this problem.”

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

**Technology**

The performance measurement initiative in the State of Texas has been ongoing for many years throughout many of the executive agencies. Many of these agencies have developed and implemented information systems that incorporate performance measures, budget information, and other management tools in an integrated database used by the agencies to accomplish their stated purpose. In other agencies, such as the Workforce Development division of the Texas Workforce Commission, automated systems have been refined and enhanced.

The legislature has the Automated Budgeting and Evaluation System of Texas (ABEST). ABEST is a centralized computer system that contains budgeting and performance information. This system tracks the appropriations process and ultimately produces the appropriations bill. Agencies report performance using ABEST quarterly. This system was developed for both budgeting and performance measurement in the early 1980s and was drastically modified when performance based budgeting began in the 1990s. This system also interfaces with the statewide accounting system.

**Training**

When performance measurement first began in the state, outside experts and consultants were used. People from other states, including Oregon and Florida, came and talked about their experiences. The Governmental Accounting Standards Board helped the government establish some standards. Departments take advantage of state-initiated training, guidance and external sources, including professional organizations, consultants, and targeted research. The Department of Transportation, for example, did not use the training provided by the state, choosing instead to use the experiences of other states. Staff traveled to Pennsylvania, and they continue to use national meetings as a forum for learning what other states are doing. Professional organizations also provide some research and information that is useful.

The Governor’s Office and the Governor’s Executive and Management Development Program provided emphasis on strategic planning and performance measurement. These offices included agency heads, university presidents, and a board chairman to kick off the strategic planning process.

As stated in the overview, the Legislative Budget Board provides training to state agencies on the development and use of performance measures and assists them in establishing targets. This training is process-oriented. Materials to accommodate performance measurement are produced by the Legislative Budget Board, the Office of Budget and Planning, and the Office of the State Auditor. There is also a
Staffing

There has been some reorganization within the state government to accommodate performance measurement. According to the Office of Budget and Planning, “the State Auditor’s Office and the Legislative Budget Office have reorganized around performance measures. The agencies did reorganize around the concept. Strategic planning has become more important and there is greater cooperation between planning and budgeting sections.” There have been no appropriations provided specifically to accomplish performance measurement, however. The philosophy within the state government is that this is “core management, and if agencies need this [funds], then they need to reallocate and be fully integrated. It is not a separate function.” Some agencies indicate that they have hired additional staff usually within their own budget office.

EVOLUTION OF PERFORMANCE MEASUREMENT

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

When asked how performance measures could to be effectively developed and used, a wide variety of responses were provided. The problems most often cited or most emotionally held by the interviewees include:

- recognizing that one size does not fit all. It is difficult to bridge the gap between data useful for day-to-day management, performance assessment, and contracting with third parties;
- deciding whether the system is to be driven by performance measures or by the services, then letting the measures reflect that decision;
- getting data in a timely manner, getting it all, and being able to respond appropriately;
- narrowing the number of measures;
- finding the correct units of measurement;
- gathering data in large, diverse, and decentralized departments;
- converting data for effective use;
- communicating a clear vision followed by planning and persistence throughout the entire organization; failure to follow through will cripple the initiative;
- lack of champions in legislature and committed and reform minded executive;
- developing measures separate from those that will collect, report, and use them (i.e., agencies must be involved);
- cost of collecting the data;
- lack of thorough “thinking through the process”;
- ambiguous or unclear language;
- failure to use performance measures constantly, not just during budget process;
• fear that data will be interpreted incorrectly; data does not tell the whole story;
• tendency when establishing targets to accept the mediocre because of fear of what will happen if the target is not obtained;
• reluctance of contractors to engage in performance contracts;
• changing or accommodating the culture; it is difficult to move from “tracking widgets to tracking results, and some areas are better suited for results. [It is] hard sometimes to see effects at citizen levels, and collection of revenue and support of accounting systems is harder to measure in terms of outcomes.”

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

It is important that measures be defined properly, that the data be fully understood, that a system is established for capturing the information, and that all individuals understand their responsibilities for achieving performance. The importance of developing systems and workable relationships for capturing information was emphasized. Lack of an appropriate system and relationships could cause a lack of performance.

One of the strengths of the performance measurement initiative in Texas is the cooperation between the Governor’s Office of Budget and Planning and the Legislative Budget Board. This cooperation has spanned administrations and is bipartisan. In fact, the staff members often transfer between the two offices.

An important lesson learned was that the more closely performance is tied to appropriations the more attention is given to performance measures. This helps the system (strategic plan, budget, and performance measurement) work together as one unit. “Dollars drive the system.”

“Training is a big issue,” stated one agency director. Training often is viewed as “another bureaucratic exercise, but we need to become more enlightened and understand how they [performance measures] can help us.”

Other individuals stated that communication is really important. There has to be a clear understanding of the expectations and the intended results. These expectations and results have to remain consistent over time. The measures need to be clear and well defined so that people involved (agency staff, agency management, legislators, executive, etc.) understand what “is included in the count, and then review on a regular basis. [The system] needs flexibility for change and modifications as necessary to keep them [performance measures] relevant.”

One division was particularly discouraged by performance measures. Several individuals within this division agreed that their use “separates budget people from programmatic people.” They felt that the others about to embark on the same process needed to know that “the exercise is hard, there are reduced dollars, but [the legislature and governor] expect more with less. There is no encouragement and [performance measures and the entire system that uses performance measures] has no flexibility. The budget structure is really set.”

What are future expectations for the use of performance measurement?

Most interviewees were optimistic about the future of performance measurement. As one director stated, “…[It will be good] to have a routine process for collecting and reporting information that is appropriate and understandable to a wide audience. Many believed that the data problems would be solved and information would be timely and accurate. Others expressed a desire to move into collecting outcome
or, as the Department of Transportation indicated, “condition” data, to see the correlation between their activities and the outcome even though there may be a delay between what a department does and the resulting outcomes.

One department expressed the desire to give more input to the Legislative Budget Board and the state auditor’s office. The department’s staff would like the opportunity to show them the information that they use.

The need for providing rewards and a competitive standard to the process was expressed as an expectation. The rewards are intended to be actual dollars for performance at pre-established rates of success, or for targets that are achieved.

There was some fear expressed by a few agencies that state mandated time frames would not be met. They expected programs that failed to meet the time frames established would have programs eliminated. One individual said nothing would change: “Status quo will continue.”

Many interviewees were also pragmatic when they said that measures will have to change and the processes improved to allow for change. Again, to quote one director, “We do not have stability anywhere in our lives, yet we want stability in measures.”
REFERENCES

This is a doctoral dissertation that provides comparative analysis of the six states’ experiences developing and using performance measurement: Florida, Minnesota, North Carolina, Oregon, Texas, and Virginia.

Committee on Appropriations, Texas House of Representatives. (November 1998). *Interim Report to the 76th Texas Legislature*.
Charged by the Speaker of the House of Representatives to assess if the Performance Based Budgeting System of Texas had met the expectations of the legislative members and state agencies, this report from the Subcommittee on Performance-based Budgeting contains the results of that assessment. The assessment was performed through reviewing performance reports, surveys of agencies and legislators, and agency testimony.


This report is intended to be a “brainstorming guide” to assist state policy-makers in their quest for strategies to improve the performance-measurement system in Texas. It is divided into three parts: (1) reviewing basic facts; (2) progress and areas for improvement; and (3) brainstorming the issues.

This document is a compilation of the performance measures for the Department of Criminal Justice. There are 104 outcome, output, efficiency, and explanatory measures grouped within 5 goals of the agency. Each performance measure is identified by type of measure (outcome, output, etc.), defined, designated as key or non-key for the agency or goal, and assigned to a specific person within a specific division. In addition, the importance of each measure is given as well as the location of the data, the method used to collect the data, any applicable formula or calculation instructions, any limitations of the data, and designation as cumulative or non-cumulative data.

This report restates the five goals of the department and reports progress through comparing output and efficiency measures to projected performance within stated objectives. A standardized report for all output and efficiency measures is provided, which requires explanations for any variance of five percent or greater from projected performance for each measure.
The strategic plan provides assessment tools for the department’s strategic direction, which includes external and internal results and processes.

Performance measures for the Maintenance Division of the Department of Transportation are published in this annual report. The report includes statewide comparisons of cost per unit and by function and historical expenditures by function.

The document provides guidelines to agency administrators to use in preparing their strategic plans. The guidelines include instructions for (1) implementing an internal benchmarking process, (2) conducting a customer-satisfaction assessment; and (3) submitting measure definitions. In addition, information about other state planning requirements and the updated Vision Texas: Statewide Strategic Planning Elements for Texas State Government is provided.

The document provides highlights of the performance-measurement system in Texas for the fiscal years 1994-1999, general appropriations patterns that provide change in appropriations and performance indicators, and performance reporting using the “Outcome and Efficiency Measures Reports” and various other instruments for communicating used in the Texas state government.
The Senate Finance Interim Subcommittee presents its findings and recommendations regarding the usefulness of performance measures and the agencies’ accuracy in reporting on performance measures.


This document represents the fiscal representation of the Department of Criminal Justice’s strategic plan that was submitted to the Legislative Budget Board and the Governor’s Office of Budget and Planning. This document prioritizes funding needs within the department’s five strategic goals.


This article written for the House of Representatives summarizes primarily results of the Subcommittee on Performance-based Budgeting.