March 28, 2008

Compliance With the Government Managers Accountability Amendment Act of 1995 Has Been Incomplete and Inconsistent

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EXECUTIVE SUMMARY

PURPOSE

Pursuant to Public Law 93-198, Section 455, and D.C. Law 11-16, Section 2, the District of Columbia Auditor conducted an audit of agency compliance with the requirements of the Government Managers Accountability Amendment Act of 1995.

CONCLUSION

Based on the review of the performance reports (FY 2006 and FY 2007) and performance plans (FY 2007 and FY 2008) for the six sample agencies, as well as interviews with key officials from the Office of the City Administrator and the agencies, the Auditor found that compliance with the GMAA has been incomplete and inconsistent. Most agencies comply with the GMAA requirement to submit annual performance plans and reports to the Council, but compliance with this basic requirement is not universal, particularly among independent agencies. Moreover, many of the plans and reports are incomplete, lacking measures for major programs, including but not limited to the agency management functions such as personnel, procurement, and technology. Additionally, the lack of stability in agency performance measures, after more than a decade of GMAA implementation, prevents District policymakers and residents from realizing one of the most important benefits of performance measurement: the ability to track changes in performance over time. Agency performance reports often lack data for a number of measures. One troubling trend was that the sample agencies reported FY 2007 data for only 69 percent of their performance measures, down from 80 percent in FY 2006.

The Auditor notes that each of the sample agencies’ performance measurement systems reflected strengths as well as weaknesses, and that the revised FY 2008 performance plans prepared by agencies under the Mayor’s control showed a stronger outcome orientation. Nevertheless, the District’s performance measurement system still has not reached a level of stability, consistency, and technical proficiency found in high-quality government performance measurement systems. Follow-through remains a key issue, as many agencies have identified key indicators but have failed to devote the resources necessary to collect and verify the data. The Auditor also believes it would be appropriate for the Mayor and Council to review the GMAA and related statutes, such as the performance-based budgeting statute, to adapt the performance measurement system to the needs of policymakers based on the experience thus far in implementing the GMAA.
MAJOR FINDINGS

1. Although most district government agencies include a performance plan for the next fiscal year as part of the mayor's annual budget request to the council, compliance is not universal more than a decade after the enactment of the GMAA.

2. District government agencies have often failed to state measurable, objective performance goals for all significant activities in their annual performance plans.

3. Agency mission statements and strategic goals vary in quality.

4. In the FY 2007 performance plans and the original FY 2008 performance plans, agencies provided multiple performance measures for each program, but the measures frequently failed to reflect program outcomes. The revised FY 2008 performance plans were more outcome-oriented, but there were also more gaps in the performance plans.

5. Most agencies transmit performance reports to the council, as required by the GMAA, but there are still continuing examples of non-compliance.

6. Agency performance reports do not consistently meet the GMAA requirement to indicate the actual level of performance, compared to the stated goal for performance, for each measure included in the agency's performance plan. In fact, compliance with this requirement declined among the sample agencies between FY 2006 and FY 2007.

7. Except for the revised FY 2008 performance plans prepared by mayoral agencies, the performance plans and reports reviewed in this audit identify management employees responsible for achieving performance goals, and their supervisors. Nevertheless, the performance plans and reports focus on a small number of top managers, and do not meet the GMAA requirement to identify the managers with actual line responsibility for achieving each goal.

8. The Fenty administration has implemented a new approach to performance measurement that emphasizes fewer, more focused measures tied to key objectives and initiatives of each agency. This approach may conflict with the more comprehensive approach to performance measurement mandated by the GMAA.

MAJOR RECOMMENDATIONS

1. The Mayor must use his supervisory authority and the Council must use its oversight authority to ensure that all agencies submit performance plans for the upcoming fiscal year to the Council when the Mayor transmits the annual budget request to the Council.

2. The Mayor must use his supervisory authority and the Council must use its oversight authority to ensure that all agencies submit annual performance reports for the preceding fiscal year to the Council by January 15th of each year.

3. The Mayor, City Administrator, and Council must ensure that agency performance plans cover all significant programs and activities. At a minimum, agencies should establish performance measures for all programs defined in the performance-based budgeting structure.

4. Agencies should expand the scope of performance measures covering agency management, targeting functions and activities that have been deficient in the past. Central management agencies, such as the Office of Contracting and Procurement, the Office of the Chief Technology Officer, the Department of Human Resources, and the Office of Risk Management should develop measures that can be used throughout the government to assess progress toward higher performance levels. Examples of agency management measures that could be monitored and reported are discussed in the “Findings” section of this report.

5. The Office of the Chief Financial Officer should develop financial operations measures for each agency, rather than simply using citywide measures, in order to pinpoint problems (as well as areas of strong performance) in agency financial management. Examples of agency financial operations measures that could be monitored and reported are discussed in the “Findings” section of this report.

6. Agencies should seek to make performance measures more significant and outcome-oriented by linking their measures to their strategic goals and objectives, and by avoiding process-oriented measures that reflect internal bureaucratic processes.
7. Agencies should expand the use of efficiency measures, drawing on the hundreds of efficiency measures that have been developed in agency strategic business plans, as a way to show how well they are using resources and to provide useful information for the annual budgeting process. Efficiency measures would be particularly useful for the largest programs within an agency and those that provide high-priority services to the public. The Office of Budget and Planning should help agencies develop the necessary data collection methods and calculations.

8. Agencies should improve the validity, reliability, significance, and balance of their performance measures by reviewing and adopting, as appropriate, measures published by national professional associations such as the International City-County Management Association, the Government Finance Officers Association, and the American Public Health Association.

9. Agencies should also review the performance measures used by similar agencies in neighboring jurisdictions to identify useful outcome measures whose results can be compared. The Office of the City Administrator should assist agencies in these efforts.

10. The City Administrator and the governing bodies for independent agencies should require agencies to collect and report data for all of the performance measures included in annual performance plans. To hold agencies accountable for collecting and reporting data, the City Administrator and independent governing bodies should regard a performance goal as not met if an agency fails to collect and report data for a particular measure.

11. The City Administrator and the governing bodies for independent agencies should require agencies to justify and receive written approval to change performance measures and goals, in order to promote accountability for results and ensure that trends can be tracked over time. To prevent the gaps in performance reporting that arise from frequent changes or shifts in performance measures, the Office of the City Administrator and the governing bodies for independent agencies should require agencies to collect data on a new measure for at least one year until the old measure is fully phased out.

12. Agencies must comply with the GMAA requirement to state in their performance plans and reports the name and position of the manager or managers most directly responsible for achieving each performance goal, as well as the supervisor of the manager or managers. The past practice of identifying the responsible managers and supervisors at the program level,
which includes multiple performance measures, does not comply with the law and fails to identify the line managers responsible for each program measure.

13. The Mayor and Council should undertake a comprehensive review of the GMAA, based on the experience of implementing the law over the past decade, in order to clarify ambiguities in the law and ensure that the performance measurement system is informative and useful to decision-makers and to the public.

14. As part of the statutory review, the Mayor and Council should review the performance-based budgeting law to see if its requirements for strategic planning and program performance measures can be integrated into one body of law governing planning, performance measurement, performance reporting, and budgeting.
PURPOSE

Pursuant to Public Law 93-198, Section 455, and D.C. Law 11-16, Section 2, the District of Columbia Auditor conducted an audit of agency compliance with the requirements of the Government Managers Accountability Amendment Act of 1995.

OBJECTIVE, SCOPE, AND METHODOLOGY

The objective of the audit was to review agency compliance with D.C. Law 11-16, the “Government Managers Accountability Amendment Act of 1995” (GMAA), which established requirements for annual performance planning and reporting that apply to all District of Columbia government agencies.

Specifically, the Auditor sought to determine whether:

1. District of Columbia government agencies are complying with the GMAA requirement to transmit annual performance plans and reports to the Council;

2. Agency performance plans comply with GMAA requirements to (a) state the agency’s mission, objectives, and goals, (b) describe how the agency’s mission and goals will be accomplished, (c) establish measurable, objective performance goals for all significant activities, (d) provide one or more measures of performance for each major program that address both quantity and quality, and (e) measure program outcomes and results in addition to activity levels;

3. Agency performance reports comply with the GMAA requirement to indicate the actual level of performance, compared to the stated goal for performance, for each performance measure included in the performance plan for that fiscal year;

4. Agency performance plans and reports comply with the GMAA requirement to state the name and position of the management employee or employees most directly responsible for the achievement of each performance goal, and the immediate supervisor or superior of the management employee or employees.

The GMAA states that, “The Office of the District of Columbia Auditor shall conduct an audit of selected performance measures presented in performance reports of certain agencies each fiscal year” (see D.C. Official Code § 1-614.14(c)). The Auditor is fulfilling this requirement through this report on GMAA compliance and a separate report that examines whether the
performance measurement\textsuperscript{1} system established to satisfy the GMAA requirements reflects best practices identified by researchers and practitioners in this field.\textsuperscript{2}

The scope of this audit included a review of the fiscal year (FY) 2006 and 2007 performance reports, as well as the FY 2007 and FY 2008 performance plans for six "sample" agencies. At the direction of the City Administrator, five of the six sample agencies revised the original FY 2008 performance plans that were transmitted to the Council in March 2007 (as did all other agencies under the Mayor's authority). This audit reviewed both the initial FY 2008 plans and the revised FY 2008 plans. The six sample agencies are as follows:

- Office of the Chief Financial Officer (OCFO);
- Department of Employment Services (DOES);
- Metropolitan Police Department (MPD);
- D.C. Public Schools (DCPS);
- Department of Health (DOH); and
- Department of Public Works (DPW).

\textsuperscript{1}The International City/County Management Association defines performance measurement as, "collecting data in a systematic and objective manner to determine the efficiency and effectiveness of service delivery and program objectives." See International City/County Management Association, Performance Management: When Results Matter (Washington, D.C.: International City/County Management Association, 2004), p. x.

\textsuperscript{2}This companion report is entitled, "Performance Measurement System Needs Long-Term Stability and Commitment to Maximize Effectiveness."
The Auditor established this sample by selecting the agency with the largest locally-funded budget\(^3\) within each of six appropriation titles in the District of Columbia’s annual operating budget.\(^4\) The sample includes some of the most important agencies providing direct services to the public (such as MPD, DCPS, and DPW), as well as an internal services agency (OCFO). Additionally, the sample includes agencies that report to the Mayor (DOES, MPD, DOH, and DPW), an independent agency (OCFO), and an agency (DCPS) that was independent until June 2007, when control of the school system was transferred to the Mayor.\(^5\) The Auditor finds that the six agencies reviewed (hereafter referred to as the “sample agencies”) represent a good cross-section of the District of Columbia government because of the variation described above.

To accomplish the audit objectives, the Auditor performed a range of background research and field work, in addition to reviewing the FY 2006 and FY 2007 performance reports, and the FY 2007 and FY 2008 performance plans. First, the Auditor reviewed the provisions of the GMAA and other statutes affecting performance measurement and accountability in the District of Columbia. Second, the Auditor reviewed the academic literature on performance measurement and accountability, as well as written materials from public agencies in other jurisdictions, to identify exemplary practices. Third, the Auditor reviewed prior audit work on performance measurement in the District of Columbia to build on previous findings. Fourth, the Auditor interviewed officials from the Office of the City Administrator (OCA) and the six agencies to gain their perspectives on the development and implementation of the performance measures, plans, and reports. Finally, the Auditor reviewed comments on a draft report provided by the OCA, OCFO, and DOES, and made revisions that the Auditor deemed appropriate. The comments on the draft report are attached at the end of this report.

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\(^3\)The “locally-funded budget” refers to the portion of an agency’s operating budget generated by taxes, fines, and fees collected by the District of Columbia government that is not earmarked for particular purposes. The locally-funded budget excludes federal grants, special-purpose revenue (revenue that is legally restricted to certain purposes), intra-district funds (funds transferred from one agency to another as payment for services), and private grants. See Government of the District of Columbia, FY 2008 Proposed Budget and Financial Plan, Volume 1, Executive Summary (June 2007), pp. 3-1 to 3-11.

\(^4\)There are eight appropriation titles in the District of Columbia’s annual operating budget, but the Auditor did not select an agency from two titles, “Financing and Other” and “Enterprise and Other Funds,” because these titles consist largely of funds (such as “Repayment of Loans and Interest” or the “Unemployment Compensation Fund”) that were established for budgeting or accounting purposes. In many cases, these funds are managed by one of the sample agencies, such as the Office of the Chief Financial Officer. The sample includes one agency from each of the following appropriation titles: Government Direction and Support, Economic Development and Regulation, Public Safety and Justice, Public Education, Human Support Services, and Public Works.

\(^5\)D.C. Law 17-9, the “Public Education Reform Amendment Act of 2007,” which transferred authority over the school system from the Board of Education to the Mayor, took effect on June 12, 2007.
BACKGROUND

The Government Managers Accountability Amendment Act of 1995

The GMAA took effect as D.C. Law 11-16 on May 16, 1995, and is now codified in § 1-614.11 through § 1-614.14 of the D.C. Official Code. The GMAA mandated that all District of Columbia government agencies transmit to the Council a performance plan for the next fiscal year and a performance report for the prior fiscal year. Although the GMAA has been amended, its original framework remains largely unchanged and includes the following requirements:

1. Each agency of the District of Columbia shall develop and submit to the Council a performance plan for the next fiscal year that covers all publicly-funded activities of the agency. The performance plans shall be submitted at the time the Mayor transmits the annual budget to the Council.

2. Agency performance plans shall include a mission statement and objectives, as well as a strategic description of how the agency’s mission and goals shall be accomplished.

3. Agency performance plans shall state measurable, objective performance goals for all significant activities, including activities supported in whole or in part by public funds, but performed in whole or in part by another public or private entity.

4. For each agency and major program covered by the performance plan, there shall be one or more measures of performance that address both quantity and quality. The performance measures may include program outputs and activity levels, but should also include measures of program outcomes and results.

5. The performance plan shall state the name and position of the management employee or employees most directly responsible for the achievement of each performance measure, and the immediate supervisor or superior of the management employee or employees.

6. Not later than January 15th every year, each District of Columbia government agency shall develop and submit to the Council a performance report for the prior fiscal year that covers all major programs of the agency. The performance report shall indicate, for each performance measure stated in the performance plan for that year, the actual level of performance compared to the stated goal for performance.
7. The performance report shall state the name and position of the management employee or employees most directly responsible for the achievement of each performance measure, and the immediate supervisor or superior of the management employee or employees.

8. The District of Columbia Auditor shall conduct an audit of selected performance measures presented in performance reports of certain agencies each fiscal year.

Other Statutes Affecting Performance Measurement and Accountability

Although this examination reflects the Auditor’s statutory mandate to review performance measures and agency performance reports submitted pursuant to the GMAA, the Auditor examined other relevant statutes in order to understand the whole body of law concerning performance measurement in the District of Columbia. The Auditor reviewed: (1) Public Law (P.L.) 103-373, the “Federal Payment Reauthorization Act of 1994,” which was enacted by the U.S. Congress as an amendment to the D.C. Home Rule Act, and (2) the “Performance and Financial Accountability Act of 2001,” which was enacted by the Council as Title XLV of D.C. Law 14-28, the “Fiscal Year 2002 Budget Support Act of 2001.”

P.L. 103-373, the “Federal Payment Reauthorization Act of 1994,” added a new section 456 to the D.C. Home Rule Act, entitled “Performance and Financial Accountability.” The performance accountability sections, which are codified in § 1-204.56a and § 1-204.56b of the D.C. Official Code, require the D.C. government to submit to the Congress an annual performance plan and report covering each agency. This language has been amended several times, and is now almost identical to the GMAA. Besides mandating the submission of plans and reports to Congress, P.L. 103-373 requires the D.C. government to provide information about programs that are subject to a court order, and directs the U.S. Comptroller General to review and evaluate each annual performance report.

The “Performance and Financial Accountability Act of 2001,” which was part of omnibus budget legislation, mandated the development and implementation of a performance-based budgeting (PBB) system. The PBB requirements, which now apply to all D.C. government agencies, are found in § 47-308.01 to § 47-308.03 of the D.C. Official Code. A performance-based budget is defined

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6In the annual performance plan, the District government must describe the programs that are subject to a court order and the requirements that are imposed by the court. In the annual performance report, the District government must outline the steps that agencies have taken to comply with each court order. See D.C. Official Code §§ 1-204.56a(c) and 1-204.56b(b)(3).
as, “a budget presentation consisting of agency programs, estimated total program and activity costs, as well as full-time equivalents for the current and next fiscal year; agency strategic result goals; an overview describing the activities within each program; estimated program costs; and program performance measures.”

Although the PBB provisions are consistent with the GMAA, the two statutes use different terminology. The PBB law calls for “strategic result goals” and “relevant performance measures” that reflect the results an agency will produce, the outputs or services the agency will provide, the demand for services, and the efficiency of the agency in delivering results, outputs, and services. These requirements are compatible with the GMAA’s emphasis on multiple measures that show program results or outcomes. The PBB law also requires agencies to present strategic business plans. Even though “strategic business plan” is not defined in the statute, the plans could outline an agency’s mission statement and objectives, and explain how the agency will fulfill its mission and goals, as required by the GMAA.

Best Practices in Performance Measurement and Accountability

To establish a basis for evaluating the District’s performance measurement system, the Auditor reviewed best practices identified by academic experts, researchers, and practitioners in the field. The sources reviewed are listed in Appendix A. Although the review of best practices is the subject of a separate report, this discussion is also relevant to this report because some of the practices are reflected in the GMAA and provide criteria for evaluating agency compliance.

Ideally, performance measurement is a tool for setting goals, tracking results, identifying and correcting gaps in performance, informing budget decisions, and promoting accountability. Otherwise, performance measurement is a pointless exercise in bureaucratic compliance. As Blaine Liner and colleagues state in Making Results-Based State Government Work, “The key to the success of any governing-for-results process is for public officials in both the executive branch and legislature to use the information when making decisions on resources, programs, and policies.”

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7See D.C. Official Code § 47-308.01(a)(3).

8See “Performance Measurement System Needs Long-Term Stability and Commitment to Maximize Effectiveness.”

To assist government officials in decision-making and daily operations, a performance measurement system must tell them what was achieved, how efficiently work was done, and how residents were helped by a particular program or activity. Experts agree that a performance measurement system that supports decision-making is built upon outcome measures (also called result measures). Outcome measures capture how people benefit from a program or service—the consequences or results “that occur outside the program.”

Although the need for outcome measures may seem obvious, the failure of government performance measurement systems to emphasize outcomes has been one of the most common deficiencies. Outcomes are often complex and difficult to define, measure, and monitor. Instead, many public agencies have tracked and reported output measures—the number of goods and services the agency provides or produces. Although output measures are important for management purposes, they do not capture the most critical aspect of performance: how residents benefit from the agency’s programs or activities.

Performance measures can be classified in the following way:

- **input measures**, which show the amount of resources used, such as dollars or full-time equivalent (FTE) personnel.

- **output measures**, which show the amount or level of goods produced and services delivered, such as the number of library books circulated or the number of people receiving job training.

- **efficiency measures**, which show the relationship between the work performed and the amount of resources used to perform it. Efficiency measures can show the amount of output produced per unit of input, such as the number of library books circulated per FTE, or the number of people trained per $100 spent. Conversely, efficiency measures can show the amount of inputs used per unit of output, such as the cost per library book circulated or the cost per person trained.

- **service quality measures**, which reflect the quality of the goods produced or services provided, such as the percentage of library books that are less than five years old, or the

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10. This characterization of outcomes as results “that occur outside the program” is found in Liner, Hatyry, Vinson, et. al., p. 64.
percentage of job training participants who rate the quality of the training as good or excellent.\textsuperscript{11}

- outcome measures, which reflect the consequences or benefits that result from a program or activity, such as the percentage of library patrons finding the books they need, or the employment and wage rates for participants who completed a job training program.

As depicted in Chart 1 below, the five types of measures can be viewed as a continuum. The input and outcome measures shown on the left-hand side of the chart answer questions of “how many” – how many dollars the government is spending, or how many goods or services the government is delivering. The efficiency, service quality, and outcome measures shown in the middle and on the right-hand side address questions of “how well” – how well the government is using resources, and how well public goods and services are meeting people’s needs. Since performance is fundamentally a question of “how well” the government is doing, policymakers should go beyond the input and output measures that have traditionally been tracked and reported, and instead focus on the efficiency, service quality, and outcome measures that reflect performance.

**Chart 1**

A Continuum of Performance Measures

![Chart Diagram](image)

Although outcome measures provide the most valuable information by showing the effects of a program or service, they will not always be readily available (or they may be too expensive or time-consuming to collect). Furthermore, efficiency and service quality measures provide important information to decision-makers and to the public. Therefore, performance measurement systems

\textsuperscript{11}Harry P. Hatry refers to service quality measures as “intermediate outcomes” in *Performance Measurement: Getting Results*, Second Edition (Washington, D.C.: The Urban Institute Press, 2006). Although Hatry notes that quality measures describe the output (the good or service produced) and not the outcome of the good or service, he states that, “If a characteristic is expected to be important to customers, it is better to consider it an intermediate outcome, not an output” (p. 19). Regardless of the terminology used, performance measures should be viewed as a continuum stretching from inputs at one end to outcomes at the other end.
should include a mix of efficiency, quality, and outcome measures, while incorporating outcome measures to the extent possible.

Outcome-oriented measures are a necessary, but not sufficient condition for a strong performance measurement system. Based on the research literature, the Auditor has identified other characteristics of effective performance measures and an effective performance measurement system. Effective performance measures should be:

- **valid**, which means that the measures capture the aspects of a program or service that they are intended to measure;

- **reliable**, which means that the measures provide a consistent reading of performance, regardless of the person who takes the measurement or the instrument used to measure performance;

- **significant**, meaning that the measures are logically and closely related to the agency or program's goals, objectives, and functions;\(^\text{12}\)

- **clear**, meaning that the measures are free of technical terms and jargon;

- **fair**, meaning that the measures reflect outcomes that public managers and employees can control or influence;

- **feasible**, meaning that the data required for each measure are available without unreasonable cost or effort;

- **balanced**, meaning that the measures cover major programs and activities while remaining selective and focused, and avoid perverse incentives by highlighting certain aspects of performance at the expense of other important objectives;\(^\text{12}\) and

\(^\text{12}\)Fairfax County's Department of Management and Budget offers good suggestions about how to choose significant measures in *Fairfax County Measures Up: A Manual for Performance Measurement* (Tenth Edition, 2006). The manual recommends relating measures to activities that consume a major portion of the budget; that are critical to the success of the agency's mission; that have a significant customer service focus; or are politically sensitive or frequently in the public spotlight (p. 15).

\(^\text{13}\)One of the most common examples of a perverse incentive is when an agency uses performance measures that reflect speed, which can reduce the emphasis on quality of service. Another example is when an agency waters down the quality of a service in an attempt to reduce the cost per client.
stable, meaning that there is sufficient consistency in the measures to track performance over time and promote accountability for results.

Prior Audit Work on Performance Measurement and Accountability in the District of Columbia

The Auditor reviewed prior reports and studies on performance measurement and accountability in the District of Columbia in order to gain historical perspective on the District government’s performance measurement system, and to build on the findings of prior audit work. The reports and studies, which were published between 2001 and 2006, are listed in Appendix B.

Both the U.S. General Accounting Office\(^{14}\) (GAO) and the D.C. Office of the Inspector General (OIG) found that the District’s performance measurement system had improved significantly in recent years. For example, the GAO stated in a July 2004 report that, “The District has made steady progress over the past 5 years in implementing a more results-oriented approach to management and accountability and issuing timely and more complete performance reports.”\(^{15}\) Similarly, in its March 2006 report, the OIG stated that, “The District’s performance measurement system has vastly improved from its beginnings more than 5 years ago.”\(^{16}\)

Nevertheless, the Auditor finds cause for concern in the findings of prior reports on the District’s performance measurement and accountability system. In particular, the following deficiencies were repeatedly cited in external reports:

- The District’s performance measurement policies and procedures are not clearly documented or transmitted to agencies in a concise, comprehensive format, reflecting an overall lack of centralized guidance and direction.

\(^{14}\)Effective July 7, 2004, the “U.S. General Accounting Office” changed its name to the “U.S. Government Accountability Office.” The Auditor has used the former name when discussing audit reports that were issued before the name change.


• Oversight by the OCA and the Office of Budget and Planning tends to emphasize compliance and the timely submission of reports, rather than the use of performance data to identify performance gaps, highlight accomplishments, and provide useful information to decision makers.

• The District fails to validate its performance measures or to verify the performance results reported by agencies. Agencies often fail to create sufficient internal controls to guarantee the integrity of performance data. Supporting documentation and audit trails are frequently lacking.

• Performance measures frequently focus on outputs – the quantities of goods or services that agencies provide – rather than outcomes that reflect the speed, quality, or effectiveness of services provided to the public.

• Performance measures and targets are frequently modified, limiting the ability of policymakers to hold agency staff accountable for results and reducing the transparency of the performance measurement system to the public.

• The performance measurement system needs to be more closely linked to strategic planning and budgeting.

The Auditor drew on this historical perspective in conducting the analysis and field work described in this report.
FINDINGS

ALTHOUGH MOST DISTRICT GOVERNMENT AGENCIES INCLUDE A PERFORMANCE PLAN FOR THE NEXT FISCAL YEAR AS PART OF THE MAYOR’S ANNUAL BUDGET REQUEST TO THE COUNCIL, COMPLIANCE IS NOT UNIVERSAL MORE THAN A DECADE AFTER THE ENACTMENT OF THE GMAA.

The D.C. Public Schools (DCPS) was the only sample agency that failed to include a performance plan for FY 2008 in the Mayor’s fiscal year 2008 budget submission to the Council.17 Although DCPS included performance measures and targets for FY 2008 in the “Fiscal Year 2006 Performance Accountability Report to the U.S. Congress,” transmitted by the City Administrator to the U.S. Congress in March 2007, the Auditor regards it as troubling that DCPS failed to submit a performance plan to local elected leaders. The D.C. government’s budget request to the U.S. Congress, which was completed in June 2007, also lacked a DCPS performance plan for fiscal year 2008.18

DCPS’ failure to submit a performance plan for FY 2008 was not an isolated occurrence. The Auditor found that DCPS had failed to prepare a performance plan for FY 2006 or FY 2007. In fact, the failure of DCPS to implement and maintain a system of performance measurement has been highlighted in prior audit work dating back more than six years. In a June 2001 report on the District’s performance measurement system, the GAO pointed out that, “The (performance) report does not cover the performance of the District’s public schools, which account for more than 15 percent of the District’s budget ... The District’s performance report acknowledges this critical gap in coverage and says that subsequent reports beginning with the fiscal year 2001 report will more fully meet the statutory requirements.”19

17To make performance measurement a more integral part of the budget process, the Mayor has included agency performance plans for the next fiscal year, and performance reports from the previous fiscal year, in each agency’s chapter of his annual budget proposal to the Council (which is transmitted in March of each year) and in the District of Columbia government’s annual budget request to the U.S. Congress (which is transmitted in June of each year).


The management of the school system was overhauled in 2007, following the enactment of D.C. Law 17-9, the "Public Education Reform Act of 2007," which transferred supervisory authority for the school system from the Board of Education to the Mayor. In June 2007, Mayor Fenty appointed the first Chancellor to serve as the chief executive of the school system, replacing the Superintendent of Schools who had been appointed by the Board of Education. Although DCPS' failure to submit performance plans cannot be attributed to the present management of the school system (which submitted a revised FY 2008 performance plan in the fall of 2007, as directed by the City Administrator), this example shows that performance measurement and reporting has not fully taken root as a management practice of the D.C. government more than a decade after the GMAA was enacted. DCPS is one of the largest D.C. government agencies, with an annual operating budget exceeding $1 billion and a full-time equivalent staffing level of almost 10,000, and DCPS' responsibility to educate children is one of the most important missions in the government.

GAO reports dating back to 2002 also highlight the failure of public charter schools to establish performance plans and provide performance reports.\(^\text{20}\) Although the public charter schools were not among the sample agencies in this audit, the Auditor nevertheless regards the prior audit findings on charter schools as instructive. In response to the GAO findings, City Administrator John Koskinen stated in April 2002 that, "Charter school measures will not be included in the FY 2003 budget, but the District will seek to provide data in the FY 2002 performance accountability report to establish a baseline for 2003 and beyond."\(^\text{21}\)

Nevertheless, the performance plans transmitted to the Council for FY 2007 and 2008 do not include the public charter schools or the Public Charter School Board. This is another significant gap in the District's performance measurement system, particularly in light of the rapid growth in public charter schools. The FY 2008 budget for public charter schools is $320.4 million,\(^\text{22}\) more than double the FY 2002 budget of $142.3 million.\(^\text{23}\) The District government now funds the education


of more than 22,000 students in 57 public charter schools. This important part of the District’s public education system should be subject to the same performance measurement requirements as all other government agencies.

DISTRICT GOVERNMENT AGENCIES HAVE OFTEN FAILED TO STATE MEASURABLE, OBJECTIVE PERFORMANCE GOALS FOR ALL SIGNIFICANT ACTIVITIES IN THEIR ANNUAL PERFORMANCE PLANS

Although most agencies submit annual performance plans for the next fiscal year to the Council, the plans often omit significant activities and provide an incomplete picture of agency plans and goals. In addition, agencies have frequently modified or discarded performance measures during mid-year. As a result, the performance plans lack the commitment, consistency, and coherence needed to monitor performance over time, and fail to provide a solid, stable foundation for accountability.

Two areas that are particularly neglected in agency performance plans are the “agency management” functions (such as procurement, personnel management, and information technology) and “agency financial operations” (such as budgeting and accounting) that have been a standard part of agency performance-based budgets for several years. The agency management category was created in FY 2004 to “track costs for common administrative expenses across the District,”25 while the financial operations category was created in FY 2005 to reflect the budget and performance of financial management services. All of the sample agencies except DCPS included agency management measures in their FY 2007 performance plans and their original FY 2008 performance plans, but the measures were limited in scope. The OCFO was the only sample agency to include measures of agency financial operations in its FY 2007 and FY 2008 performance plans. In an interview with the Auditor, OCFO representatives stated that the financial operations measures applied to the entire government, rather than to the OCFO’s internal financial management.

Each of the five sample agencies that included agency management measures in their original FY 2008 performance plans used two standard indicators that had been developed by the Office of the City Administrator: (1) “Percent of Mayor’s customer service standards met,” and (2) “Percent


of key result measures achieved.” Other aspects of agency management were sparsely covered, if at all. Moreover, five of the six sample agencies revised their FY 2008 performance plans, as directed by the City Administrator, in an effort to make the plans more focused on the three to five key objectives of each agency.\textsuperscript{26} Four of the five agencies (DOES, MPD, DOH, and DPW) that revised their FY 2008 performance plans did not include any measures of agency management. In fact, the FY 2007 and FY 2008 performance plans (original and revised) submitted by the sample agencies lack any measures of contracting and procurement, property management, information technology, training and employee development, risk management, or language access.

The failure to develop and implement performance measures for agency management functions deprives agency directors and senior managers of data that would help them monitor performance, identify and implement corrective actions, and track the effectiveness of those actions. Longstanding performance deficiencies in areas such as grants management, personnel, procurement, and property management, which have been documented in numerous external reports, make this failure particularly serious.\textsuperscript{27} A number of agency management and financial operations functions that could benefit from performance measurement and monitoring.

**Chronic Management Problems Not Reflected in Agency Performance Measures**

For example, the District has long struggled to improve a procurement system marked by long delays, overuse of emergency and sole-source contracts, unauthorized contracting actions, inadequate contract monitoring, and failure to pay vendors promptly. These shortcomings reflect not only the performance of the Office of Contracting and Procurement (OCP), which buys goods and services for many D.C. government agencies, but also the performance of “client” agencies that fail to notify OCP of their needs on a timely basis or provide adequate specifications. In a report issued in December 2006, the District of Columbia Contracting and Procurement Task Force recommended, \textit{inter alia}, that the executive branch “establish meaningful guidelines and timetables

\textsuperscript{26}The guidelines for the revised FY 2008 performance plans are described in “Performance Plan Template Instructions,” a document prepared and circulated by the Office of the City Administrator.

for acquisition actions, including planning, with provision for timely notice to agencies of the necessity for action on specific procurements (such as contract expirations) in advance of due dates” and “establish a monitoring and accountability process to review achievement of planning and contracting goals.”

Despite the importance of procurement planning in improving the District’s contracting system, none of the sample agencies has developed procurement performance measures. The Auditor agrees with the Contracting and Procurement Task Force that agency-level measures of procurement planning and cycle time would be a powerful tool to drive improvements in the District’s procurement system.

There is a wide range of performance measures that District agencies could use to monitor agency management effectively. In the area of procurement, agencies could track the percentage and dollar value of contracts issued on a sole-source basis, the preparation time for bid documents, and average number of bidders per contract. For information technology, agencies could measure system availability and percentage of customer transactions performed online. For human resources, agencies could report the employee turnover rate, position vacancy rate, and timely completion of performance appraisals, while the Department of Human Resources and agencies with independent personnel authority could report the average length of the recruitment process from vacancy notification to job offer. Finally, for risk management, agencies could track the percentage and dollar value of successful claims against the agency, as well as vehicle accident, occupational injury, and illness rates.

Performance measurement could also be useful in helping to resolve longstanding financial and program management problems at DCPS. In April 2006, the U.S. Department of Education (Department) designated DCPS as a “high-risk” agency with respect to federal grants – a designation that could imperil DCPS’ eligibility for future federal grants. The problems cited by the Department include DCPS’ failure to submit Single Audit Act reports on time; failure to correct audit findings within six months of the audit report; inadequate cost-allocation procedures for federal grants; and the lack of an adequate accountability plan for the No Child Left Behind Act. In January 2007, the “Independent Auditors’ Report on Internal Control and Compliance Over Financial Reporting, Fiscal Year Ended September 30, 2006,” which reports findings from an independent annual review of the

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29 The Single Audit Act of 1984 (Public Law 98-502) is a federal law that requires a single financial and compliance audit for state and local governments that receive more than $100,000 in any fiscal year.

30 April 21, 2006, letter from Raymond Simon, Deputy Secretary of the U.S. Department of Education, to Dr. Clifford Janey, Superintendent of Schools, D.C. Public Schools.
District’s financial statements, exposed additional breakdowns in DCPS’ financial management. The independent auditor, BDO Seidman LLP, characterized DCPS itself as a “material weakness” reflecting significant deficiencies in the design or operation of the internal controls concerning financial reporting.\textsuperscript{31} The list of deficiencies cited by BDO Seidman covers procurement (such as the lack of approved purchase orders and justification for sole-source contracts), human resources and payroll (including the lack of capability to calculate employee step increases and a reliance on manual processes), and Medicaid (including the failure to file timely cost reports).

Although the Mayor, DCPS officials, and OCFO officials have stated their intent to implement corrective action plans,\textsuperscript{32} the FY 2008 performance plans for DCPS and OCFO do not include any measures concerning these severe management problems. The Auditor found that DCPS and OCFO would benefit from performance indicators that measure the progress of corrective actions and keep the spotlight on resolving the deficiencies. In fact, a strong performance measurement system that targets key areas of management and administration might have helped DCPS avoid designation as a “high-risk” grantee in the first place.

Other chronic management problems that are not reflected in the District’s performance measurement system could benefit from regular monitoring and reporting. For example, citywide overtime expenditures from local funds almost doubled, from $48.1 million in FY 2004 to $90.8 million in FY 2006, yet the District’s budget projects a sharp reduction in overtime to $37.6 million in FY 2008.\textsuperscript{33} To achieve such a steep reduction, senior government officials must closely monitor overtime expenditures in departments such as MPD, Fire and Emergency Medical Services, DCPS, and Corrections that have historically used the most overtime. Using overtime controls and expenditures as a performance measure could greatly aid in this effort.

There are other ways that the financial operations measures could be strengthened. The measures presently used by the OCFO (“percent of spending plans and RFPs submitted,” “percent of reprogrammings processed,” “percent of interim and annual closing packages submitted on time,”


“percent of audit recommendations implemented,” and “percent of financial staff provide intermediate-level or better training experiences”) are very process-oriented, rather than outcome-oriented. Alternatives might include timely payment of vendor invoices, the error rate for journal entries\textsuperscript{34}, and keeping facility and energy costs within budget.

\textbf{Significant Program Gaps in Agency Performance Plans}

The Auditor also identified a number of significant programmatic gaps in the agency performance plans examined for this audit. For example, MPD’s FY 2008 budget includes $3.2 million in operating funds for a Homeland Security and Counterterrorism program, yet MPD did not establish any measures for this critical program in its original FY 2008 performance plan or its revised plan. The OCFO lacked performance measures pertaining to the capital budget, violations of the Anti-Deficiency Act rules against overspending,\textsuperscript{35} or the rates of return on cash investments and the D.C. College Savings Plan.\textsuperscript{36} DOES’ FY 2007 and FY 2008 performance plans lacked measures for the Job Corps training program, the Mayor’s Youth Leadership Institute, and the First Source Agreement program.\textsuperscript{37} Agency officials interviewed by the Auditor stated that they collect data on many of these programs, even though they are not covered in the annual performance plans and reports. Nevertheless, the Auditor regards reporting to the Council and the public as critical for accountability purposes, and notes the GMAA requirement for agency performance plans to include “measurable, objective performance goals and objectives for all significant activities” (see D.C. Official Code § 1-614.12(b)).

\textsuperscript{34}A journal entry documents a financial transaction that increases funds in one account and decreases funds in another account without cash being received or a check being written.

\textsuperscript{35}The District is governed both by federal Anti-Deficiency Act (31 U.S.C. § 1341 et seq.) and local Anti-Deficiency Act provisions (see D.C. Law 14-285; D.C. Official Code § 47-355.01 et seq.) that require the District government to report any instances of spending that exceed the amount available in an appropriation or fund and to impose penalties against individuals responsible for such violations.

\textsuperscript{36}The D.C. College Savings Plan, which is authorized by section 529 of the U.S. Internal Revenue Code and is administered by the OCFO, allows individuals to enjoy tax advantages while saving money for higher education. The Plan’s investment earnings and fund distributions are exempt from federal and local income taxation. Plan contributions are also exempt from local income tax.

\textsuperscript{37}First Source Agreements are intended to ensure that the sponsors of projects developed in whole or in part with funding from the District of Columbia government give priority to District residents for newly-created jobs. All beneficiaries of $100,000 or more in D.C. government assistance are required to sign a First Source Agreement pledging to use DOES as a first source for recruitment, referral, and placement of employees.
Lack of Stability in Agency Performance Measures

The lack of stability in agency performance measurement systems has also curtailed the flow of useful data. Among the sample agencies, DOH provides the most striking example of constant flux in performance measures. DOH has the largest operating budget (approaching $2 billion in FY 2008) in the D.C. government, and delivers a broad range of important services through seven major divisions, such as Addiction Prevention and Recovery, HIV/AIDS, Emergency Preparedness and Response, and Medical Assistance. After repeatedly creating and discarding dozens of performance measures, DOH lacks performance goals for a wide range of significant activities.

In May 2006, DOH overhauled many of its performance measures, introducing nine new measures for Primary Care and Prevention, seven new measures for the Health Care Safety Net, and three new measures for Maternal and Family Health. When DOH presented its FY 2008 performance plan in March 2007, the nine measures for Primary Care and Prevention, the three measures for Maternal and Family Health, and five of the seven new measures for the Health Care Safety Net – all of which were created less than one year earlier – had been replaced by new measures. In the fall of 2007, DOH revised its performance measures once again, as directed by the City Administrator. The result of the most recent revision is that 55 performance measures for FY 2008 were reduced to 10. DOH’s revised FY 2008 performance plan does not include any measures for Emergency Preparedness and Response, Health Regulation and Licensing, Agency Management, or Agency Financial Operations. In an interview with the Auditor, a DOH representative stated that the agency will require each of its seven administrations to develop its own FY 2008 performance plan, but the rudimentary nature of DOH’s current performance plan limits its use in monitoring performance and promoting accountability.

AGENCY MISSION STATEMENTS AND STRATEGIC GOALS VARY IN QUALITY

The GAO summarized the purpose of mission statements and strategic goals in its implementation guidance to the federal executive branch for the Government Performance and Results Act of 1993. Noting that mission statements and strategic goals are usually presented in the context of a strategic plan, GAO stated that:

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Strategic plans are intended to be the starting point for each agency’s performance measurement efforts. Each plan must include a comprehensive mission statement based on the agency’s statutory requirements, a set of outcome-related strategic goals, and a description of how the agency intends to achieve those goals. The mission statement brings the agency into focus. It explains why the agency exists, tells us what it does, and describes how it does it. The strategic goals that follow are an outgrowth of this clearly stated mission. The strategic goals explain the purposes of the agency’s programs and the results they are intended to achieve.\(^{39}\)

The six sample agencies generally satisfied the GMAA mandate to include a mission statement, objective, and goals in their FY 2007 performance plans and in their original FY 2008 performance plans by describing their mission and “strategic result goals” in the Mayor’s annual budget request. In the revised FY 2008 performance plans prepared by the five sample agencies under the Mayor’s authority, each agency provided a mission statement and three to five objectives that describe the long-range goals of the agency. The mission statements bring the agency’s purpose into focus, but the strategic result goals (in the FY 2007 performance plans and the original FY 2008 performance plans) and the objectives (in the revised FY 2008 performance plans) vary in their quality and utility. For example, DOES presented a set of objectives in its revised FY 2008 performance plan that elaborates its policy priorities (such as “Provide a more efficient, effective, and improved system to prevent workers from being exposed to unsafe working environments and from falling beneath an unacceptable income level at times of unemployment due to injury or illness”). By contrast, MPD offered a more generic set of objectives (such as “Safeguard the District of Columbia and protect its residents and visitors”) that largely restated the Department’s mission rather than explaining how that mission will be achieved.

In several instances, the agencies did not link their strategic goals and objectives to their performance measures. For example, one of OCFO’s strategic result goals is to “improve customer service by increasing the number of taxpayers filing electronically; reducing customer wait time in telephone and walk-in centers; and improving customer access levels in the phone center, as measured by the rate of abandoned calls.”\(^{40}\) Nevertheless, OCFO’s performance plans for FY 2007 and FY 2008 do not include any measures of customer waiting time for telephone and walk-in centers, or the rate of abandoned calls. OCFO representatives stated that the customer-service data are regularly collected and reported within the agency, but the Auditor reiterates that high-priority


performance goals should be reported to the Council and the public to enhance public scrutiny and promote accountability. One of the three objectives in DOH’s revised FY 2008 performance plan is to “reduce health disparities by improving access and quality of the District’s health care system and direct programming activities to those underserved populations,” but there are no measures of health outcome disparities in the performance plan. Similarly, MPD’s revised FY 2008 performance plan lists one of its three objectives as to “improve police service to the public through the integration of the Department’s people, technology, and business systems,” but the plan includes no measures of the achievement of this objective. If performance measures do not reflect agency progress in reaching key objectives, then they will not provide valuable information to policymakers and residents.

IN THE FY 2007 PERFORMANCE PLANS AND THE ORIGINAL FY 2008 PERFORMANCE PLANS, AGENCIES PROVIDED MULTIPLE PERFORMANCE MEASURES FOR EACH PROGRAM, BUT THE MEASURES FREQUENTLY FAILED TO REFLECT PROGRAM OUTCOMES. THE REVISED FY 2008 PERFORMANCE PLANS WERE MORE OUTCOME-ORIENTED, BUT THERE WERE ALSO MORE GAPS IN THE PERFORMANCE PLANS

In presenting their FY 2007 performance plans and their original FY 2008 performance plans as part of the Mayor’s budget, the sample agencies used the program structure established for performance-based budgeting. In almost all cases, the six agencies provided multiple measures for the programs defined in the PBB structure.

Although some of the agencies, particularly MPD and DPW, focused on outcome measures in their performance plans, most of the plans were marred by the use of numerous output measures. Outputs represent the level of work performed or the services provided, rather than the benefits created by the work performed or the services provided. The following are examples of output measures included in the FY 2007 and original FY 2008 performance plans that the Auditor reviewed:

- OCFO Measure 7.2, “Percent of approved security needs approved”;  
- OCFO Measure 9.1, “Percent of spending plans and RFPs submitted”;  
- DOES Measure 3.2, “Percent of training providers furnished technical assistance through formal instruction” (this measure is also part of DOES’ revised FY 2008 performance plan);  
- DCPS Measure 3.1, “Number of preschool expansion programs created in DCPS elementary schools”;
• DCPS Measure 6.4, “Percent of students in high schools who have received instruction in school about AIDS or HIV infection”;
• DCPS Measure 6.6, “Percent of homeless children and youth served”;
• DOH Measure 2.3, “Percent of health care providers trained in emergency response”;
• DOH Measure 9.2, “Percent of vital record actions completed”; and
• DPW Measure 4.3, “Percent of DPW personnel attending at least one training program during the fiscal year.”

Many Performance Measures Are of Limited Value

In addition, many performance measures used by the sample agencies are of limited value, even when they attempt to reflect outcomes, because they focus on internal bureaucratic processes and use jargon that the public may not understand. The following are examples of internal process measures that the Auditor identified in the FY 2007 and original FY 2008 performance plans:

• OCFO Measure 3.2, “Percent of ad-hoc documents reviewed by the Office of Revenue Analysis that do not contain factual errors”;
• OCFO Measure 7.3, “Number of investigation reports issued that are returned for additional information or investigation due to deficiencies in the investigation”;  
• DOES Measure 2.3, “Percent of ‘Memorandum of Informal Conferences’ issued within 20 working days following conduct of informal conferences to resolve dispute” (this measure is also part of DOES’ revised FY 2008 performance plan);
• DOES Measure 3.8, “Percent of data, estimates, reports, and publications finished within established time frames”;
• DOH Measure 6.2, “Percent increase in fee-for-service Health Check participation rate”; and
• DOH Measure 9.4, “Percent of Certificate of Need applications processed.”

The revised FY 2008 performance plans reviewed by the Auditor generally placed a stronger emphasis on outcomes. For example, DOES’ revised performance plan included two end outcomes concerning employment: the “District of Columbia unemployment rate, as reported by the U.S. Department of Labor,” and “Job growth per year in the District of Columbia.” MPD’s revised performance plan emphasized the rates of violent crime and property crime, as well as the closure rate for different types of investigations. DCPS’ revised plan focused on standardized test scores

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41“End outcomes” reflect the ultimate results that are sought by a community, as distinguished from the “intermediate outcomes” that reflect the quality and impact of a government program or service.
in English/language arts and math, the graduation rate, the dropout rate, and the truancy rate. DPW’s plan was the most balanced, including outcome measures for the agency’s three main programs: fleet management, parking services, and sanitation services.

Nevertheless, DOH’s revised performance plan moved in the opposite direction, bypassing end outcomes such as the infant mortality rate – even though Mayor Fenty announced an initiative in December 2007 to lower the infant mortality rate\(^ {42}\) – or children born at low birthweight. DOH’s revised plan relies more on output and process-oriented measures, such as the “Number of health-care expansions evaluated for cost-effectiveness,” and the “Number of dentists in the fee-for-service dental network” of the Medicaid and Health Care Safety Net programs.

The Auditor also noted a number of instances in which the outcome orientation of the performance measures could be strengthened. For example, DOES’ revised FY 2008 performance plan includes two measures showing the percentage of job trainees who entered unsubsidized employment, but does not include measures showing the average wage rates and job retention rates – key outcomes that DOES must monitor and report to the U.S. Department of Labor. DOES also measures the percentage of initial occupational safety and health consultation visits in high-hazard establishments, but could go further to report the results of its consultations. In presenting key initiatives, DPW’s revised FY 2008 performance plan emphasizes the importance of abating graffiti within 5 to 10 days (rather than the current time frame of 30 to 45 days), but the relevant performance measure reflects the number of graffiti abatements rather than graffiti abatements carried out within a particular time frame.

Moreover, the Auditor found that the District neglects to use efficiency measures, such as the cost of a given unit of service, or the amount of service provided per employee, that show how well an agency or program is using its resources. In fact, the Auditor identified only one efficiency measure in all of the FY 2006 performance reports, FY 2007 performance plans, and FY 2008 performance plans prepared by the sample agencies,\(^ {43}\) even though agencies have defined dozens of efficiency measures in the strategic business plans that were created for performance-based


\(^{43}\)The sole efficiency measure was “cost per parking ticket issued,” which was included in DPW’s revised FY 2008 performance plan.
budgeting. As a result, the District is missing an opportunity to assess whether funding, personnel, and other resources are being used effectively—a tool that would be of potentially major benefit in the budget process. 44

The Auditor also found that the revised FY 2008 performance plans are less comprehensive than the original plans. As noted earlier, DOH’s revised plan does not include any measures for Emergency Preparedness and Response, Health Regulation and Licensing, Agency Management, or Agency Financial Operations. MPD’s revised FY 2008 performance plan lacks measures for Special Field Operations, Police Business Services, Organizational Change, Professional Responsibility, Security Operations, Agency Management, and Agency Financial Operations. DCPS’s revised FY 2008 performance plan lacks measures for Student Support Services (which includes activities such as guidance counseling, health services, and athletics) and Non-Instructional Support Services (which includes activities such as custodial services and food services). Moreover, DCPS’ revised plan includes only one measure for the long-troubled and very expensive special education program, which costs more than $300 million per year, 45 and no measures for early childhood education (a $29 million program). 46 As a result of these gaps in the District’s performance measurement system, the District is not fully compliant with the GMAA requirement that, “For each agency and major program covered by the performance plan, there shall be one or more measures of performance, that addresses both quantity and quality.” (D.C. Official Code § 1-614.12 (d)).

Appendix C compares the measures included in MPD’s original FY 2008 performance plan to the measures included in MPD’s revised FY 2008 performance plan, while Appendix D provides a similar comparison for DOH. For both agencies, the breadth and depth of the performance measurement system decreases in the revised FY 2008 performance plans.

44 “Outcome-based” efficiency measures, which relates the inputs used (such as dollars spent) to a particular outcome (such as trainees placed in unsubsidized employment) would be particularly useful, because they help avoid the perverse behavior of improving efficiency measures by watering down the quality of a program (i.e., spending less per person to make the program look more efficient).

45 The local special education program, which reflects special education services provided within the DCPS system, is budgeted for $101.3 million in FY 2008. The cost of tuition payments for special education students who are sent to non-public schools in order to receive a free and appropriate education is budgeted at $137.2 million for FY 2008, and the cost of transporting those students to school is budgeted at $74.3 million. See Government of the District of Columbia, FY 2008 Proposed Budget and Financial Plan, Volume 2B (June 2007), pp. D-8-D-9.

MOST AGENCIES TRANSMIT PERFORMANCE REPORTS TO THE COUNCIL, AS REQUIRED BY THE GMAA, BUT THERE ARE STILL CONTINUING EXAMPLES OF NON-COMPLIANCE

Most agencies transmit performance reports to the Council, as required by the GMAA, but there are still continuing examples of non-compliance, particularly among independent agencies that do not report directly to the Mayor. The Auditor also noted that FY 2007 performance reports were not available until at least two weeks after the January 15, 2008, deadline. Although this is a slight delay, the Auditor believes that the January 15th deadline – three-and-a-half months after the end of the fiscal year – provides ample time to prepare the reports, and should be routinely met to allow the Council to prepare for annual performance hearings that usually begin in early February.47

DCPS was the only sample agency that failed to transmit an FY 2006 performance report to the Council by the statutory deadline of January 15, 2007.48 In transmitting the consolidated FY 2006 performance report to the Council, the OCA identified a number of other agencies that had not submitted performance reports. These agencies included the Council, the National Capital Revitalization Corporation, the Corrections Information Council, the Taxicab Commission, the Office of the Mayor, the Board of Elections and Ethics, and the Office of Risk Management.49

All of the sample agencies transmitted FY 2007 performance reports to the Council. In transmitting the FY 2007 reports to the Council, the OCA stated that the Commission on Arts and Humanities, the Washington Convention Center Authority, the Sports and Entertainment Commission, the Corrections Information Council, the Board of Real Property Assessments and Appeals, the Lottery and Charitable Games Control Board, and the Office of Risk Management

47This year, Council performance oversight hearings began on February 1, 2008 and extend through March 7, 2008.

48DCPS included performance data for FY 2006 in the “Fiscal Year 2006 Performance Accountability Report to the U.S. Congress,” transmitted by the Office of the City Administrator to the U.S. Congress in March 2007, after the Council had held its annual performance oversight hearings.

49Office of the City Administrator, FY 2006 Performance Accountability Report to the D.C. Council (January 2007), pp. 5-6. The City Administrator’s report also identified the Office of the People’s Counsel and the Office of Campaign Finance as non-compliant, but these agencies provided FY 2006 performance results to the Office of Budget and Planning, which were included in the Mayor’s FY 2008 Proposed Budget and Financial Plan, transmitted to the Council in March 2007.
failed to submit FY 2007 performance reports. Except for the Office of Risk Management, all of the non-compliant agencies are independent of the Mayor’s authority. The Auditor notes that many of these independent agencies, such as the Convention Center Authority, the Sports and Entertainment Commission, and the Lottery Board, manage hundreds of millions of dollars and that their effective performance of their fiduciary duties is critical to the District’s financial and economic well-being.


AGENCY PERFORMANCE REPORTS DO NOT CONSISTENTLY MEET THE GMAA REQUIREMENT TO INDICATE THE ACTUAL LEVEL OF PERFORMANCE, COMPARED TO THE STATED GOAL FOR PERFORMANCE, FOR EACH MEASURE INCLUDED IN THE AGENCY’S PERFORMANCE PLAN. IN FACT, COMPLIANCE WITH THIS REQUIREMENT DECLINED AMONG THE SAMPLE AGENCIES BETWEEN FY 2006 AND FY 2007

Performance plans are of little use if managers do not collect the data and report performance. Unfortunately, year-end agency performance reports often fail to report actual performance, compared to the targeted level of performance set in the performance plan. In many instances, agencies change their measures during mid-year or fail to collect the necessary data, leaving blank lines in the annual performance reports where data should be recorded. When agencies fail to collect and report data, senior government officials and agency directors cannot demonstrate accomplishments, identify shortfalls, and correct deficiencies.

The Auditor calculated the number of measures included in the FY 2006 performance plans and compared them to the number of measures with outcome data in the FY 2006 performance reports for five of the six sample agencies (DCPS did not prepare a FY 2006 performance plan, so it could not be included in the calculations). As shown in Table 1 on the next page, the agencies originally set 146 performance measures for FY 2006 but reported data on only 117 measures, or 80 percent. DOES and DPW reported data for all of the program measures under their control; for both agencies, the two measures that lacked data were agency measurement measures that the OCA was supposed to monitor and report.

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Office of the City Administrator, FY 2007 Performance Accountability Reports (January 2008), "Committee of the Whole" chapter, pp. 2-3. The City Administrator’s report also identified the Office of Campaign Finance (OCF) as non-compliant, but OCF provided a copy of its FY 2007 performance report to the Auditor.
Table 1
Fiscal Year 2006 Performance Reports:
Percentage of Performance Measures with Actual Performance Data Reported

<table>
<thead>
<tr>
<th>Agency</th>
<th>Number of Measures in Performance Plan</th>
<th>Number of Measures Reported in Performance Report</th>
<th>Percentage of Measures Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCFO</td>
<td>33</td>
<td>25</td>
<td>75.8%</td>
</tr>
<tr>
<td>DOES</td>
<td>18</td>
<td>16</td>
<td>88.9%</td>
</tr>
<tr>
<td>MPD</td>
<td>35</td>
<td>23</td>
<td>65.7%</td>
</tr>
<tr>
<td>DOH</td>
<td>39</td>
<td>34</td>
<td>87.2%</td>
</tr>
<tr>
<td>DPW</td>
<td>21</td>
<td>19</td>
<td>90.5%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>146</td>
<td>117</td>
<td>80.1%</td>
</tr>
</tbody>
</table>


The Auditor then performed the same set of calculations for the FY 2007 reports (DCPS could not be included in the calculations because it did not prepare an FY 2007 performance plan). As shown in Table 2 on the next page, the percentage of measures with data reported declined from 80 percent in FY 2006 to 68 percent in FY 2007. The sample agencies originally set 158 performance measures for FY 2006, but reported data on only 108 measures. DOES reported data for all of the program measures under its control; the three DOES measures that lacked data were agency measurement measures that the OCA was supposed to monitor and report.
Table 2
Fiscal Year 2007 Performance Reports:
Percentage of Performance Measures with Actual Performance Data Reported

<table>
<thead>
<tr>
<th>Agency</th>
<th>Number of Measures in Performance Plan</th>
<th>Number of Measures Reported in Performance Report</th>
<th>Percentage of Measures Reported</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCFO</td>
<td>31</td>
<td>25</td>
<td>80.6%</td>
</tr>
<tr>
<td>DOES</td>
<td>18</td>
<td>15</td>
<td>83.3%</td>
</tr>
<tr>
<td>MPD</td>
<td>33</td>
<td>20</td>
<td>60.6%</td>
</tr>
<tr>
<td>DOH</td>
<td>54</td>
<td>30</td>
<td>55.6%</td>
</tr>
<tr>
<td>DPW</td>
<td>22</td>
<td>18</td>
<td>81.8%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>158</td>
<td>108</td>
<td>68.4%</td>
</tr>
</tbody>
</table>


The disparity between the number of measures in the FY 2006 and FY 2007 performance plans, and the corresponding number of measures with actual data in the FY 2006 and FY 2007 performance reports is very troubling – as is the decline in the percentage of measures with data between the two years. Although there may be isolated instances when an agency is unable to collect data for a particular measure, the Auditor believes that a mature, effective performance measurement system should produce actual data for at least 95 percent of the measures. As the Fairfax County Department of Management and Budget stated in the most recent version of its performance measurement manual, *Fairfax Measures Up*, “Since this is the tenth year of the enhanced system, *NA (Not Available) should only be used for prior-year actuals where objectives and indicators did not previously exist.*”51 (emphasis added by the Auditor).

The gaps in agency performance reports suggest an insufficient commitment to an effective performance measurement system and a lack of follow-through on the part of senior managers. Once again, one of the most problematic areas is agency management. Although the prior discussion of agency performance plans highlighted the limited breadth and depth of agency management measures, the performance reports further demonstrate a widespread failure to report data on the few

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51 Fairfax County Department of Management and Budget, *Fairfax County Measures Up: A Manual for Performance Measurement*, p. 16.
agency management measures that have been established. This failure reflects the lack of follow-through by the OCA, which had assumed responsibility for collecting data for the standard agency management measures that were to be implemented throughout the government.\textsuperscript{52}

The FY 2007 performance plans included four common performance measures for agency management: (1) “Percent variance of estimated to actual expenditure,” (2) “Cost of risk,” which was intended to measure the cost of safety threats, financial risks, and potential litigation, (3) “Percent of Mayor’s customer service standards met,” and (4) “Percent of key result measures achieved.” The first measure, “Percent variance of estimated to actual expenditure,” has been a standard measure of agency management since FY 2004, yet no data were ever reported for this measure (the measure was removed from agency performance plans in the FY 2008 cycle). The second measure, “Cost of risk,” has been a standard measure of agency management since FY 2005, yet no data were ever reported for this measure (the measure was also discontinued in FY 2008). Although agencies have reported performance data for customer service through FY 2006, there were no results for the customer service measure in FY 2007 – an unfortunate lapse, because this is one of the few objective, independent measures in the District’s performance measurement system. The longstanding failure to implement agency management measures is a major weakness of the performance measurement system, and reflects a lack of follow-through and consistency.

The Auditor also identified instances in which performance reports were not updated to include promised performance data. The OCFO was unable to provide data for four budget and tax performance measures in its FY 2006 performance report, because the data would not be available until the release of the District’s Comprehensive Annual Financial Report (CAFR) on January 30, 2007, two weeks after performance reports were due.\textsuperscript{53} Although this was a legitimate explanation, the District government’s FY 2008 budget request, when transmitted to the U.S. Congress in June 2007, still lacked the FY 2006 data for three of the four measures – four months after the CAFR was

\textsuperscript{52} This division of labor, in which the OCA was responsible for citywide agency management measures, was described in many of the interviews conducted by the Auditor. An August 5, 2003, e-mail from Diana Scheider in the Office of Budget and Planning’s Strategic Budgeting Branch, to the performance measurement coordinators in the agencies, reiterates that operating agencies are not responsible for the agency management measures. The e-mail states that, “Agencies are not responsible for filling out the Performance Measure Data Collection Entry Forms for the (Agency Management Program) Key Result Measures. That information is collected centrally and agencies are not responsible for documenting the data collection process.”

\textsuperscript{53} Office of the City Administrator, FY 2006 Performance Accountability Report to the D.C. Council, “Committee on Finance and Revenue” chapter, pp. 5-6.
completed and almost nine months after FY 2006 ended.\(^{54}\) Because the OCFD manages the District’s system of performance-based budgeting, the agency’s failure to include essential performance data in the District’s annual budget is particularly serious, suggesting a lack of attention to the details of performance reporting.

MPD’s FY 2006 performance plan included a broad range of outcomes, including the homicide clearance rate, forcible rape clearance rate, robbery clearance rate, and other indicators of investigative performance.\(^{55}\) Nevertheless, MPD was unable to include data in its FY 2006 performance report on eight of the 10 performance measures for its Investigative Field Operations program because, “The Uniform Crime Report clearance rates are reported on a calendar year basis (January-December) consistent with FBI reporting requirements.” The performance report further stated that, “The Department will report results for this measure in spring 2007.”\(^{56}\) Nevertheless, the MPD chapter in the FY 2008 budget sent to the U.S. Congress in June 2007 still lacked FY 2006 performance data for any of the eight measures.\(^{57}\) Additionally, MPD included three measures of victims’ experiences in its FY 2006 and FY 2007 performance plans, but was unable to report any data because the Office of Victim Services did not conduct a victim survey as had been planned.

In its FY 2006 performance report, DOH stated that it was unable to provide data on two measures of participation in the Health Check program because, “Federal law gives providers six months to file claims data, resulting in a significant delay in being able to report final fiscal year data.”\(^{58}\) Nevertheless, there were no data reported for either of these measures in the DOH chapter of the District government’s FY 2008 budget submission to the U.S. Congress in June 2007, more


\(^{55}\) The U.S. Federal Bureau of Investigation defines two categories of “clearance”: clearance by arrest, and clearance by exception means. A “clearance by arrest” occurs when at least one person involved in committing the offense has been arrested, charged, and turned over to the court for prosecution. A “clearance by exceptional means” occurs when some element beyond the control of law enforcement (such as the death of the offender) prevents the filing of formal charges against the offender. See U.S. Federal Bureau of Investigation, Uniform Crime Report Handbook (Washington, D.C.: Federal Bureau of Investigation, 2004), p. 150.

\(^{56}\) Office of the City Administrator, FY 2006 Performance Accountability Report to the D.C. Council, “Committee on the Judiciary” chapter, p. 17.


\(^{58}\) Office of the City Administrator, FY 2006 Performance Accountability Report to the D.C. Council, “Committee on Health” chapter, p. 5.
than eight months after the fiscal year ended. DOH also failed to provide FY 2006 outcome data for Measure 10.3, the “Percent increase in the amount of grant funds from federal and private sources,” even though this information should be readily available through the District’s financial management system.

EXCEPT FOR THE REVISED FY 2008 PERFORMANCE PLANS PREPARED BY MAYORAL AGENCIES, THE PERFORMANCE PLANS AND REPORTS REVIEWED IN THIS AUDIT IDENTIFY MANAGEMENT EMPLOYEES RESPONSIBLE FOR ACHIEVING PERFORMANCE GOALS, AND THEIR SUPERVISORS. NEVERTHELESS, THE PERFORMANCE PLANS AND REPORTS FOCUS ON A SMALL NUMBER OF TOP MANAGERS, AND DO NOT MEET THE GMAA REQUIREMENT TO IDENTIFY THE MANAGERS WITH ACTUAL LINE RESPONSIBILITY FOR ACHIEVING EACH GOAL.

In the FY 2006 performance reports, the FY 2007 performance plans, and the original FY 2008 performance plans, the sample agencies identified the managers most directly responsible for achieving performance goals, as well the supervisors of the respective managers. Nevertheless, the agencies failed to comply fully with the GMAA’s requirements to identify managers and supervisors. Moreover, the revised FY 2008 performance plans prepared by the five agencies under the Mayor’s supervision do not identify the managers or supervisors responsible for implementing the key initiatives or achieving the performance measures.

The GMAA requires agency performance plans and reports to identify the managers and supervisors most directly responsible for achieving each performance target, whereas the sample agencies identified managers and supervisors for each program. For example, in its FY 2006 performance report, the OCFO identified the managers and supervisors responsible for the nine programs in its performance-based budgeting structure, rather than identifying a manager and supervisor responsible for achieving each of the agency’s 32 performance measures. Similarly, in its FY 2007 performance report, DPW identified the managers and supervisors for its four programs, rather than naming a manager and supervisor responsible for each of its 23 measures. As a result, the agencies did not focus accountability for particular performance goals on specific managers.60

60The legislative history of the GMAA clearly demonstrates the Council’s intent to use performance measures to promote accountability throughout the management ranks. The Committee Report on the original legislation notes the importance of “setting standards and goals for managers to operate by, and insisting on performance and accountability by linking promotions, demotions, and compensation to management efficiency” (see Council of the District of Columbia, Committee on Government Operations, Report on Bill 10-705, the
The emphasis on accountability was further weakened by each agency's designation of individuals from the top layer of senior management. For the vast majority of programs reviewed by the Auditor, the manager deemed responsible was someone who directly reported to the agency director, while the supervisor identified was the agency director himself or herself. Therefore, the performance plans and reports failed to identify the managers below the top of the agency hierarchy who have direct responsibility for managing particular programs and activities, thereby undermining the goal of promoting accountability for program results.

DOES provides the most striking example of failure to align management responsibility for performance results in its performance plans and reports. In its FY 2007 performance report, DOES identified only three individuals as supervisors or managers responsible for achieving 19 performance goals. In its original FY 2008 performance plan, DOES not only designated agency director Summer Spencer as the supervisor responsible for its four programs and the 18 performance goals associated with those programs, but also identified Ms. Spencer as the manager most directly responsible for achieving 15 of the agency's 18 goals. This lack of specificity makes the identification of responsible managers a meaningless exercise.

The agency practice of attributing responsibility for performance goals to a small layer of managers is illustrated in Appendix E, which compares the number of managers and supervisors designated in FY 2006 performance reports to the number of performance measures, and in Appendix F, which compares the number of managers and supervisors designated in original FY 2008 performance plans to the number of performance measures.

THE FENTY ADMINISTRATION HAS IMPLEMENTED A NEW APPROACH TO PERFORMANCE MEASUREMENT THAT EMPHASIZES FEWER, MORE FOCUSED MEASURES TIED TO KEY OBJECTIVES AND INITIATIVES OF EACH AGENCY. THIS APPROACH MAY CONFLICT WITH THE MORE COMPREHENSIVE APPROACH TO PERFORMANCE MEASUREMENT MANDATED BY THE GMAA.

As stated in the discussion of performance plans, the Fenty administration has instituted a new approach to performance measurement, reflected by the revised FY 2008 performance plans prepared by agencies under the Mayor's supervision. In a memorandum dated January 8, 2008, Kevin Donahue, the Mayor's CapStat Director who oversees performance measurement for the City Administrator, explained the rationale for the changes. Mr. Donahue expressed the view that the

performance measures in place when the Fenty administration took office (1) did not consistently align with agency core functions, (2) did not reflect prior performance, often involving targets that were significantly below actual levels of performance, (3) lacked a balance among outcome, workload, and efficiency measures, and (4) were not strategic, with more than 700 “key result measures” for the whole government. As a result, the performance measurement system failed to generate useful information for policymakers and the public. Due to the shortcomings described above, Mr. Donahue noted, “Performance reports were often not seen as an indication of ‘actual’ performance’ and consequently were often ignored.” Moreover, “The sheer volume of measures, without any weighting or prioritization, diluted the value of all the measures.”

Based on this assessment, the Fenty administration has sought to pare down the number of measures to make the performance measurement system a more focused and efficient tool for better management. The revised FY 2008 plans prepared by Mayoral agencies describe each agency’s mission statement, and three to five objectives that “describe the long-range goals” that will enable the agency to fulfill its mission. In turn, each objective is linked to one to three initiatives outlining new policy or program features that are “new, better, or different,” and are intended to enhance agency performance. Finally, agencies were instructed to designate approximately 10 performance measures, called “Key Performance Indicators,” that reflect the agency’s efforts to achieve its objectives and include a mix of outcome, effectiveness, efficiency, demand, and output measures.

There is significant merit to this approach. The Auditor agrees with the administration’s assessment of the performance measurement system that it inherited, having noted the large number of measures that reflect agency internal processes rather than important outcomes. In addition, experts emphasize the importance of focus in a performance measurement system. In describing some of the frequent problems that impair performance measurement at the state level, Blaine Liner and colleagues noted that, “Too many performance indicators were provided to the governor and legislature, with little thought on who would use the data and how. Attention to the presentation of the data or to the prioritization of the reported indicators was lacking. Often, several hundred – in


62 Office of the City Administrator, “Performance Plan Template Instructions.”

at least one case, thousands – of indicators were sent to executives and legislators. Overall, the challenge is to strike the right balance. As University of North Carolina professor David Ammons has stated:

Measurement systems should focus on neither too few nor too many performance indicators. Having too few can cause important service dimensions to be overlooked or can inadvertently encourage perverse behavior in the overzealous pursuit of high marks on the featured dimension. Having too many measures can contribute to information overload and disuse of the system.

The Auditor believes that the recent changes to the performance measurement system implemented by the Fenty administration may result in too few measures to assess agency performance. As noted earlier in this report, the GMAA requires performance measures at the program level, rather than for agency objectives, and the revised FY 2008 performance plans prepared by sample agencies leave important programs without measures. Moreover, the performance-based budgeting law requires performance measures for each agency activity, which is a more detailed level of the agency structure than the program level. The Auditor further notes that the number of performance measures used by District agencies is not necessarily a major problem; rather, the more serious problem may be that the District has used too many uninformative, process-oriented measures – and has often failed to collect and report data on the higher-quality, outcome-oriented measures. In other words, the quality of the measures may be the more serious problem, rather than the quantity.

Appendix C lists the 34 measures in MPD’s original FY 2008 performance plan and the 12 measures in MPD’s revised FY 2008 plan, while Appendix D lists the 55 measures in DOH’s original FY 2008 performance plan and the 10 measures in DOH’s revised FY 2008 plan. Ultimately, the right balance for the number of performance measures may need to be somewhere between the original and revised levels. Given the sheer size of MPD and DOH, and the complexity and importance of the services they deliver, the Auditor concludes that the number and scope of performance measures for such large, high-profile agencies needs to be more comprehensive.

64. Liner, Hairy, and Vinson, et. al., Making Results-Based State Government Work, p. 57.

A REVIEW OF THE GMAA AND RELATED STATUTES COULD HELP RESOLVE AMBIGUITIES IN THE LAWS BASED ON A DECADE OF GMAA IMPLEMENTATION. COMBINING PERFORMANCE MEASUREMENT AND PERFORMANCE-BASED BUDGETING PROVISIONS INTO ONE STATUTE COULD SUPPORT A MORE INTEGRATED, EFFICIENT, AND EFFECTIVE PERFORMANCE MANAGEMENT SYSTEM IN THE DISTRICT GOVERNMENT

The Auditor found that a comprehensive review of the GMAA and related statutes could be particularly beneficial at this time. Now that the GMAA has been in effect for more than a decade, there is an ample body of experience to guide the Mayor and Council in making changes that will make the performance measurement system more useful in their decision-making (the GMAA was last amended in 2000). A legislative review could consider fundamental tradeoffs, such as whether the performance measurement system should focus on high-priority programs and initiatives, or seek to be more comprehensive. In addition, the review could incorporate best practices from other jurisdictions and examine topics not addressed by current law, such as the potential merits of cross-cutting performance measures that span multiple agencies.

While conducting the background research and field work for this report, the Auditor noted a number of ambiguities in current law. For example, the GMAA requirements that agency performance plans shall cover “all publicly funded activities of the agency” (see D.C. Official Code § 1-614.12(a)) and “state measurable, objective performance goals and objectives for all significant activities of the government of the District of Columbia (see D.C. Official Code §1-614.12(b)) are somewhat unclear because “activities” and “significant activities” are not defined. Similarly, the GMAA requirement for “one or more measures of performance” for “each agency and major program” is ambiguous because the meaning of “major program” is unclear. A legislative review to clarify these questions could place the performance measurement system on a more stable footing.

Finally, both the GMAA and the performance-based budgeting law establish performance measurement rules, using different terminology and creating slightly different requirements. Because performance measurement is most beneficial as a tool for planning, budgeting, and management, the District might benefit from integrating the performance measurement and performance-based budgeting policies into a unified body of law. The District would also need to ask Congress to make any conforming changes to P.L. 103-373, the “Federal Payment Reauthorization Act of 1994,” which prescribes performance measurement and reporting requirements that are almost identical to the GMAA.
RECOMMENDATIONS

1. The Mayor must use his supervisory authority and the Council must use its oversight authority to ensure that all agencies submit performance plans for the upcoming fiscal year to the Council when the Mayor transmits the annual budget request to the Council.

2. The Mayor must use his supervisory authority and the Council must use its oversight authority to ensure that all agencies submit annual performance reports for the preceding fiscal year to the Council by January 15th of each year.

3. The Mayor, City Administrator, and Council must ensure that agency performance plans cover all significant programs and activities. At a minimum, agencies should establish performance measures for all programs defined in the performance-based budgeting structure.

4. Agencies should expand the scope of performance measures covering agency management, targeting functions and activities that have been deficient in the past. Central management agencies, such as the Office of Contracting and Procurement, the Office of the Chief Technology Officer, the Department of Human Resources, and the Office of Risk Management should develop measures that can be used throughout the government to assess progress toward higher performance levels. Examples of agency management measures that could be monitored and reported are discussed in the “Findings” section of this report.

5. The Office of the Chief Financial Officer should develop financial operations measures for each agency, rather than simply using citywide measures, in order to pinpoint problems (as well as areas of strong performance) in agency financial management. Examples of agency financial operations measures that could be monitored and reported are discussed in the “Findings” section of this report.

6. Agencies should seek to make performance measures more significant and outcome-oriented by linking their measures to their strategic goals and objectives, and by avoiding process-oriented measures that reflect internal bureaucratic processes.

7. Agencies should expand the use of efficiency measures, drawing on the hundreds of efficiency measures that have been developed in agency strategic business plans, as a way to show how well they are using resources and to provide useful information for the annual
budgeting process. Efficiency measures would be particularly useful for the largest programs within an agency and those that provide high-priority services to the public. The Office of Budget and Planning should help agencies develop the necessary data collection methods and calculations.

8. Agencies should improve the validity, reliability, significance, and balance of their performance measures by reviewing and adopting, as appropriate, measures published by national professional associations such as the International City-County Management Association, the Government Finance Officers Association, and the American Public Health Association.

9. Agencies should also review the performance measures used by similar agencies in neighboring jurisdictions to identify useful outcome measures whose results can be compared. The Office of the City Administrator should assist agencies in these efforts.

10. The City Administrator and the governing bodies for independent agencies should require agencies to collect and report data for all of the performance measures included in annual performance plans. To hold agencies accountable for collecting and reporting data, the City Administrator and independent governing bodies should regard a performance goal as not met if an agency fails to collect and report data for a particular measure.

11. The City Administrator and the governing bodies for independent agencies should require agencies to justify and receive written approval to change performance measures and goals, in order to promote accountability for results and ensure that trends can be tracked over time. To prevent the gaps in performance reporting that arise from frequent changes or shifts in performance measures, the Office of the City Administrator and the governing bodies for independent agencies should require agencies to collect data on a new measure for at least one year until the old measure is fully phased out.

12. Agencies must comply with the GMAA requirement to state in their performance plans and reports the name and position of the manager or managers most directly responsible for achieving each performance goal, as well as the supervisor of the manager or managers. The past practice of identifying the responsible managers and supervisors at the program level, which includes multiple performance measures, does not comply with the law and fails to identify the line managers responsible for each program measure.
13. The Mayor and Council should undertake a comprehensive review of the GMAA, based on the experience of implementing the law over the past decade, in order to clarify ambiguities in the law and ensure that the performance measurement system is informative and useful to decision-makers and to the public.

14. As part of the statutory review, the Mayor and Council should review the performance-based budgeting law to see if its requirements for strategic planning and program performance measures can be integrated into one body of law governing planning, performance measurement, performance reporting, and budgeting.

CONCLUSION

Based on the review of the performance reports (FY 2006 and FY 2007) and performance plans (FY 2007 and FY 2008) for the six sample agencies, as well as interviews with key officials from the Office of the City Administrator and the agencies, the Auditor found that compliance with the GMAA has been incomplete and inconsistent. Most agencies comply with the GMAA requirement to submit annual performance plans and reports to the Council, but compliance with this basic requirement is not universal, particularly among independent agencies. Moreover, many of the plans and reports are incomplete, lacking measures for major programs, including but not limited to the agency management functions such as personnel, procurement, and technology. Additionally, the lack of stability in agency performance measures, after more than a decade of GMAA implementation, prevents District policymakers and residents from realizing one of the most important benefits of performance measurement: the ability to track changes in performance over time. Agency performance reports often lack data for a number of measures. One troubling trend was that the sample agencies reported FY 2007 data for only 69 percent of their performance measures, down from 80 percent in FY 2006.

The Auditor notes that each of the sample agencies’ performance measurement systems reflected strengths as well as weaknesses, and that the revised FY 2008 performance plans prepared by agencies under the Mayor’s control showed a stronger outcome orientation. Nevertheless, the District’s performance measurement system still has not reached a level of stability, consistency, and technical proficiency found in high-quality government performance measurement systems. Follow-through remains a key issue, as many agencies have identified key indicators but have failed to devote the resources necessary to collect and verify the data. The Auditor also believes it would be
appropriate for the Mayor and Council to review the GMAA and related statutes, such as the performance-based budgeting statute, to adapt the performance measurement system to the needs of policymakers based on the experience thus far in implementing the GMAA.

Respectfully submitted,

[Signature]

Deborah K. Nichols
District of Columbia Auditor
APPENDICES
APPENDIX A

DOCUMENTS REVIEWED FOR BEST PRACTICES RESEARCH ON PERFORMANCE MEASUREMENT AND ACCOUNTABILITY


APPENDIX B

REPORTS ON PERFORMANCE MEASUREMENT IN THE DISTRICT OF COLUMBIA


- Office of the Inspector General, Audit of Selected District Agency Key Result Measures (OIG Report No. 05-1-06MA(b), August 2006).

- Dana Breil, Joanna Choi, Douglas Goodwin, Nick Sterganos, and Richard Timme, District of Columbia Performance Management Program Evaluation (senior capstone applied research project in the George Washington University School of Public Policy and Public Administration, Fall 2006).

- Office of the City Administrator, Center for Innovation and Reform, Annual Report on Performance Management in the Agencies (December 2006)
<table>
<thead>
<tr>
<th>Program</th>
<th>Original FY 2008 Performance Measures</th>
<th>Revised FY 2008 Performance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Field Operations</td>
<td>Percent change in D.C. Code Index violent crime</td>
<td>Percent change in D.C. Code Index violent crime</td>
</tr>
<tr>
<td></td>
<td>Percent change in D.C. Code Index property crime</td>
<td>Percent change in D.C. Code Index property crime</td>
</tr>
<tr>
<td></td>
<td>Percent change in sustained allegations of police misconduct per 1,000 sworn members</td>
<td>Rate of sustained allegations of police misconduct per 1,000 sworn members</td>
</tr>
<tr>
<td></td>
<td>Percent change in victims surveyed reporting that they were victimized more than once in the past 3 months</td>
<td>Number of citizen accounts on District list servs</td>
</tr>
<tr>
<td></td>
<td>Percent change in average number of city blocks with 15 or more repeat calls about public disorder within a month</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent change in average number of city blocks with 12 or more repeat calls about drug activity within a month</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent change in number of addresses with three or more repeat calls about domestic violence</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent change in average response time to Priority 1 calls from time of dispatch to time of arrival of the first officer on the scene</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent change in victims reporting they were satisfied with police response</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of lieutenants, sergeants, and officers assigned to Police Service Areas</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent change in ratio of Part 1 arrests of youth offenders to youth detentions or arrests for all crimes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent change in number of vehicle crashes with fatalities</td>
<td></td>
</tr>
</tbody>
</table>
### APPENDIX C

**PROGRAM PERFORMANCE MEASURES IN ORIGINAL AND REVISED FY 2008 PERFORMANCE PLANS OF THE METROPOLITAN POLICE DEPARTMENT**

<table>
<thead>
<tr>
<th>Investigative Field Operations</th>
<th>Percent change in victims of crime reporting they were satisfied with follow-up contact from detectives</th>
<th>Homicide clearance rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Homicide clearance rate</td>
<td>Forcible rape clearance rate</td>
</tr>
<tr>
<td></td>
<td>Forcible rape clearance rate</td>
<td>Robbery clearance rate</td>
</tr>
<tr>
<td></td>
<td>Robbery clearance rate</td>
<td>Aggravated assault clearance rate</td>
</tr>
<tr>
<td></td>
<td>Aggravated assault clearance rate</td>
<td>Burglary clearance rate</td>
</tr>
<tr>
<td></td>
<td>Burglary clearance rate</td>
<td>Larceny theft clearance rate</td>
</tr>
<tr>
<td></td>
<td>Larceny theft clearance rate</td>
<td>Motor vehicle theft clearance rate</td>
</tr>
<tr>
<td></td>
<td>Motor vehicle theft clearance rate</td>
<td>Percent of motor-vehicle thefts resolved</td>
</tr>
<tr>
<td></td>
<td>Percent of child abuse cases resolved</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent change in court overtime hours per arrest</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent change in motor-vehicle thefts resolved</td>
<td></td>
</tr>
</tbody>
</table>

| Special Field Operations      | Percent of special events without serious injury or significant property damage                            | None                   |
|                               | Percent of call-outs of emergency services unit without serious injury or significant property damage    |                        |

| Police Business Services      | Percent of AFIS fingerprint database searches performed within one hour                                    | None                   |
|                               | Percent of prisoners processed at central cell block that meets court cut-off time                         |                        |
|                               | Percent of authorized sworn strength staffed                                                              |                        |

| Organizational Change         | CALEA accreditation                                                                                      | None                   |
### APPENDIX C

**PROGRAM PERFORMANCE MEASURES IN ORIGINAL AND REVISED FY 2008 PERFORMANCE PLANS OF THE METROPOLITAN POLICE DEPARTMENT**

<table>
<thead>
<tr>
<th>Professional Responsibility</th>
<th>Percent change in incidents of police firearm discharges in which MPD members failed to follow Department use-of-force policies</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security Operations</td>
<td>Percent change in D.C. Code Index crime at D.C. Public Schools</td>
<td>None</td>
</tr>
<tr>
<td>Homeland Security and Counterterrorism</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Agency Management</td>
<td>Percent of Mayor’s customer service standards met</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Percent of Key Result Measures achieved</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Average daily fleet availability</td>
<td>None</td>
</tr>
<tr>
<td>Agency Financial Operations</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>
## Appendix D

### Program Performance Measures in the Original and Revised FY 2008 Performance Plans of the Department of Health

<table>
<thead>
<tr>
<th>Program</th>
<th>Original FY 2008 Performance Measures</th>
<th>Revised FY 2008 Performance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addiction Prevention and Recovery</td>
<td>Percent change in substance abuse treatment admissions</td>
<td>Number of clients successfully referred to drug treatment by needle exchange programs</td>
</tr>
<tr>
<td></td>
<td>Percent increase in number of youth receiving substance abuse treatment</td>
<td>Number of substance abuse intake locations</td>
</tr>
<tr>
<td></td>
<td>Percent of clients admitted who complete treatment</td>
<td></td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>Percent increase in the number of HIV-positive individuals identified through counseling and testing funded by AIHA and the CDC</td>
<td>Number of perinatal HIV transmissions</td>
</tr>
<tr>
<td></td>
<td>Percent increase in number of newly-diagnosed HIV and AIDS cases investigated and entered into the HIV-AIDS Reporting System Database</td>
<td>Number of HIV/AIDS cases transmitted through intravenous drug use</td>
</tr>
<tr>
<td></td>
<td>Percent increase in number of HIV-positive individuals who receive housing assistance services through the HOPWA grant</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of HIV tests in non-traditional venues</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of HIV tests in STD clinic</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of HIV tests in TB clinic</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of HIV test and counseling and referral services to Latino clients</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of HIV counseling and testing and referral services to inmates</td>
<td></td>
</tr>
</tbody>
</table>
### APPENDIX D

**PROGRAM PERFORMANCE MEASURES IN THE ORIGINAL AND REVISED FY 2008 PERFORMANCE PLANS OF THE DEPARTMENT OF HEALTH**

<table>
<thead>
<tr>
<th>Emergency Preparedness and Response</th>
<th>Percent of basic life support ambulances that pass inspection</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent of advanced life support ambulances that pass inspection</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of health care providers trained in emergency response</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of hospital and community health centers with emergency operations plans updated in the last year</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Health Care Regulation and Licensing</th>
<th>Number of premises abated for rodent activity</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent of facilities licensed within 90 days of license expiration</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of complaints received by the Health Regulation Administration that are responded to within 48 hours</td>
<td></td>
</tr>
</tbody>
</table>
## APPENDIX D

**PROGRAM PERFORMANCE MEASURES IN THE ORIGINAL AND REVISED FY 2008 PERFORMANCE PLANS OF THE DEPARTMENT OF HEALTH**

<table>
<thead>
<tr>
<th>Medical Assistance</th>
<th>Percent of targeted population involved in a disease management program to improve health indicators</th>
<th>Percent increase in Medicaid program enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent increase in fee-for-service Health Check participation rate</td>
<td>Number of training sessions on accurate documentation and billing for Medicaid public providers</td>
</tr>
<tr>
<td></td>
<td>Percent increase in Health Check participation ratios for managed care plans</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent change in the number of persons enrolled in the home and community-based elderly and physical disabilities waiver</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of individuals diverted from institutional care to home and community-based settings as a result of waiver enrollments for elderly and disabled</td>
<td></td>
</tr>
<tr>
<td>Policy, Planning, and Epidemiology</td>
<td>Percent of birth and death certificates issued to walk-in customers within 30 minutes</td>
<td>Number of health-care expansions evaluated for cost-effectiveness</td>
</tr>
<tr>
<td></td>
<td>Percent of vital record actions completed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of health data requests filled</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent of Certificate of Need applications processed</td>
<td></td>
</tr>
</tbody>
</table>
## PROGRAM PERFORMANCE MEASURES IN THE ORIGINAL AND REVISED FY 2008 PERFORMANCE PLANS OF THE DEPARTMENT OF HEALTH

<p>| Maternal and Primary Care                                                                 | Percent of publicly-insured women aged 21 to 64 who had at least one Pap test during the past three years | Percent of publicly-insured women aged 40 to 69 who had at least one mammogram in the past two years | Percent of publicly-insured women aged 16 to 25 who were sexually active and were screened for chlamydia during the year | Percent of children who turned 2 during the year who had specified pneumococcal conjugate vaccines | Percent of DCPS students who received all required immunizations | Increase in the number of children identified as at-risk for developmental delays or disabilities | Percent of publicly-insured pregnant women who began prenatal care during first 13 weeks of pregnancy, or within 6 weeks of enrollment | Percent of publicly-insured women who had a postpartum visit between 21 and 56 days after delivery | Percent of Medicaid-enrolled 2-year-olds who had received one or more blood lead tests | Percent of children aged 7 to 10 enrolled in publicly-funded insurance programs who had a dental check-up in the past year | Percent of DCPS students with asthma who have an asthma action plan on file with the school nurse | Number of participants in the elderly and physically-disabled home and community-based services waiver | Percent of children seen by school nurses who received a body-mass index measurement |</p>
<table>
<thead>
<tr>
<th>Medical Assistance</th>
<th>Percent increase in Medicaid program enrollment</th>
<th>Number of training sessions on accurate documentation and billing for Medicaid public providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of targeted population involved in a disease management program to improve health indicators</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent increase in fee-for-service Health Check participation rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent increase in Health Check participation ratios for managed care plans</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent change in the number of persons enrolled in the home and community-based elderly and physical disabilities waiver</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of individuals diverted from institutional care to home and community-based settings as a result of waiver enrollments for elderly and disabled</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health Care Safety Net</td>
<td>Number of dentists in fee-for-service dental network</td>
<td></td>
</tr>
<tr>
<td>% of enrollees over 50 who have been screened for colorectal cancer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of enrollees with persistent asthma who were given a prescription for long-term asthma control</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of enrollees who had at least one preventive care visit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of customers rating care coordination and communication as satisfactory</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seven rates/sub-indicators of the quality of a plan's diabetes care</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**PROGRAM PERFORMANCE MEASURES IN THE ORIGINAL AND REVISED FY 2008 PERFORMANCE PLANS OF THE DEPARTMENT OF HEALTH**

<table>
<thead>
<tr>
<th>Health Care Safety Net (con't.)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of enrollees with hypertension who had a blood pressure reading below 140 mm Hg systolic and 90 mm Hg diastolic during year</td>
<td></td>
</tr>
<tr>
<td>Percent of enrollees over 35 discharged from hospital after a heart attack who receive a prescription for a beta blocker</td>
<td></td>
</tr>
<tr>
<td>Percent of enrollees with a chronic condition who had blood pressure recorded during year</td>
<td></td>
</tr>
<tr>
<td>Percent of enrollees receiving lipid-lowering therapy based on ATP III guidelines</td>
<td></td>
</tr>
<tr>
<td>Percent of enrollees hospitalized due to ambulatory-care sensitive conditions (asthma, diabetes, or hypertension)</td>
<td></td>
</tr>
<tr>
<td>Early detection of HIV infection among all enrollees</td>
<td></td>
</tr>
<tr>
<td>Percent of those enrolled for six consecutive months visiting emergency department who did not have a primary care visit in preceding six months</td>
<td></td>
</tr>
<tr>
<td>Percent of enrollees visiting emergency department who did not have a primary care visit in the next month</td>
<td></td>
</tr>
<tr>
<td>Percent of enrollees with heart failure and left ventricular systolic dysfunction</td>
<td></td>
</tr>
</tbody>
</table>
### APPENDIX D

**PROGRAM PERFORMANCE MEASURES IN THE ORIGINAL AND REVISED FY 2008 PERFORMANCE PLANS OF THE DEPARTMENT OF HEALTH**

<table>
<thead>
<tr>
<th>Agency Management</th>
<th>Percent of the Mayor’s Customer Service Standards met</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percent of Key Result Measures achieved</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Percent increase in the amount of grant funds from federal and private sources</td>
<td></td>
</tr>
<tr>
<td>Agency Financial Operations</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>
APPENDIX E

DESIGNATION OF RESPONSIBLE MANAGERS AND SUPERVISORS IN THE FY 2006 PERFORMANCE REPORTS FOR SIX AGENCIES

<table>
<thead>
<tr>
<th>Agency</th>
<th>Number of Managers and Supervisors Identified</th>
<th>Number of Performance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCFO</td>
<td>15</td>
<td>32</td>
</tr>
<tr>
<td>DOES</td>
<td>4</td>
<td>18</td>
</tr>
<tr>
<td>MPD</td>
<td>9</td>
<td>35</td>
</tr>
<tr>
<td>DCPS</td>
<td>12</td>
<td>32</td>
</tr>
<tr>
<td>DOH</td>
<td>13</td>
<td>39</td>
</tr>
<tr>
<td>DPW</td>
<td>4</td>
<td>21</td>
</tr>
</tbody>
</table>


Note: As stated in this report, DCPS did not submit a performance report to the Council for FY 2006. The DCPS data in the table are from the FY 2006 performance report that DCPS submitted to the U.S. Congress in March 2007.
### APPENDIX F

**DESIGNATION OF RESPONSIBLE MANAGERS AND SUPERVISORS IN THE FY 2008 PERFORMANCE PLANS FOR SIX AGENCIES**

<table>
<thead>
<tr>
<th>Agency</th>
<th>Number of Managers and Supervisors Identified</th>
<th>Number of Performance Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCFO</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>DOES</td>
<td>2</td>
<td>17</td>
</tr>
<tr>
<td>MPD</td>
<td>10</td>
<td>34</td>
</tr>
<tr>
<td>DOH</td>
<td>9</td>
<td>54</td>
</tr>
<tr>
<td>DPW</td>
<td>4</td>
<td>21</td>
</tr>
</tbody>
</table>


**Note:** DCPS is not included in this table because it did not submit an FY 2008 performance plan. DCPS submitted a revised FY 2008 performance plan in the fall of 2007, as did other agencies under the Mayor's authority, but none of the revised plans identified managers and supervisors responsible for achieving performance goals.
AGENCY COMMENTS
AGENCY COMMENTS

On February 26, 2008, the Office of the District of Columbia Auditor submitted this report in draft form for review and comment to the Office of the City Administrator, the Office of the Chief Financial Officer, the Office of Budget and Planning, the Department of Employment Services, the Metropolitan Police Department, the D.C. Public Schools, the Department of Health, and the Department of Public Works.

The Auditor received written comments from the Office of the City Administrator, reflecting its own perspective as well as the views of the Metropolitan Police Department, the Department of Health, and the Department of Public Works. The Auditor also received comments from the Office of the Chief Financial Officer, which incorporated the views of the Office of Budget and Planning. Finally, the Auditor received comments from the Department of Employment Services. The Auditor did not receive any comments on this report from the D.C. Public Schools.

As appropriate, the Auditor made changes to the final report in light of these comments. The written comments received by the Auditor are attached in their entirety, along with the Auditor’s response to the comments.
AUDITOR’S RESPONSE TO AGENCY COMMENTS

The Auditor appreciates the constructive comments on a draft of this report that were provided by the Office of the City Administrator (on its own behalf as well as that of the Metropolitan Police Department, the Department of Health, and the Department of Public Works), the Office of the Chief Financial Officer (which includes the perspective of the Office of Budget and Planning), and the Department of Employment Services. The Auditor made revisions to the final report, based on these comments, and also offers the following response to the agency comments.

Office of the City Administrator Comments

1. The OCA stated that, “We found the reports, particularly the first report, to not provide an adequate context for how problematic the system was that this administration inherited,” adding that, “We could not, when we began reforming this system 14 months ago, fix all of its problems in our first year.” The Auditor believes that the report reflects the deficiencies of the performance measurement system as of January 2007. For example, the review of prior audit work on performance measurement and accountability cites the range of problems that were cited in external reports issued through the end of 2006. In fact, the draft report stated that, “The Auditor agrees with the administration’s assessment of the performance measurement system that it inherited.” This language is retained in the final report.

2. The OCA stated that it dealt with the tradeoff between breadth and depth by trying “to provide the Council and the public with more performance data, but report fewer and more meaningful Key Result Measures.” The Auditor is sensitive to this tradeoff, but reiterates the concerns expressed in the report about important programs that lack performance measures – such as agency management programs throughout the government, as well as specific agency programs like DCPS’ early childhood program and MPD’s homeland security and counterterrorism program.

3. With regard to the stability of performance measures, the OCA noted that, “Stability offers credibility and enables more meaningful analysis. We should not, however, insist on stability for its own sake.” The Auditor agrees with this point, but reiterates that the concern about stability reflects a rate of change in performance measures that prevents any trend analysis and limits accountability. The most vivid example of this instability, cited in the report, is the Department of Health, which has significantly overhauled its performance measures three times in the last two years (May 2006, March 2007, and September 2007), often creating and discarding measures with no apparent logic.

4. The OCA highlighted the need for independent agencies to participate fully in performance management, and called on the OCFO “to maintain a performance program integrated with the budget process.” The Auditor shares these concerns, and has noted in the report that most of the agencies that have failed to submit annual performance reports have been independent agencies. In addition, most of the Auditor’s recommendations are directed not
only to the OCA, but also to the governing boards of independent agencies, reflecting their important role in developing an effective system of performance measurement.

5. The OCA stated its intent to submit performance plan information with the Mayor’s annual budget request, but added that, “We might, however, consider requiring the submission of a performance plan draft with the submittal of the budget to Council. We feel it is more insightful to finalize plans only after budget decisions have been made.” The Auditor believes that this approach has merit, and notes that the GMAA envisions this kind of revision, stating that, “Any change in resources or reprogramming within the agency shall require appropriate revision to the performance plan by the agency” (see D.C. Official Code § 1-614.12(f)).

Office of the Chief Financial Officer Comments

1. The OCFO disagreed with the view that each agency should have performance measures for agency financial operations, stating that, “Agency financial operations functions are under the management of the OCFO. Other agencies should not be burdened with measures on activities for which they are not directly responsible and do not control.” The Auditor appreciates this point, but nevertheless contends that there should be financial operations measures for each agency as a way of identifying specific problems in financial management. The financial operations measures that the OCFO uses on a citywide basis are much too general to identify internal control deficiencies and other weaknesses at the agency level – deficiencies that can result in the waste of millions of dollars. There are undoubtedly significant variations in the quality of financial management at the different agencies, and performance at the agency level should be monitored and reported, using measures developed by the OCFO.

2. The Auditor appreciates the OCFO’s commitment to ensure that performance data reported in annual performance reports and in the District’s budget requests are updated to reflect the most up-to-date information from the Comprehensive Annual Financial Report and other sources.

3. The OCFO recommended that the District, “look towards best practices at other municipalities” as part of a review of the District’s performance measurement and performance-based budgeting laws. The Auditor concurs with this point, which was included in the draft report and remains in the final report.

4. The OCFO expressed the view that the selection of efficiency measures and development of data collection methods, “must be coordinated through the City Administrator’s Office.” The Auditor agrees that it is important for the Office of the City Administrator’s office and the operating agencies to play a lead role in selecting and defining efficiency measures, and has modified the language in the final report to focus on the important role that the Office of Budget and Planning (part of the OCFO) should play in helping agencies develop and calculate (rather than select) efficiency measures.
1. DOES stated that it was not responsible for developing agency management measures, or for collecting or reporting the data for agency management measures, and that the Office of the City Administrator had assumed responsibility for these measures. The draft report did not assert that DOES was responsible for collecting and reporting data for the agency management measures. Rather, the draft report stated the fact that there were no data reported for several agency management measures in DOES’ annual performance reports. Nevertheless, the Auditor has added language to the final report to clarify that the OCA had assumed responsibility for collecting and reporting the data for the agency management measures.

2. DOES stated that it was not responsible for developing agency financial operations measures, and that the Office of the Chief Financial Officer had assumed responsibility for these measures. The draft report did not assert that DOES was responsible for collecting and reporting the data for the agency financial operations measures. Rather, the draft report stated the fact that this was a program for which DOES (and other agencies) had no measures, regardless of which agency was responsible for developing the measures and collecting and reporting the data. Nevertheless, the Auditor has clarified the final report to emphasize the need for the OCFO to develop financial operations measures for each agency and to collect and report the relevant data.

3. DOES pointed out that performance information for the Job Corps training program, the Mayor’s Youth Leadership Institute, and the First Source Agreement program, “is in fact collected .... and are available upon request (sic).” This comment misses the Auditor’s point, which is that performance data for such important programs should be part of annual performance plans and reports, rather than merely “available upon request.” The purpose of performance plans and reports is to promote accountability for program results and to make performance transparent to policymakers and the public, and the fact that data “are available upon request” does not support this purpose.

4. DOES stated that Measure 3.8, “Percent of data, estimates, reports, and publications finished within established time frames,” relates to “important Labor Market Information Office reporting mandates,” and that “reports from this particular program are used to assist the District in attracting businesses that will improve our economic stability and provide much needed jobs for District residents.” Nevertheless, the Auditor believes that the original point regarding this measure – that it fails to shed light on outcomes that matter to the public – remains valid. Measure 3.8 does not provide any information about the type of data, estimates, reports, and publications that are summarized in this measure, or explain how the data, reports, and publications affect economic stability and jobs.

5. DOES acknowledged that Measure 3.2, “Percent of training providers furnished technical assistance through formal instruction,” is an output measure, rather than an outcome measure, but nevertheless states that, “The measure has value and utility.” DOES further notes that technical assistance is a critical service and “a valuable capacity-building tool.”
The Auditor agrees that technical assistance is very important, but reiterates that Measure 3.2 tells little about the value of the technical assistance. One way to develop more outcome-oriented information would be to survey service providers about the quality of the technical assistance.

6. DOES noted that it monitors average wage rates and job retention for trainees who enter unsubsidized employment, and reports these results, “through a separate process.” This comment misses the point made in the Auditor’s draft and final reports, which recognize that DOES collects this information but further concludes that outcomes of such importance – wage rates and job retention for trainees – belong in annual performance reports.

7. In response to a finding about the lack of efficiency measures in agency performance plans, DOES noted that strategic business plans, which included dozens of efficiency measures, “were developed prior to the completion of the performance management reporting system.” This comment only reinforces the Auditor’s point. If the efficiency measures were developed prior to the completion of the performance measurement system, then it would have made sense to use the measures that were already developed.

8. D OES stated that it reported data for all performance measures under its authority. In referring to a statement in the draft report that DOES reported on 16 out of 18 measures in its performance plan, DOES noted that it was not responsible for collecting and reporting data for the measures that lacked data. The Auditor has added language to the final report to clarify this point.

9. In response to the Auditor’s finding that DOES and other agencies failed to fulfill the Government Managers Accountability Act requirement to identify the managers and supervisors most directly responsible for achieving each performance goal, DOES stated that it was in compliance, “as evidenced by the fact that when the first-quarter performance data was reported in chart form each individual program manager responsible for the associated measure was listed.” In fact, the first-quarter performance data chart that DOES refers to listed the responsible managers for four of the 16 measures, and did not list any of the responsible supervisors. Moreover, the Auditor’s finding refers to annual performance plans and reports, not to a first-quarter report.
GOVERNMENT OF THE DISTRICT OF COLUMBIA

★ ★ ★

Office of the City Administrator

MEMORANDUM

TO: Deborah K Nichols, Esq.
District of Columbia Auditor

FROM: Kevin Donahue
Office of the City Administrator

DATE: March 7, 2008

SUBJECT: Response to Audit Reports Dated February 26, 2008 and February 27, 2008

During the week beginning Monday February 25, 2008, the Office of the City Administrator received two separate reports from the DC Auditor on the District’s performance management program. The first deals specifically with the city’s compliance with the Government Managers Accountability Amendment Act (GMAA) of 1995, while the second focuses on the District’s performance management program more generally. Given that the two reports overlap greatly in their scope and recommendations, and that they were delivered a mere two days apart, this letter serves as a response to both reports. I write it on behalf of the City Administrator, and also on behalf of the Department of Health, the Department of Public Works, and the Metropolitan Police Department, whose performance reports were a focus of the Auditor, and whose performance measure revisions were done at the request of the Office of the City Administrator.

I want to thank the Auditor for taking the time and effort that you and your staff dedicated to examining the city’s performance management program. Let me state up front that we agree with many of the audit’s major findings and plan to implement nearly all of its recommendations. In fact, well prior to this audit, during 2007, we had come to many of these same conclusions and articulated them to the Auditor two months ago. The administration takes seriously the requirements of the GMAA, as it does the value of performance data in decision making. In fact, as one of the hallmarks of his first year, Mayor Fenty launched the CapStat program, with the express intention of constantly using performance data to govern the city, not just as data to be periodically collected and reported.

We also appreciate the Auditor’s recognition that the Fenty Administration is infusing “the performance management system with clearer direction” and making it “a higher priority.” The Auditor also recognized that the administration is making a transition to a “more transparent and informative” system that is attempting to make measures “more ambitious” and implement best practices around the use of external assessments.

We have accepted this audit in the spirit with which we believe it has been written: to identify areas to improve government accountability and recommend approaches for reform. We look forward to working with the Auditor as a partner in reform. There are, however, a few points of concern on major issues in the report, one general point and three more specific issues.
Let me start with the more general concern: we found the reports, particularly the first report, to not provide an adequate context for how problematic the system was that this administration inherited. When the Fenty Administration took office, we inherited a performance management structure that was nearly a decade old. To be fair, at the time the GMAA was implemented it was considered a best practice concept, but to remain so would have demanded sustained attention and periodic updates as thinking in the field evolved. This did not happen.

For many years our performance measurement system was working better in theory than in practice. Measures rarely aligned with community outcomes and targets rarely posed a serious challenge to agencies achieving them. Official measures almost never made it into decision-making forums and the process for updating measures was so cumbersome that some agency directors began tracking a separate scorecard internally. The city’s Strategic Business Plans became ignored, or worse maligned, by agencies because they neither conveyed a strategy nor a plan of any kind. A Hyperion reporting system, costing millions, was built only to be shut down within months.\(^1\) Even legislated external auditing requirements were not consistently met. We raise all of these issues, as we did prior to the issuance of these reports, to provide a more complete picture of the difficult challenge we face.

We could not, when we began reforming the system 14 months ago, fix all of its problems in our first year. Where we began reform – and where we have made our most substantive improvements – is in making performance data relevant to the decision making process through the CapStat program and its website. During hour-long CapStat sessions, the Mayor and senior staff from relevant agencies take an in-depth look at a single issue. The heart of the discussion is a careful examination of performance data relevant to the single issue, which serves as the point of departure for a conversation about how the District can more effectively address the issue at hand. We relentlessly track commitments made during these sessions and repeatedly come back to a few core issues until the Mayor sees demonstrable improvements.

In the 14 months since the CapStat program’s inception, we have held more than 125 sessions, 53 convened by the Mayor and more than 75 convened by the City Administrator. By contrast, the DCStat program, CapStat’s predecessor in the Williams Administration, conducted a mere 9 sessions in its 18-month existence. The Mayor attended none of these meetings.

\[
\begin{array}{|c|}
\hline
\text{The Fenty Administration’s Reforms} \\
\text{The Fenty Administration has implemented a large number of reforms in the structure and use of performance management in the District, and plan for more reforms that include the Auditor’s recommendations, but also go well beyond them. The following text boxes highlight changes we have made, and changes that we plan to make.} \\
\hline
\end{array}
\]

\[
\begin{array}{|c|}
\hline
\text{Changes Made to: Measures and Targets} \\
\hline
\text{Implemented Reforms} \\
\checkmark \text{Created “Initiatives” in performance plans that capture what is} \\
\text{truly “new, better, or different” during a fiscal year} \\
\checkmark \text{Increased targets to reflect actual performance} \\
\checkmark \text{Revised performance measures to make them more reflective of} \\
\text{core operations and critical outcomes} \\
\checkmark \text{Began to reduce the sheer volume of “key” performance measures} \\
\checkmark \text{Balanced this reduction by expanding access to information} \\
\text{regarding operations and performance in the District generally by} \\
\text{launching the CapStat website} \\
\checkmark \text{Begun seeking public feedback of service quality and timeliness} \\
\hline
\text{Planned Reforms} \\
\checkmark \text{Continue to focus reform measures in line with best practices} \\
\checkmark \text{Categorize measures by: outcome, output, workload, and efficiency} \\
\text{to create a balanced scorecard approach} \\
\checkmark \text{Require that all agencies track basic financial and personnel} \\
\text{measures that are common across all agencies} \\
\checkmark \text{Mandate that performance targets must be equal to or greater than} \\
\hline
\end{array}
\]

\(^1\) To my knowledge, this system cost anywhere from $5 million to $10 million and was not used for even a single fiscal year.
Mayor Fenty has repeatedly held CapStat sessions on topics as wide-ranging as violent crime, homelessness, snow removal, customer service, and energy efficiency. Again, at the core of CapStat is the idea that accurate, compelling data about performance needs to serve as the factual foundation for tough policy decisions. From these sessions, the Mayor made and has tracked commitments to provide housing to families in DC Village, create 10,000 affordable housing units, institute focused improvement areas, and reduce the city's fixed costs. The list goes on and on, and is made accessible to the public on the CapStat website.

Perhaps our most interesting innovation to the performance plans themselves was not so much in the measures, which was the focus of the audit, but was in the inclusion of "Initiatives" into all Mayoral agency plans. Initiatives are short descriptions that tell Council and the public how and in what ways an agency is going to improve its services to the residents. As simple as this reform sounds, it is nevertheless the first time performance plans have told a story to the public, in language they understand, on issues they care about, and in enough detail that they can hold the agencies accountable for follow-through.

The innovations that the CapStat program created in performance management has also attracted attention from other jurisdictions and best practice researchers. Staff from a number of jurisdictions, including Philadelphia’s new mayor and Montgomery County’s new county executive, have attended sessions and are modeling their “Stat” programs on the District’s. Furthermore, the Government Finance Officers Association, one of the organizations that the Auditor notes as an outstanding resource for performance information, has asked someone from the CapStat team to teach at an all-day workshop during its next annual conference on how to integrate performance data into executive-level decision making.

These reforms did not come at the expense of official performance reporting. Rather, we will ultimately strengthen reporting compliance by engendering a culture that values performance data at the most senior level. Reforming the measures themselves and performance reports, however, is a task that is will take us through FY08 to complete. The FY08 measures that the Auditor evaluated and the format of year-end reports will require an additional revision, as we had always planned.

The three specific areas of concern with the audit reports relate to the proper number of key measures to track, the tension between measure quality and measure stability, and the participation of independent agencies in the performance measurement process. The first of these areas involves our interpretation of "significant activities" and our definition of when we reach the point of having too many key result measures. Our goal is to provide Council and the public with more performance data, but report on fewer and more meaningful Key Result Measures. The Office of the City Administrator did, in fact, request a
number of changes in agency performance plans. As noted previously, this task began in the summer of 2007 and will be completed in the summer of 2008, as we learn from feedback such as these audit reports regarding our initial changes.

Our intent in reducing the number of key result measures is to focus the attention of oversight officials, the public, and the executive on a manageable and digestible number of high-quality measures. Yes, as the reports highlight, there needs to be a balance between too many measures and too few, but a drastic expansion would dilute their value, and risk turning the process back into a paperwork exercise. Take for example agency management, an area of great concern to the Auditor. There are about 12 Activities within the Agency Management Program. If the 79 budgeted agencies were to have one key result measure for each agency management activity, the result would be nearly 1,000 measures citywide just for agency management. If we track 2 or 3 measures per activity for all programs, the District could find itself reporting on close to 10,000 measures.

Make no mistake: agency directors and the City Administrator examine a tremendous amount of performance data to evaluate their operations, including detailed agency management information. The fact that not all of this data is classified as a “key” performance indicator does not mean it gets ignored or does not exist, though we do want to share it with the public. We have been breaking new ground as a government and in the field of performance management, using the Citywide Data Warehouse and data reports on the CapStat website to expand the amount of data to which Council and the public have access.

Nevertheless, a balance needs to be struck, and we are willing to forge one. But, we need to be very careful to weigh the costs of each approach. Prior to making changes, we intend to assess the financial investment required to create a more comprehensive structure, and prior to accepting a new performance measure, assess the likelihood of a measure leading to discussion and decisions.

Another concern that we want to highlight is the issue of performance measure stability. We agree with the Auditor that stability offers credibility and enables more meaningful analysis. We should not, however, insist on stability for its own sake. If performance measures are deficient, we should replace them. When the District adopted performance-based budgeting, it created a large set of new measures in a relatively short timeframe, which was followed by a period of stability. Given our own assessment, as well as that of the Auditor, it is likely that additional improvements are needed before we return to another period of stability.

<table>
<thead>
<tr>
<th>Changes Made to the Availability of Data</th>
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<tbody>
<tr>
<td><strong>Reforms Implemented</strong></td>
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<tr>
<td>- Created a CapStat website that includes:</td>
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<tr>
<td>- Agency performance plans, including initiatives, available to the public at the beginning of the fiscal year</td>
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<tr>
<td>- CapStat telecasts via Channel 16 and on-demand video</td>
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<tr>
<td>- Expanded access to RSS feeds</td>
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<td>- Agency performance measures</td>
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<tr>
<td>- Issue-specific performance data on a rotating series of topics</td>
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<tr>
<td><strong>Reforms Planned</strong></td>
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<tr>
<td>- Revise the format of performance reports to make them more readable and cross-cutting</td>
</tr>
<tr>
<td>- Create a Web-based portal for reporting performance data to reduce the risk of data entry errors</td>
</tr>
<tr>
<td>- Place performance data information on the Web, available to the public throughout the year</td>
</tr>
<tr>
<td>- Place geographic performance data available on Google Earth maps for easier public viewing</td>
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</table>

2 Personnel, training and employee development, contracting and procurement, property management, information technology, financial management, risk management, legal, communications, customer service, language access, and performance management, though not every agency has an identical set.

3 There are between 35 and 50 activities for most agencies.
Finally, we would also like to highlight – as do the audit reports – the need for entities that do not report to the Mayor, but still require oversight from Council, to fully participate in performance management. The Office of the City Administrator experienced great difficulty achieving consistent performance reporting from “independent” entities. This is all too apparent in the number of “no data reported” comments in the FY07 PAR reports. We also need for a full commitment by the Office of the Chief Financial Officer (OCFO) to maintain a performance program integrated with the budget process. The OCFO has reduced the number of staff dedicated to performance budgeting over the past several years, downsizing from three to four staff to now devoting one person, part-time, to the effort. Additionally, the OCFO’s cost-driver program, also a legislated mandate, has made slow progress given the time and resources that have been devoted to it, despite the promise it has to shed light on efficiency and operational performance. We would very much like to partner with this effort in creating efficiency targets.

Over the remainder of 2008, the Office of the City Administrator looks forward to continuing our progress to improve and reform the performance management program. We intend to implement the vast majority of recommendations provided by the Auditor and look forward to working with the Auditor and her staff in the future.

Overview of Recommendation Responses

Recommendations from the February 26, 2008 Report

Recommendation 1: Pertains to the submission of performance plans with agency budgets.
Response: We intend to submit performance plan information with budget submission. We might, however, consider requiring the submission of a performance plan draft with the submittal of the budget to Council. We feel it is more insightful to finalize plans only after budget decisions have been made. We want to also highlight that this administration puts “initiatives” at the heart of performance plans, and these are often linked to budget enhancements that require approval. By waiting until the budget is approved to finalize the performance plans, it may allow us to have measures that are more valid, significant, and fair, according to the Auditor’s application of those terms.

Recommendation 2: Pertains to submission of performance reports by January 15.
Response: We concur with this recommendation.

Recommendation 3: Pertains to ensuring plans cover all significant activities.

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4 Several years ago, the OCFO devoted 3 or 4 people to performance budgeting. These individuals worked very closely the staff of the City Administrator and leadership at agencies to integrate performance plans and budget structures.

5 To my knowledge, the cost driver program has been limited to a very small number of agencies, and only one, Corrections, has been through the complete process.
Response: We intend to comply with our understanding of this requirement, and agree that the law could be made clearer on this point.

Recommendation 4: Pertains to expanding the scope of measures to include agency management
Response: We concur and have plans to expand this, balanced by the cautions noted in this response.

Recommendation 5: Pertains to expanding the scope of measures to include financial management.
Response: We concur and have plans to expand this, balanced by the cautions noted in this response.

Recommendation 6: Pertains to making measures more outcome-oriented.
Response: We concur, and will continue to make progress in this area.

Recommendation 7: Pertains to making use of efficiency measures.
Response: We concur, and will continue to make progress in this area. We also encourage the OCFO to participate actively in leveraging their cost-driver initiative for this purpose.

Recommendation 8: Pertains to adopting measures deemed as best practice.
Response: We concur, and have already begun this process.

Recommendation 9: Pertains to examining neighboring jurisdictions for useful practices.
Response: We concur, and have already begun this process.

Recommendation 10: Pertains to reporting data for all measures included in annual plans.
Response: We concur with this recommendation.

Recommendation 11: Pertains to creating a process that engenders stability in measures
Response: We concur with this recommendation, but intend to implement after we have completed our reforms to the measures themselves.

Recommendation 12: Pertains to linking specific employees to specific measures.
Response: We concur with this recommendation.

Recommendation 13: Pertains to clarifying ambiguities in the GMAA.
Response: We concur with this recommendation.

Recommendation 14: Consider creating/updating comprehensive performance budgeting requirements.
Response: We concur with this recommendation.

Recommendations from the February 27, 2008 Report

Recommendation 1: Pertains to sustaining attention toward performance management
Response: We concur and have always intended to sustain executive attention on performance management.

Recommendation 2: Pertains to improving measures themselves
Response: We concur with this recommendation and will continue to improve measures. We would underscore the cautionary notes made in the body of this letter.

Recommendation 3: Pertains to making use of efficiency measures.
Response: We concur, and will continue to make progress in this area. We also encourage the OCFO to participate actively in leveraging their cost-driver initiative for this purpose.
Recommendation 4: Pertains to ensuring plans cover all significant activities.
Response: We intend to comply with our understanding of this requirement, and agree that the law could be made clearer on this point. We would underscore the cautionary notes made in the body of this letter.

Recommendation 5: Pertains to reporting data for all measures included in annual plans.
Response: We concur with this recommendation.

Recommendation 6: Pertains to creating a process that engenders stability in measures.
Response: We concur with this recommendation, but intend to implement after we have completed our reforms to the measures themselves.

Recommendation 7: Pertains to expanding training and technical assistance in performance management.
Response: We concur with this recommendation.

Recommendation 8: Pertains to expanding use and meeting frequency of the Performance Management Council.
Response: We concur with this recommendation.

Recommendation 9: Pertains to creating a user manual.
Response: We concur with this recommendation.

Recommendation 10: Pertains to increasing training in performance management through DCHR.
Response: We concur, and will likely offer introductory training in performance management and more advanced technical assistance on an as-needed basis.

Recommendation 11: Pertains to expanding the use of external assessments.
Response: We have plans to sustain our innovations in this area and expand them.

Recommendation 12: Pertains to setting ambitious targets.
Response: We concur, have begun this change, and will continue to implement this policy.

Recommendation 13: Pertains to quality control and verification.
Response: We concur, and have plans to roll-out with changes to the measures themselves.

Recommendation 14: Pertains to requiring executive leadership certify the accuracy of reported data.
Response: We concur and will request it of agency Directors, through making use of electronic signatures, and will ask it of independent agencies.

Recommendation 15: Pertains to showing actual levels of performance when reporting percentages
Response: We will consider this recommendation strongly when we review measures, and will assess on a case-by-case basis.

Recommendation 16: Pertains to improving the readability and scope of performance reports.
Response: We concur with this recommendation.

Recommendation 17: Pertains to creating stronger links between outcomes and budget requests.
Response: We concur with this recommendation.

Recommendation 18: Pertains to reviewing the laws around performance management and budgets.
Response: We concur with this recommendation.
March 12, 2008

Ms. Deborah K. Nichols
District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street N.W.
Suite 900
Washington, DC 20005

Dear Ms. Nichols:

Enclosed please find the Office of the Chief Financial Officer’s combined response to the draft audit reports entitled “Performance Measurement System Needs Long-Term Stability and Commitment to Maximize Effectiveness” and “Compliance with the Government Managers Accountability Amendment Act of 1995 Has Been Incomplete and Inconsistent.”

Thank you for providing us the opportunity to review the findings and recommendations before the final release of these reports. If you have any questions regarding these combined responses, please contact me at 202-727-2476.

Respectfully,

[Signature]

Angell Jacobs
Director of Operations

Enclosure
This is in response to a draft DC Auditor’s report entitled “Compliance with the Government Managers Accountability Act of 1995 Has Been Incomplete and Inconsistent” received by the Office of the Chief Financial Officer. This will briefly look at findings and recommendations that pertain to the OCFO as an operating agency within the DC Government.

The auditor’s finding “District government agencies have often failed to state measurable, objective performance goals for all significant activities in their annual performance plans” singles out agency financial operations as a neglected area. While the auditor does state that the OCFO reported that their financial operations measures applied to the entire government, the finding implies that each agency should have performance measures for financial functions. It is emphasized throughout the report that performance measures should be used more for management decisions. We would like to stress that the agency financial operations functions are under the management of the OCFO. Other agencies should not be burdened with measures on activities for which they are not directly responsible and do not control.

The auditor’s finding “Chronic management problems not reflected in Agency performance measures” focuses on using performance measurement as a tool in helping resolve program and financial management problems. Specifically the auditor states that the financial operations measures could be strengthened. Several current measures are very process oriented measuring such things as reprogrammings, FRPs and closing package submissions. We note that these processes ensure the reliability of the financial data and assist OCFO personnel in managing the financial function.

The auditor has further findings on outcome versus output oriented performance measures and other measures of limited value. The OCFO is working to revise its measures to better reflect management goals and will incorporate the comments of the auditor, especially in the notes on efficiency measures, in this endeavor.

The auditor has findings on compliance, noting it declined for most sample agencies between FY06 and FY07. Discussion in this section also includes comments about providing performance data after the initial report is due. This affects measures that are due before the CAFR is complete. The budget books cited used information collected from the City Administrator for its January report. While the OCFO does have the missing results, the book was not updated to include information not presented in the initial collection. We note this discrepancy and will take care that it does not happen for OCFO measures whenever it can be corrected. The auditor should note that results for agency management District-wide have been collected by the city administrator for all agencies each year since they were added in 2004.

We appreciate the opportunity to respond.
Office of Budget and Planning's Response to
D.C. Auditor's letters dated February 26 and 27, 2008

The Office of Budget and Planning has reviewed the two draft reports titled "Compliance With The Government Managers Accountability Amendment Act of 1995 Has Been Incomplete and Inconsistent" and "Performance Measurement System Needs Long-Term Stability and Commitment to Maximize Effectiveness". We appreciate the opportunity to respond, and we generally agree with the findings. Since both reports overlap into the areas we are commenting on, we have prepared one response for both reports.

Both reports attempt to reconcile a performance management process that is found in two places within the D.C. Official Code, the Government Managers Accountability Amendment Act of 1995 (GMAA) and the Performance and Financial Accountability Act of 2001, which implemented the Performance Based Budget (PBB) system. In Appendix A of each report, the Auditor lists documentation used to establish best practices in performance management and accountability. With the exception of the Government Accountability Office guide, each reference listed was published after the implementation of the GMAA and the PBB legislation. In the case of the GMAA, most documents were published 10 years after GMAA implementation. Clearly the school of thought on effective performance management has advanced, and our body of law should reflect the benefits of hindsight and lessons learned in the field. We fully agree with recommendations 13 and 14 of the "Compliance with..." report and recommendation 18 in the "Performance..." report that call for a Mayoral and legislative review. We also fully agree with recommendation 9 found in the "Performance..." report that calls for the publication of a performance management handbook, and we further suggest that this handbook be updated after any legislative updates.

The reports also highlight the need for a universal management process. We agree with this conclusion, as there is a significant need for a performance management process across all entities that receive funding from District of Columbia taxpayers. It is a reasonable expectation of our residents that there be a governance mechanism for every entity that receives public funding, regardless of whether the entity reports to the Mayor or is considered an independent entity. The current practice separates agencies into those that submit a performance plan and those that do not. For non-performance plan agencies, there is no governance process for the approval of performance measures or the collection of a performance plan. A universal process that facilitates all recipients of public funding, backed by the support of the Council, is entirely appropriate.
The "Performance..." report on page 17 concludes that the Fenty administration has implemented too few measures and goes on to recommend additional measures to achieve "breadth and balance." We recommend that attainment of breadth and balance considers the reality of resource restraints and the demands of proper oversight and be done against the backdrop of a cost benefit analysis. Monitoring and maintaining measures, which should be a routine function, does require resources at the Council, Mayoral and agency levels.

We appreciate the opportunity to respond. Any questions should be directed to Michael Sheaffer, Budget Analyst, 727-1099.

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<td>We acknowledge that the entire performance management process requires</td>
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<td>the Office of Budget and Planning tends to emphasize compliance…</td>
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<td>review and the role of all entities involved requires revalidation.</td>
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<td>The performance measurement system needs to be more closely linked to</td>
<td>11</td>
<td>Recommend that we look towards best practices at other municipalities</td>
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<td>strategic planning and budgeting.</td>
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<td>and incorporate into the legislative update in order to accomplish this</td>
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<td>Agency directors and their senior managers should begin implementing</td>
<td>36</td>
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<td>efficiency measures, drawing on the hundreds of efficiency measures that</td>
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<td>necessary data collection methods and calculations.</td>
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OBP comments on findings and recommendations in the "Performance Measurement System Needs Long-Term Stability and Commitment to Maximize Effectiveness" draft audit report dated February 27, 2008.

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<th>Findings:</th>
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<tr>
<td>Several officials stated that there had been a number of training sessions jointly led by the Office of the City Administrator and the Office of Budget and Planning four to six years ago when performance-based budgeting was first being implemented, but that training had since waned.</td>
<td>19</td>
<td>The Office of Budget and Planning holds several training sessions each fiscal year on the District’s budget process, including Performance-Based Budgeting. These training programs are sponsored by the Center for Workforce Development.</td>
</tr>
<tr>
<td>The Office of the City Administrator and the Office of Budget and Planning (OBP) issued a five-page manual on Performance Measure Data Collection in July 2003, but the Auditor found that this guidance was no longer being used.</td>
<td>20</td>
<td>The original manual on Performance Measure Data Collection was written and distributed by the City Administrator’s office charged with PBB implementation. The City Administrator’s Office has consistently maintained oversight, both structurally and governance, of the performance management process since its inception.</td>
</tr>
<tr>
<td>In the OCFO’s FY 2007 report, the agency was deemed as having “exceeded expectations” for its Budget Development and Execution program, yet none of the four performance targets for the program were met.</td>
<td>24</td>
<td>This overall performance assessment was assigned by the CA’s office.</td>
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<td>... data verification...There is no central review function performed by the Office of the City Administrator or the OCFO.</td>
<td>25</td>
<td>Review of source data integrity would better be done by an audit at the agency site and completed as part of a comprehensive validation process.</td>
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</table>
OBP comments on findings and recommendations in the “Performance Measurement System Needs Long-Term Stability and Commitment to Maximize Effectiveness” draft audit report dated February 27, 2008, continued.

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<td>Agency directors and their senior managers should begin implementing efficiency measures, drawing on the hundreds of efficiency measures that have been developed in agency strategic business plans, as a way to show how well they are using resources and provide useful information for the annual budgeting process. The Office of Budget and Planning should help agencies select efficiency measures and develop the necessary data collection methods and calculations.</td>
<td>32</td>
<td>The Office of Budget and Planning is the District’s independent central budget office charged with the development, formulation and execution of the District’s fiscal budget. The selection of efficiency measures and developing data collection methods must be coordinated through the City Administrator’s Office.</td>
</tr>
<tr>
<td>The Office of the City Administrator, with the assistance of the Office of the Chief Financial Officer, should publish a comprehensive and user-friendly guidebook to performance management in the District government, similar to Fairfax County Measures Up: A Manual for Performance Measurement, now in its Tenth Edition.</td>
<td>33</td>
<td>We agree with the need for a guidebook. Once the guidebook is written by the CA’s Performance Management staff, the OCFO stands ready to work with the City Administrator on the publishing of any comprehensive guidebook for performance management in the District.</td>
</tr>
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March 11, 2008

Ms. Deborah K. Nichols
District of Columbia Auditor
Office of the District of Columbia Auditor
717 14th Street, N.W., Suite 900
Washington, D.C. 20005

Dear Ms. Nichols:

On behalf of the Department of Employment Services (DOES), I would like to take this opportunity to respond to the District of Columbia Auditor’s draft report, “Compliance with the Government Managers Accountability Amendment Act of 1995 (GMAAAA) Has Been Incomplete and Inconsistent.”

We commend the Auditor for preparing a thorough and incisive report that will provide a sound foundation for improving the District’s performance management system. However, we must dispute some of the apparent assumptions that underlie several of the report’s conclusions: that the department had control over activities listed under the agency management program; that some of the Key Result Measures (now called Key Performance Indicators) are of limited value; that the department failed to develop efficiency measures; and that the department failed to report on all the measures under its authority.

The draft report states that DOES included Agency Management Program (AMP) measures in its FY 2007 Performance Plans and its original FY 2008 Performance Plans, but that the measures were limited in scope. It also states that the OCFO was the only agency to include measures of Agency Financial Operations in its FY 2007 and FY 2008 Performance Plans. We want to make it clear that DOES was not responsible for developing these measures, collecting the data, or reporting the data.

Initially, Agency Financial Operations was designated as “Financial Services” and was an “Activity” grouped under the AMP with a list of its “Services.” In 2005, it became a program of its own named Agency Financial Operations (AFO). In both instances,
DOES was advised that it was not responsible for developing, gathering, collecting, evaluating, or reporting its data.¹

Regarding “customer service,” the District has a customer service “Activity” listed under AMP and associated measures. This activity is a component of the Agency Management Program, and its measure(s) are the responsibility of the District’s Customer Service Operations (CSO) office, not the individual District departments and agencies. As the Center for Innovation and Reform report dated December 14, 2006, noted, the CSO established customer service standards and goals.

The report indicates that individual agencies and departments failed to develop and implement performance measures for agency management functions. In an effort to provide a more coordinated approach to collecting, monitoring, and reporting data on the District’s performance measures, a decision was made to direct these activities from the Office of the City Administrator and the Office of Budget and Planning. The purpose of this process was to validate and assure the integrity of AMP measures across the District and to guarantee the reliability of comparisons (budget and otherwise) from one agency to another.

The draft report noted that DOES lacked measures for the Job Corps training program, the Mayor’s Youth Leadership Institute, and the First Source Agreement² program. Performance information is in fact collected on all of these program activities within the DOES and are available upon request. Decisions as to those Key Results Measures that are reported on behalf of the District are determined by the Office of the City Administrator.

On page 23, the draft report asserts that DOES Measure 3.8, “Percent of data, estimates, reports, and publications finished within established time frames,” is an example of a measure of limited value. We believe that this measure, which relates to important Labor Market Information (LMI) Office reporting mandates, as established by the U.S. Department of Labor (USDOL), is a critical measure in that reports from this particular program are used to assist the District in attracting businesses that will improve our economic stability and provide much needed jobs for District residents.

Measure 3.2, Percent of training providers furnished technical assistance through formal instruction, is cited as an output measure rather than an outcome measure.³ While we concur with that finding, we nevertheless believe that the measure has value and utility

¹ The following instruction was transmitted to agencies on August 5, 2003, and reiterated through FY 2007, that “agencies are not responsible for filling out the Performance Measure Data Collection Entry Forms for the AMP Key Result Measures. That information is collected centrally and agencies are not responsible for documenting the data collection process” [Source: E-mail from Diana Schneider, Management Analyst, Strategic Budgeting, Government of the District of Columbia, Office of Budget and Planning, 1350 Pennsylvania Avenue, NW, Suite 229, Washington, D.C. 2004].
² Beneficiaries of $100,000 or more in DC government assistance are required to sign a First Source Agreement pledging to use DOES as a first source for recruitment, referral, and placement of employees.
³ Outputs represent the amount of service provided rather than the benefits created by the work performed or the service provided. The latter [benefits created] represents an outcome measure.
for the department. Technical assistance/formal instruction is a critical service provided to assure that training providers remain in compliance with federal and local legislative and regulatory guidelines; contract/agreement service delivery stipulations; and departmental policies and procedures. It also is a valuable capacity-building tool.

On page 24, the draft report notes that the department did not include additional information on measures related to the percentage of job trainees who enter unsubsidized employment, such as average wage rates and job retention rates. We must point out that these are outcomes that we do monitor and report on through a separate process.

The report cites the lack of “efficiency measures” in the FY 2006 Performance Reports, FY 2007 Performance Plans, and FY 2008 Performance Plans District-wide. However, the Strategic Business Plans, created attendant to the performance-based budgeting process by individual agencies and departments, include dozens of efficiency measures. The Strategic Business Plans were developed prior to completion of the performance management reporting system.

The draft report alleges that the department had 18 measures, but reported on only 16 (an 88.9% result). To the contrary, the department reported on all measures under its authority. The only measures that the department did not report on were the Agency Management Program (AMP) measures, those not scheduled for report, the AFO measure, and/or the one measure transferred to the Office of Administrative Hearings (OAH). Measures under AFO were to be reported by OCFO. We have attached two charts that show the measures, targets, data reported, and actual results that DOES was responsible for reporting.

The draft report indicated that DOES failed to identify the managers/supervisors most directly responsible for achieving each performance target. The report alleges that this failure prevented the agency from focusing accountability for particular performance goals on specific managers, demonstrated a practice of attributing responsibility for performance goals to a limited number of managers, undermined the goal of promoting accountability for program results, and weakened accountability by designating only senior managers.

The department notes that it is in compliance as evidenced by the fact that when the first quarter performance data was reported in chart form each individual program manager responsible for the associated measure was listed.

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4 The measure “Percent of unemployment insurance first-level appeals decisions made within 30 days of the date appeal is filed” was transferred in FY 2005 to the newly created Office of Administrative Hearings. Funds for this activity are transferred from DOES to OAH through a Memorandum of Understanding (MOU) agreement and an Intra-District funds transfer.
5 DOES used “N/A” where the measure was worded differently or where the measure did not yet exist at that point in time.
6 The first quarter report was due on Sunday, January 20, 2008. The next day, Monday, January 21, 2008, was a holiday. Therefore, on January 22, 2008, the Department initially sent its first quarter performance results on time using individual charts. Charts were used as the reporting form as the OCA spreadsheet had not been received by the agency. The e-mail and the associated charts are attached.
The District’s Performance-Based Budgeting (PBB) process and the associated performance measurement and reporting system is a mere five years old. DOES was designated as a Performance-Based Budgeting (PBB) Phase II Participant during the FY 2004 budget process. As part of the PBB process, appropriate departmental staff received extensive orientation, training, updating, and structural development services. OCA provided oversight, guidance, and applicable training throughout the development and implementation period.

Implementation of the performance measurement system may have been imperfect, but the system is a work in progress that will be improved and expanded. The District will seek to incorporate “lessons learned” from your comprehensive report to reach the goal of making the performance measurement system a truly effective management tool. We trust that our comments on this draft report will be duly considered in the completion of the final report. If you need additional information or clarification, please contact Ms. Valerie Kitchings, Associate Director, Office of Compliance and Independent Monitoring at (202) 671-3076.

Sincerely,

[Signature]
Summer Spencer
Director

cc: Kelly, Brenda
Kitchings, Valerie
Lane, Sylvia
Pinkett, Larry
Robinson, Jaime
Williamson, Tom

ATTACHMENTS:
E-mail of August 5, 2003, re: AMP
Charts of all DOES measures for FY 2006 and FY 2007
Hello,

We wanted to forward along answers to a few questions that have come up about the Performance Measure Data Collection Manual. If you have any additional questions, please don't hesitate to contact us.

1. What measures need to be documented in the data collection forms?

Agencies should fill out a form for each of their Key Result Measures (except AMP measures - see below) and Strategic Result Goals from their Agency Strategic Business Plans. These measures can also be found in the FY 2004 Budget and Financial Plan (http://cfo.dc.gov/budget/budget/index.shtm).

2. Agency Management Program (AMP) Key Result Measures

Agencies are not responsible for filling out the Performance Measure Data Collection Entry Forms for the AMP Key Result Measures. That information is collected centrally and agencies are not responsible for documenting the data collection process.

3. Scorecard Goals and the Director Performance Contracts for FY 04

The FY 2004 Performance Contracts will consist of the Strategic Result Goals and will include selected, if not the entire set of Key Result Measures. There will not be a separate set of contract
measures from the Strategic Result Goals and Key Result Measures that appear in the budget. Since you are already documenting those measures, you will not have to fill out any additional forms.

The Data Collection Manual Entry Form has a section called, "Use of Performance Measure". Check the appropriate box(es) if the measure is used in an Agency Scorecard or Director Performance Contract.

4. Timeline - August 15

This project must be completed in a timely fashion in order for the City Administrators office and the Budget and Planning office to work with OCTO to develop online performance measure collection tools. Please complete and return these forms to Danielle Brining (Danielle.brining@dc.gov) and Diana Schneider (Diana.Schneider@dc.gov) by August 15.

Again, please don't hesitate to contact Diana Schneider (724-3784) or John Craig (727-1099) with additional questions.

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Government of the District of Columbia  
Office of Budget & Planning  
1350 Pennsylvania Ave. NW, Suite 229  
Washington, DC 20004  
Phone: (202) 724-3784
<table>
<thead>
<tr>
<th>Key Result Measures (Performance Goals)</th>
<th>FY 06 Target %</th>
<th>FY 06 Actual %</th>
<th>YTD Data</th>
<th>FY 07 Target %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Percent of new unemployment insurance status determinations made within 90 days of the ending date of the first quarter of liability</td>
<td>60%</td>
<td>81.62%</td>
<td>O: 3,565</td>
<td>D: 4,368</td>
</tr>
<tr>
<td>1.2 Percent of all Intrastate first unemployment insurance payments made within 14 days of the first compensable week-ending date</td>
<td>85%</td>
<td>89.72%</td>
<td>O: 8,713</td>
<td>D: 9,711</td>
</tr>
<tr>
<td>2.1 Percent of back wages collected from employers on valid complaints</td>
<td>75%</td>
<td>97.08%</td>
<td>O: $904,194.31</td>
<td>D: $931,382.45</td>
</tr>
<tr>
<td>2.2 Percent of serious workplace hazards identified during private-sector OSH consultation visits corrected by the abatement date</td>
<td>90%</td>
<td>98.51%</td>
<td>O: 398</td>
<td>D: 404</td>
</tr>
<tr>
<td>2.3 Percent of &quot;Memorandum of Informal Conferences&quot; issued within 20 working days following conduct of informal conferences to resolve disputed issues</td>
<td>75%</td>
<td>85.75%</td>
<td>O: 614</td>
<td>D: 716</td>
</tr>
<tr>
<td><strong>New FY 2006</strong>: 2.4 Percent of applications for formal hearings resolved within 120 working days</td>
<td>80%</td>
<td>*79.06%</td>
<td>O: 608</td>
<td>D: 769</td>
</tr>
<tr>
<td><strong>New FY 2007 KRM 2.5</strong>: Percent of Compensation Review Board (CRB) written reviews of case decisions issued by the Administrative Hearings Division (AHD) and/or Office of Workers' Compensation (OWC) completed within 45 working days of the appeal (Application for Review)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>3.1 Percent of senior service slot enrollees placed in unsubsidized jobs **</td>
<td>26%</td>
<td>34.71%</td>
<td>O: 40</td>
<td>D: 115.25</td>
</tr>
<tr>
<td>3.2 Percent of training providers furnished technical assistance through formal instruction</td>
<td>90%</td>
<td>91.76%</td>
<td>O: 64</td>
<td>D: 69.75</td>
</tr>
<tr>
<td>3.3 Percent of District residents enrolled in pre-apprenticeship training transitioning to formal apprenticeship</td>
<td>50%</td>
<td>50.00%</td>
<td>O: 100</td>
<td>D: 200</td>
</tr>
<tr>
<td><strong>New</strong>: 3.4 Percent of Transitional Employment Program (TEP) participants who enroll in subsidized employment transitioning to unsubsidized employment</td>
<td>40%</td>
<td>42.34%</td>
<td>O: 268</td>
<td>D: 633</td>
</tr>
<tr>
<td>3.5 Percent of the top 200 employers listing jobs with DOES</td>
<td>20%</td>
<td>45.00%</td>
<td>O: 90</td>
<td>D: 200</td>
</tr>
<tr>
<td>3.6 Percent of unemployed adult customers placed in full-time unsubsidized employment</td>
<td>70%</td>
<td>77.43%</td>
<td>O: 566</td>
<td>D: 731</td>
</tr>
<tr>
<td>3.7 Percentage of youth advancing from one grade level to another (school retention)</td>
<td>54%</td>
<td>54.00%</td>
<td>O: 162</td>
<td>D: 300</td>
</tr>
<tr>
<td>3.8 Percent of data, estimates, reports, and publications submitted within established timeframes</td>
<td>95%</td>
<td>96.54%</td>
<td>O: 670</td>
<td>D: 694</td>
</tr>
</tbody>
</table>

*KRM 2.4 performance (YTD actual) Met Expectations by ARGUS analysis (only .94 below goal)

**Senior Services experienced program reductions during FY 2006. Reductions endure into FY07 & 08.

Chart created January 2006 and updated November 13, 2006
# FY 2007 Performance Data

## Department of Employment Services
### FY 2007 Key Result Measures

<table>
<thead>
<tr>
<th>PROGRAM: UNEMPLOYMENT INSURANCE</th>
<th>FY 07 Target</th>
<th>FY 07 Actual</th>
<th>O=Output</th>
<th>D=Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1 Percent of new unemployment insurance status determinations</td>
<td>60%</td>
<td>86.32%</td>
<td>O: 3,149</td>
<td>D: 3,646</td>
</tr>
<tr>
<td>made within 90 days of the ending date of the first quarter of liability (Quarterly Report)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2 Percent of all intrastate first unemployment insurance payments made within 14 days of the first compensable week-ending date (Monthly Report)</td>
<td>87%</td>
<td>92.22%</td>
<td>O: 8,633</td>
<td>D: 9,361</td>
</tr>
<tr>
<td>1.3 Percent of unemployment insurance first-level appeals decisions made within 30 days of the date appeal is filed.¹</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In FY 05, KRM transferred to the new Office of Administrative Hearings</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| PROGRAM: LABOR STANDARDS  (All Monthly Reports)                     |              |              |          |          |
| 2.1 Percent of back wages collected from employers on valid complaints | 75%          | 96.88%       | O: $767,446.34 | D: $792,188.57 |
| 2.2 Percent of serious workplace hazards identified during private-sector OSH consultation visits corrected by the abatement date (Language to Change for FY08) | 90%          | 98.40%       | O: 246   | D: 250   |
| 2.3 Percent of “Memorandum of Informal Conferences” issued within 20 working days following conduct of informal conferences to resolve disputed issues (Monthly Report) | 75%          | 86.47%       | O: 652   | D: 754   |
| 2.4 Percent of applications for formal hearings resolved within 120 working days (Monthly Report) | 80%          | 75.49%       | O: 736   | D: 975   |
| **New for FY07**: 2.5 Percent of Compensation Review Board (CRB) written reviews of case decisions issued by the Administrative Hearings Division (AHD) and/or Office of Workers’ Compensation (OWC) completed within 45 working days of the appeal (Application for Review) | 80%          | 69.82%       | O: 118   | D: 169   |

| PROGRAM: WORKFORCE DEVELOPMENT                                      |              |              |          |          |
| 3.1 Percent of senior service slot enrollees placed in unsubsidized jobs (Quarterly Report) | 29%          | 34.62%       | O: 18    | D: 52    |
| 3.2 Percent of training providers furnished technical assistance through formal instruction (Quarterly Report) | 90%          | 91.09%       | O: 69    | D: 75.75  |
| 3.3 Percent of District residents enrolled in pre-apprenticeship training transitioning to formal apprenticeship Semiannual (Quarterly Report) | 50%          | 61.93%       | O: 109   | D: 176   |
| **New FY07**: Reports March & September only (semi-annual)           |              |              |          |          |
| 3.4 Percent of Transitional Employment Program (TEP) participants who enroll in subsidized employment transitioning to unsubsidized employment (Quarterly Report) | 40%          | 60.82%       | O: 343   | D: 564   |
| 3.5 Percent of the top 200 employers listing jobs with DOES (Annual Report) Susan Gilbert | 20%          | 47.00%       | O: 94    | D: 200   |
| 3.6 Percent of unemployed adult customers placed in full-time unsubsidized employment (Annual Report) Tanya Anderson | 70%          | 79.24%       | O: 519   | D: 655   |
| 3.7 Percentage of youth advancing from one grade level to another (school retention) (Annual Report) Shirley Arnett | 54%          | 54.00%       | O: 162   | D: 300   |
| 3.8 Percent of data, estimates, reports, and publications submitted within established timeframes (Quarterly Report) Charles Roselin | 95%          | 96.16%       | O: 677   | D: 704   |

¹ There is a line item in the budget related to this measure. The money for this measure comes to DOES from USDOL. The Department then transfers it to the Office of Administrative Hearings for performance of this measure.