

FY21 Budget Kick-Off:

Program Description Forms – Measures and Targets

JULY 30, 2019

Today's agenda

Time	Topic
1:00-1:10 pm	Where we are going
1:10-1:25 pm	Why measuring performance matters
1:25-1:45 pm	Program Description Forms – overview and case study
1:45-2:15 pm	What's the problem – central issue statement
2:15-2:35 pm	How to measure – developing SMART measures and targets
2:35-3:30 pm	How to apply these tools – exercise with department examples
3:30-3:50 pm	How to visualize data
3:50-4:00 pm	Conclusion



Today's agenda

Time	Topic
1:00-1:10 pm	Where we are going
1:10-1:25 pm	Why measuring performance matters
1:25-1:45 pm	Program Description Forms – overview and case study
1:45-2:15 pm	What's the problem – central issue statement
2:15-2:35 pm	How to measure – developing SMART measures and targets
2:35-3:30 pm	How to apply these tools – exercise with department examples
3:30-3:50 pm	How to visualize data
3:50-4:00 pm	Conclusion



Where we are going...

Missouri Better Government: *meeting Missouri citizens' expectations so that we are as good as any organization*

More transparent... about where we are heading and how we are doing

More citizen friendly... to serve citizens as they deserve

More efficient... to deliver higher quality impact as smart as possible

More focused... on what we should do and scaling back where we should

More accountable... so good public servant performance is recognized

**A common sense, back-to-basics
approach to making government better**



We are focusing on three basic questions to help our teammates succeed

1) Where are we heading?

2) How should our leaders lead?

3) How will we get better?



Effective management in any organization depends upon a basic cycle

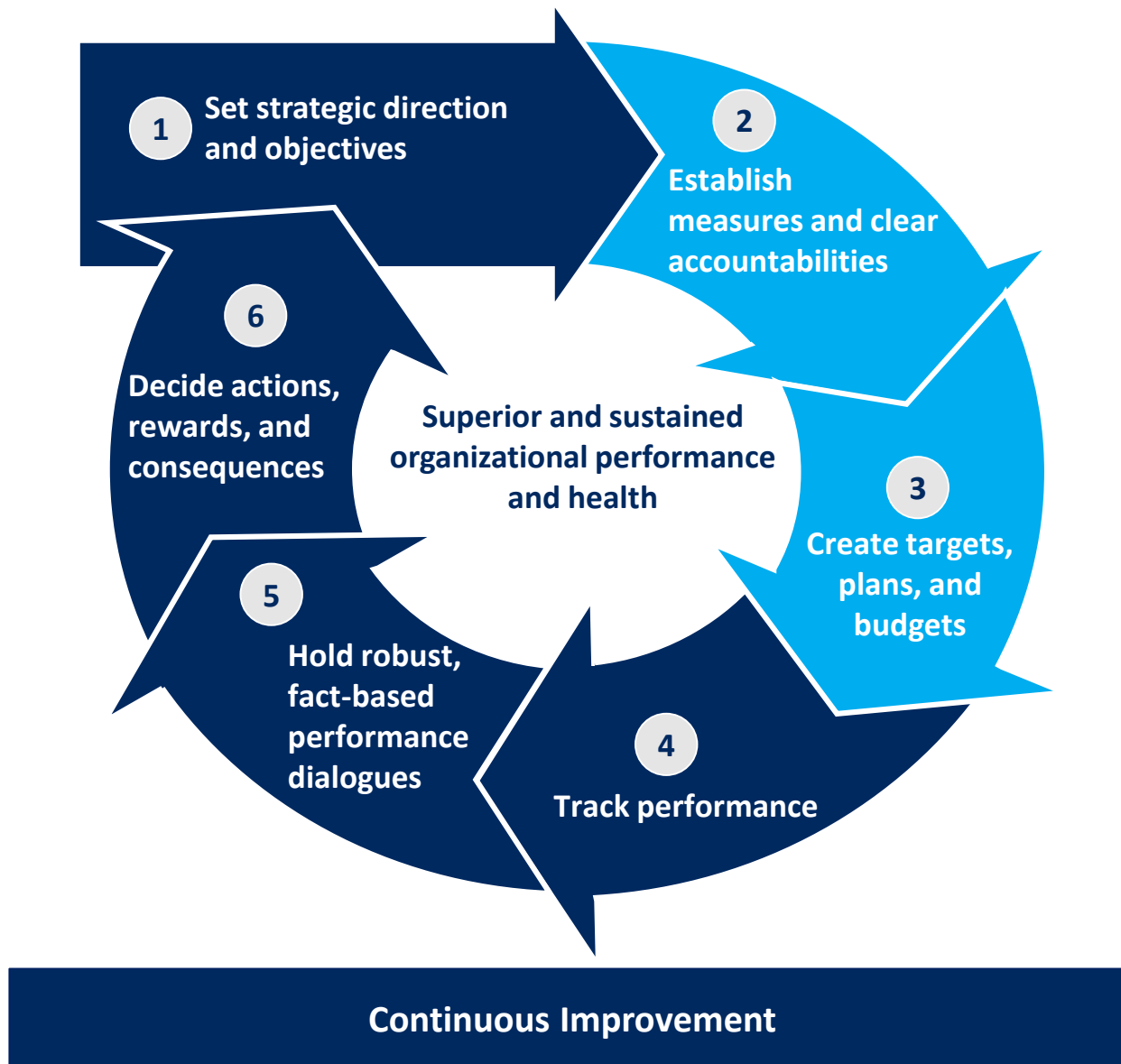


Today's agenda

Time	Topic
1:00-1:10 pm	Where we are going
1:10-1:25 pm	Why measuring performance matters
1:25-1:45 pm	Program Description Forms – overview and case study
1:45-2:15 pm	What's the problem – central issue statement
2:15-2:35 pm	How to measure – developing SMART measures and targets
2:35-3:30 pm	How to apply these tools – exercise with department examples
3:30-3:50 pm	How to visualize data
3:50-4:00 pm	Conclusion



Effective management is driven by a fact-based cycle



Why do we care about performance measures and targets?

“What gets measured gets managed.”

Peter F. Drucker



Why good performance measures and targets help us

- 1) They help us **know** where we are, what is working, and what is not working as planned (e.g., dashboards, program and project reviews)
- 2) They help us **decide** what programs or initiatives we should continue, expand, accelerate, learn from, scale back, stop, or help
- 3) They help us **communicate** to our citizens and stakeholders what we do, why we do it, and what we recommend is the right approach (e.g., Program Description Forms; reports; testimony; NDIs)



Our objective with performance measures and targets

Missouri will be among the top tier of all state governments...

... for its strategic and fact-based, approach...

... to decision-making and budgeting...

... that delivers impact for our citizens



Our story so far...

August 2017: Launched effort to improve performance measures and introduce targets for all programs in budget, including first series of capability building and coaching for core staff

October 2017: Departments transmit initial FY19 budget requests to OA Budget & Planning and the General Assembly

October – December 2017: Ongoing problem solving to improve measures and targets for “priority” programs

December 2017: Departments submit Program Description updates for FY19 Budget

January 2018: Governor’s FY19 Budget recommendations submitted

May 2018: COO and OA Budget & Planning introduced new Program Description Form with four categories of measures: activity, quality, impact, and efficiency; launched second series of capability building and coaching for core staff

October 2018: Departments transmit initial FY20 budget requests to OA Budget & Planning and the General Assembly

October 2018: Missouri Budget Explorer website is launched

November 2018: FY20 Budget Program Description Form competition

January 2019: Governor’s FY20 Budget recommendations submitted

March 2019: Missouri Budget Explorer website adds all program measures and targets

July 2019: Third series of capability building and coaching begins for core staff





“As the state budget grows increasingly more complex, I’m glad the administration has put a tool in place to make spending and accountability information readily available to all Missourians.”

– **Representative Cody Smith, Chairman of House Budget Committee**



“As the chairman of the Missouri Senate’s Appropriations Committee, these performance measures allow lawmakers to take advantage of critical data when it comes to measuring how a state agency or department is using their appropriated resources. This information will provide lawmakers with another tool to hold agencies accountable, and it has the potential to empower lawmakers to be better stewards of state resources.”

– **Senator Dan Hegeman, Chairman of Senate Appropriations Committee**

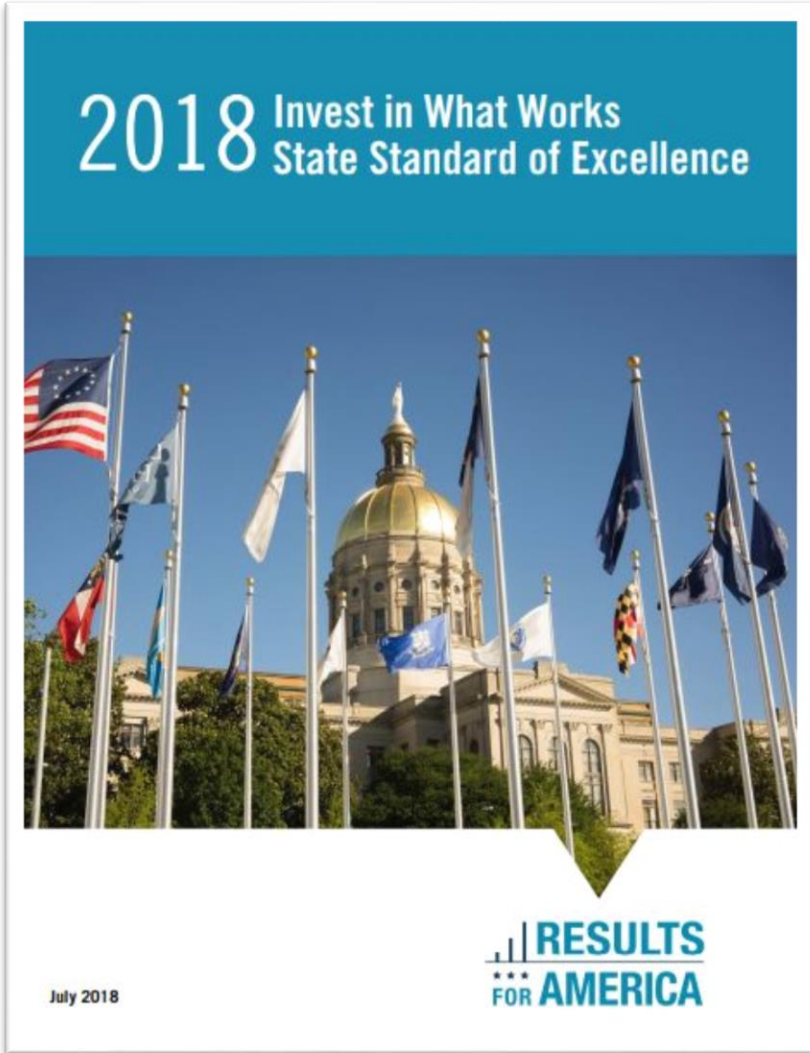


“Missouri citizens have a right to know how their money is being spent, and featuring department performance measures will further enhance transparency throughout the state.”

– **State Treasurer Scott Fitzpatrick**

Our efforts are now being evaluated against national standards of excellence

RESULTS FOR AMERICA



Source: Results for America, State Standard of Excellence, 2018 Report. <https://results4america.org/tools/state-standard-of-excellence-2018-invest-in-what-works-state-standard-of-excellence/>



Real-time interactive survey: How to sign in

Directions:

- We will use interactive polling during the workshop
- To connect with this capability, please text **22333** the message **MOBUDGET**
- You should receive a text reply “You’ve joined Brittany Ruess’ session (MOBUDGET). When you’re done, reply LEAVE”
- You can then send text answers to polling questions during our session today



Real-time interactive poll: How are you feeling now?

Directions:

- Text **22333** your answer to this question: *“At the start of today’s session, how comfortable do you feel with developing and using performance measures (choose only one)?*
 - *Option A: I am comfortable with performance measures and confident I can coach others today*
 - *Option B: I am comfortable with performance measures, but I need more practice before coaching others*
 - *Option C: I am OK with main concepts, but I need more practice to get comfortable with developing performance measures and coaching others*
 - *Option D: I am uncertain about the main concepts related to performance measures and their application, but appreciate their relevance*
 - *Option E: I am uncertain with main concepts related to performance measures, their application, and their relevance*
- If you get disconnected, please text **22333** the message **MOBUDGET** to reestablish your connection



Real-time interactive poll: What needs more clarification?

Directions:

- Text **22333** your answer to this question: *“What topic would you like to focus our time on today?”*
 - *Option A: Introduction to Program Description Forms*
 - *Option B: Development of a central issue statement for a program*
 - *Option C: Review of performance measure and target fundamentals*
 - *Option D: Introduction to visualizing measures (i.e., the “right” chart)*
 - *Option E: Other*
- If you get disconnected, please text **22333** the message **MOBUDGET** to reestablish your connection



Today's agenda

Time	Topic
1:00-1:10 pm	Where we are going
1:10-1:25 pm	Why measuring performance matters
1:25-1:45 pm	Program Description Forms – overview and case study
1:45-2:15 pm	What's the problem – central issue statement
2:15-2:35 pm	How to measure – developing SMART measures and targets
2:35-3:30 pm	How to apply these tools – exercise with department examples
3:30-3:50 pm	How to visualize data
3:50-4:00 pm	Conclusion



Program Description Forms help us improve in two ways

Help us manage our programs:

- Review program performance
- Inform decisions about program and resource allocation



Help us communicate to stakeholders:

- Your department and team
- Governor's Office
- General Assembly
- Our citizens



DOLIR, Unemployment Insurance Benefits Program: case study

Mission

- The Unemployment Insurance (UI) Benefits section’s goal is to promote economic vitality and fairness for Missouri’s businesses and workers by ensuring the UI program is operated effectively, efficiently and in compliance with federal and state laws and regulations

Activity

- The UI Benefits section accomplishes this by working to ensure timely and accurate Unemployment Insurance benefit payments are made only to those eligible workers who are unemployed through no fault of their own

Impact

- The benefits allow eligible recipients to focus on returning to work while providing for the basic necessities of life
- The purchasing power retained because of this program acts as a stabilizer in times of economic downturn, benefiting Missouri workers, employers and the economy as a whole

Starting point

- Prior to 2017, the program had existing measures provided by the United States Department of Labor that targeted specific program goals
- The program also used the USDOL minimum expectation for a successful program for each of the selected measures as targets

Where we are today

- Today, the program continues to evaluate the performance measures established by the USDOL
- The program now uses selected measures that together are indicative of overall program performance
- Using USDOL standards, they established a base target with stretch targets for each measure

How we got there

- Oversight and operations staff at various levels and across program sections were involved in discussion and collaboration to achieve a unified vision for performance measures for the program
- Research was done leveraging past and current performance, UDSDOL expectations for performance and comparative data from other state performance to identify Stretch targets for each measure



DOLIR, Unemployment Insurance Benefits Program: example (1 of 4)

PROGRAM DESCRIPTION

Department of Labor and Industrial Relations

HB Section(s): 7.880

Program Name: Unemployment Insurance Programs (Benefits)

Program is found in the following core budget(s): Employment Security Administration

1a. What strategic priority does this program address?

Growth: Foster a business environment to support economic development.

Pay unemployment benefits to eligible claimants allowing them to maintain economic security while they seek employment.

1b. What does this program do?

- Processes Unemployment Insurance (UI) claims which provide temporary financial assistance for eligible workers allowing them to maintain financial security during economic changes and natural disasters.
- Audits claims for potential fraud to preserve the integrity of the UI program.
- Establishes and collects overpaid UI benefits to help maintain the solvency of the UI Trust Fund.
- Reviews, identifies and resolves issues to determine eligibility, verify information and prevent fraud.

2a. Provide an activity measure(s) for the program.

	FY 2016		FY 2017		FY 2018		FY 2019	FY 2020	FY 2021
	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Projected	Projected
Total unemployment insurance (UI) benefits paid ¹	\$393.9M	\$297M	\$408M	\$298M	\$280M	\$286M	\$280M	\$280M	\$280M
Initial, renewed & reopened claims filed ^{1,2}	327,579	259,490	297,252	239,123	250,000	217,332	210,000	210,000	210,000
Individuals receiving regular UI benefits ³	110,000	94,713	92,000	95,382	95,000	89,586	90,000	90,000	90,000
Fraud overpayments assessed against individuals	8,300	9,586	8,500	6,491	7,000	7,023	7,000	7,000	7,000
Amount of fraud overpayments recovered	\$10.0M	\$9.99M	\$10.0M	\$7.19M	\$8.0M	\$5.83M	\$6.5M	\$6.5M	\$6.5M

¹ Projected figures for the number of initial, renewed and reopened claims filed are based upon the most recent USDOL UI Data Summary Publication.

² Actual figures are from the USDOL UI Data Summary Publication, which includes only state Regular UI claims.

³ Projected figures represent Regular UI only, and are based on the most recent information available in the USDOL UI Data Summary Publication.



DOLIR, Unemployment Insurance Benefits Program: example (2 of 4)

PROGRAM DESCRIPTION

Department of Labor and Industrial Relations

HB Section(s): 7.880

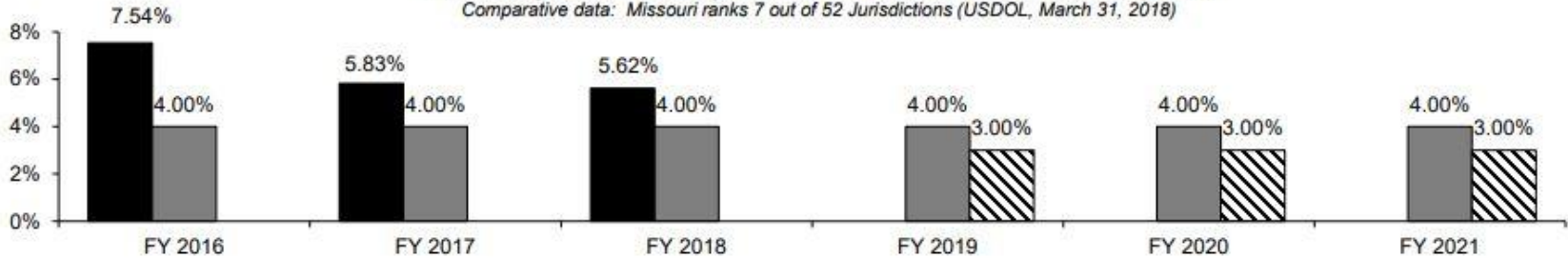
Program Name: Unemployment Insurance Programs (Benefits)

Program is found in the following core budget(s): Employment Security Administration

2b. Provide a measure(s) of the program's quality.

Percentage of Unemployment Claims That Were Improperly Paid

Comparative data: Missouri ranks 7 out of 52 Jurisdictions (USDOL, March 31, 2018)



The agency estimates 49% of unemployment benefits improperly paid were due to fraud.



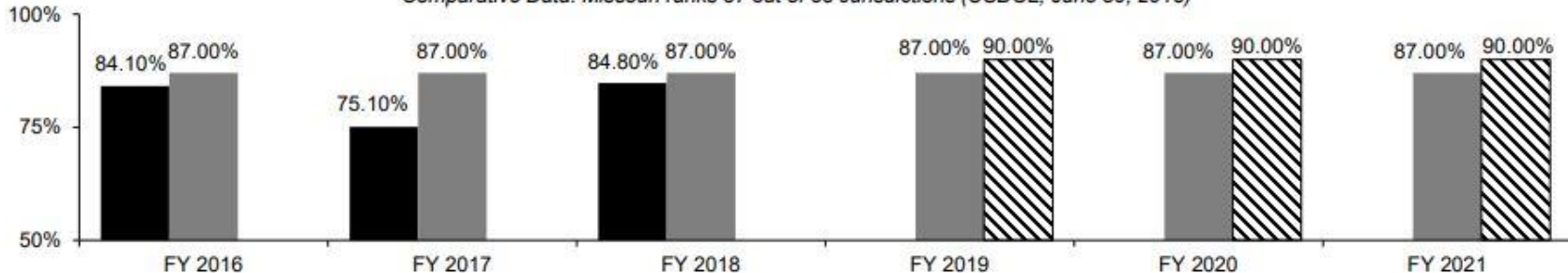
Target: Rank 2 of 52 Jurisdictions by FY 2019

2c. Provide a measure(s) of the program's impact.

Eligible Claimants who Receive First Payment within 14 days of 1st Compensable Week

(Allows Them to Meet a Significant Portion of Life's Necessities While Searching for Employment)

Comparative Data: Missouri ranks 37 out of 53 Jurisdictions (USDOL, June 30, 2018)



Target: Top 20 of Jurisdictions by FY 2019



DOLIR, Unemployment Insurance Benefits Program: example (3 of 4)

PROGRAM DESCRIPTION

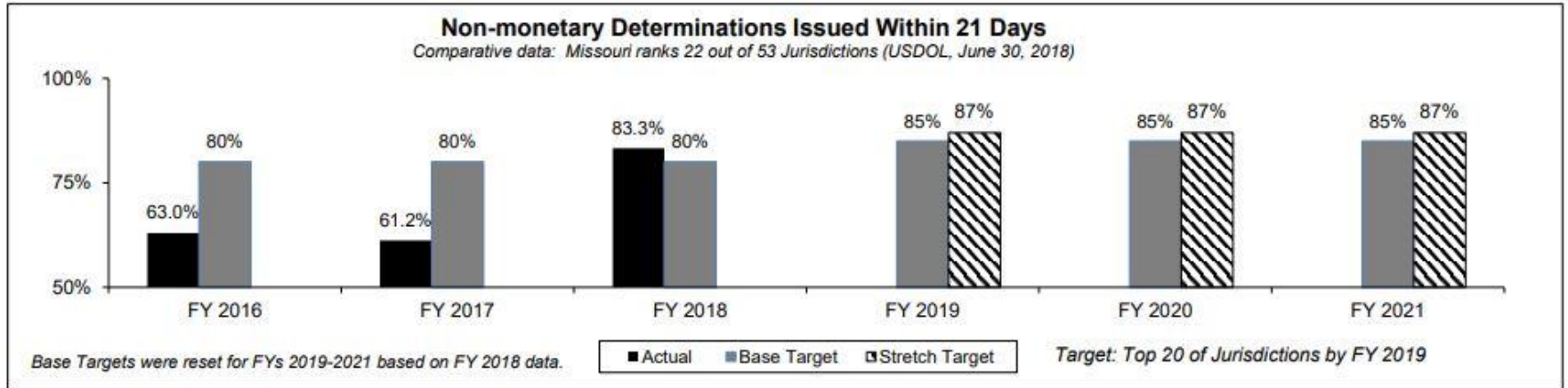
Department of Labor and Industrial Relations

HB Section(s): 7.880

Program Name: Unemployment Insurance Programs (Benefits)

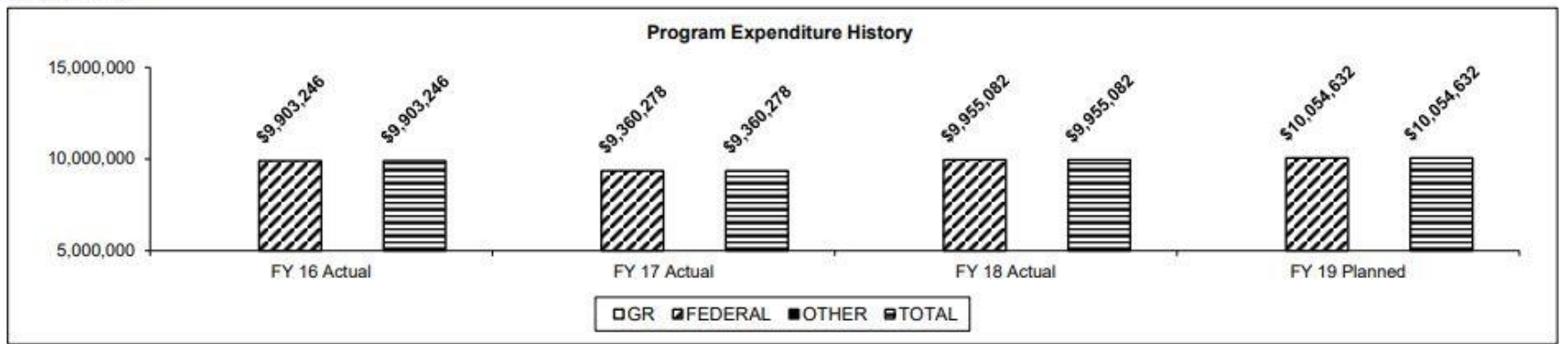
Program is found in the following core budget(s): Employment Security Administration

2d. Provide a measure(s) of the program's efficiency.



The Division experienced an increase in performance in FY 2018 due to prioritization of work items and stabilization of the new system which allowed for more timely issuance of non-monetary determinations.

3. Provide actual expenditures for the prior three fiscal years and planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



DOLIR, Unemployment Insurance Benefits Program: example (4 of 4)

PROGRAM DESCRIPTION

Department of Labor and Industrial Relations

HB Section(s): 7.880

Program Name: Unemployment Insurance Programs (Benefits)

Program is found in the following core budget(s): Employment Security Administration

4. What are the sources of the "Other " funds?

N/A.

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Title III of the Social Security Act and Chapter 288, RSMo.

6. Are there federal matching requirements? If yes, please explain.

No.

7. Is this a federally mandated program? If yes, please explain.

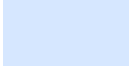
Yes. This program is mandated under Title III of the Social Security Act and chapter 288, RSMo., and is 100% federally funded.



Today's agenda

Time	Topic
1:00-1:10 pm	Where we are going
1:10-1:25 pm	Why measuring performance matters
1:25-1:45 pm	Program Description Forms – overview and case study
1:45-2:15 pm	What's the problem – central issue statement
2:15-2:35 pm	How to measure – developing SMART measures and targets
2:35-3:30 pm	How to apply these tools – exercise with department examples
3:30-3:50 pm	How to visualize data
3:50-4:00 pm	Conclusion



 Focus of section

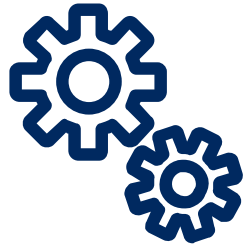
A framework for measuring performance and setting targets

Problem



What **specific need or objective** is your program addressing?

Activity



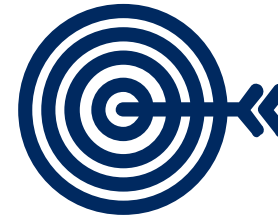
Is the organization **doing** what it said it would do?

Quality



Is the activity **done well**?

Impact



Does it **deliver**? Is the activity causing meaningful impact?

Efficiency



Is it **worth it**? How much effort is invested to achieve the impact?

Tools

Central issue statement
Issue trees*

Tool

SMART Measures

*Issue trees are an advanced tool to help identify performance measures. They are covered in future in-depth trainings on problem structuring and performance measures



The starting point: What is the problem?



From the movie “Moneyball” (2011) – viewer discretion advised



First, define the problem.



A central issue statement provides a starting point for your measures

Basic elements of a program's central issue statement :

My organization, [fill in: **Department, Division/agency**], ...

is [fill in: **key activity** such as developing/ coordinating/ overseeing/ monitoring/ implementing, etc.] ...

to help [fill in: **target audience or whom receives the service or impact** – be as specific as possible, e.g., “unemployed Missourians”; “families with loved ones with developmental disabilities”; “Missourians and others interested in enjoying our State Parks”; etc.] ...

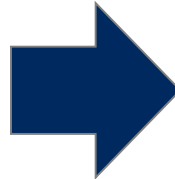
by [fill in: describe **impact** on target audience, how you are addressing need, etc.] ...

with [fill in: optional – describe **additional details** about program, if appropriate]

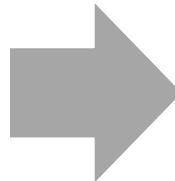


This is how a good central issue statement provides the starting point for your Program Description Form

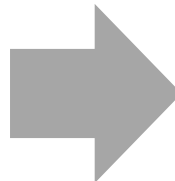
Your central issue statement provides basis for your answer to section 1b on the Program Description Form.



The “is” section of your central issue statement provides the core activities to measure in section 2a.



The “to help” and “by” sections of your central issue statement together provide the impact to measure in section 2c.



Department
Program Name
Program is found in the following core budget(s):
1a. What strategic priority does this program address?
1b. What does this program do?
2a. Provide an activity measure(s) for the program.
2b. Provide a measure(s) of the program's quality.
2c. Provide a measure(s) of the program's impact.



Illustrative example of a central issue statement: standard program

Illustrative example:

My organization, Department of Corrections, Division of Adult Institutions,...

Is providing Missouri's correctional facilities with a community standard of healthcare, including medication, hospitalization, psychiatric care, and other specialized care...

To help incarcerated individuals...

By ensuring their quality of care meets constitutional requirements and that they return to their communities healthier than when they entered the institution.

- You will likely need to iterate to get to a sharp central issue statement



Illustrative example of a central issue statement: grant program

Illustrative example:

My organization, Missouri Department of Transportation,...

Is administering grant funding to AMTRAK ...

To help the citizens of Missouri and other travelers...

By ensuring they have reliable, affordable, twice a day rail transportation between St. Louis and Kansas City.

- You will likely need to iterate to get to a sharp central issue statement



The central issue statement provides the starting point for Budget Program Description Forms

Template

My organization, _____,

is _____

to help _____

by _____

with [optional details on program] _____

**Statements should be concise,
understandable, and jargon free**



Group exercise – draft a central issue statement

Template

My organization, Office of Administration, Division of Personnel,
is coordinating a new statewide onboarding process with our sixteen executive departments
to help _____
by _____

with [optional details on program] _____

**Statements should be concise,
understandable, and jargon free**



Illustrative example of a central issue statement – onboarding program

Basic elements of a central issue statement:

My organization, [fill in: **Department, Division/agency**], ...

is [fill in: **key activity**]...

to help [fill in: **target audience**] ...

by [fill in: describe **impact** on target audience]
...

with [fill in: optional – describe **additional details** about program if appropriate]

Illustrative example:

My organization, **Office of Administration, Division of Personnel**,...

Is **coordinating** a statewide onboarding process with our sixteen executive departments...

To help **newly employed team members**...

By improving their overall **morale, understanding of statewide and department priorities**, and thereby their **retention**...

With programs that leverage **best-in-class content** and **in-person and virtual delivery**



Checklist to develop a Program Description Form – Part 1

- Draft a central issue statement that describes in clear language the program's:
 - Connection to department strategic goals (What placemat goal does this program connect to?)
 - Core activities (What are your program's primary activities?)
 - Primary impact (Who is your program helping? How does your program help them?)
 - Additional details on program design, activities, and secondary impacts (if appropriate)

- Ask someone outside your program to review the draft central issue statement to ensure clarity, and revise as needed



Today's agenda

Time	Topic
1:00-1:10 pm	Where we are going
1:10-1:25 pm	Why measuring performance matters
1:25-1:45 pm	Program Description Forms – overview and case study
1:45-2:15 pm	What's the problem – central issue statement
2:15-2:35 pm	How to measure – developing SMART measures and targets
2:35-3:30 pm	How to apply these tools – exercise with department examples
3:30-3:50 pm	How to visualize data
3:50-4:00 pm	Conclusion



Focus of section

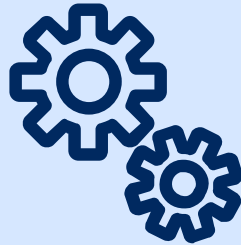
A framework for measuring performance and setting targets

Problem



What **specific need** is your program addressing?

Activity



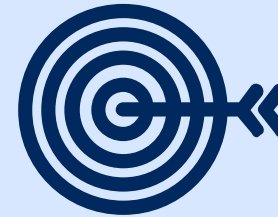
Is the organization **doing** what it said it would do?

Quality



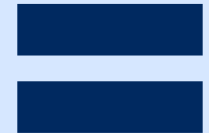
Is the activity **done well**?

Impact



Does it **deliver**? Is the activity causing meaningful impact?

Efficiency



Is it **worth it**? How much effort is invested to achieve the impact?

Tools

Central issue statement
*Issue trees**

Tool

SMART Measures

*Issue trees are an advanced tool to help identify performance measures. They are covered in future in-depth trainings on problem structuring and performance measures



Good measures are the foundation for fact-based performance management

Purpose of measures

- Provide a **quantifiable or sometimes qualitative metric** that reflects how well an organization is achieving its stated goals and objectives
- Clarify a **program's objective** or what it is really aiming to accomplish
- Help leaders, staff, and stakeholders **focus on what matters most strategically** and what they need to accomplish for the year
- Provide **transparency** for decision making and public communication
- Establish a **fact-based foundation** for performance management – including resource allocation decision making

Key points to remember

- It is better to start with a “good enough” measure rather than wait for perfection
- If data for a good measure is currently not being collected, start with what you have while putting in place data collection for the new measure (e.g., a new citizen survey)



Good measures follow the “SMART” principle

- S**imple
- Does it have a clear definition?
 - Is it straightforward and easy to understand?
-
- M**easurable
- Is it easy to measure?
 - Can it be benchmarked against other organizations or outside data?
-
- A**chievable
- Do we understand the drivers that are behind the measure?
 - Can we take action to deliver impact?
-
- R**elevant
- Is the measure aligned with the State’s and/or the department’s strategy and objectives?
-
- T**imely
- Is the time to impact defined and is it practical?
 - When will we monitor it? Can the measure move between periods?



A framework for measuring performance – example

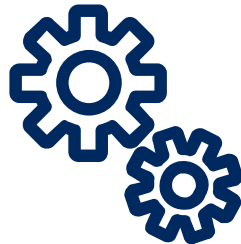
Problem



Your children need extra spending money.

Their plan is to grow a vegetable garden.

Activity



Are your children doing the work?

How many seeds are they planting per day in the first month?

How many seeds are they watering per day during the season?

Quality

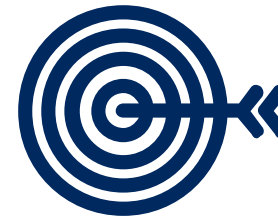


Are your children doing the work well?

How many seeds germinate during the first month?

What is the ratio of productive to non-productive plants during the second month?

Impact



Is the garden providing vegetables and spending money?

What is the amount of profit earned by selling vegetables during the season?

Efficiency



Was the effort worth it?

How many \$/hour of work did they make compared to their alternative sources of income during the season?



Group exercise – a framework for measuring performance

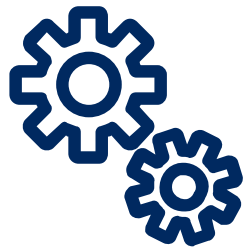
Problem



Departments want new team members who understand department priorities, team priorities, and how they contribute to the organization.

Your department plans to establish a standard onboarding process to achieve these goals.

Activity



Is the organization **doing** what it said it would do?

Quality



Is the activity **done well**?

Impact



Does it **deliver**? Is the activity causing meaningful impact?

Efficiency



Is it **worth it**? How much effort is invested to achieve the impact?



Targets show whether a program is on track or not

Purpose of targets

- Set **clear and transparent expectations** for performance
- Get everyone on the same page through **agreement on what constitutes good and bad performance**
- Prevent **surprises or consequences**
- Help leaders, staff, and stakeholders **focus** on exactly what matters most – i.e. results – and what they need to accomplish for the year
- Clarify **accountabilities** or **ownership**, which increases the probability of delivery and improves organizational alignment

Key points to remember

- Targets should be practical and specific
- Targets should roll up so that they would “move the needle” on a strategic priority
- Try to set individual program targets at two levels – base (minimum acceptable) and stretch (truly distinctive)



Performance targets can be set using a combination of approaches

Approach	Description	When to use	<input checked="" type="checkbox"/> Most common
External benchmark	<ul style="list-style-type: none"> Other organizations' performance under similar operating conditions is used to develop aspirational targets 	<ul style="list-style-type: none"> Organization is a below average performer with aspirational goal of becoming top tier, best-in-class Comparable organizations exist 	<input type="checkbox"/>
Internal benchmark	<ul style="list-style-type: none"> Best period performance for comparable units under similar operating conditions is used to develop challenging targets 	<ul style="list-style-type: none"> Units have similar characteristics and can be compared Organization tracks performance and can share information across units 	<input checked="" type="checkbox"/>
Transformational (top-down)	<ul style="list-style-type: none"> Step-change targets that require fundamentally redesigning the way work is done 	<ul style="list-style-type: none"> Organization must improve its performance through a step-change to survive or preserve support (e.g., program on verge of being discontinued) 	<input type="checkbox"/>
Continuous improvement (top-down)	<ul style="list-style-type: none"> Consistent year-to-year incremental (e.g., 3%-5%) performance improvement targets 	<ul style="list-style-type: none"> Organization is already high performing 	<input type="checkbox"/>
Theoretical limit (top-down)	<ul style="list-style-type: none"> Absolute limits used to set targets (e.g., technical limits, theoretical limits based on laws of nature) 	<ul style="list-style-type: none"> Organization possesses motivation and resourcefulness to drive toward the most challenging targets 	<input type="checkbox"/>
Grass roots (bottom-up)	<ul style="list-style-type: none"> Managers at every level develop improvement plans and define achievable targets, then iterate to align plans with top-down need 	<ul style="list-style-type: none"> Organization depends on frontline buy-in, motivation, and ownership 	<input type="checkbox"/>



Tip: start by looking at how others measure performance and set targets

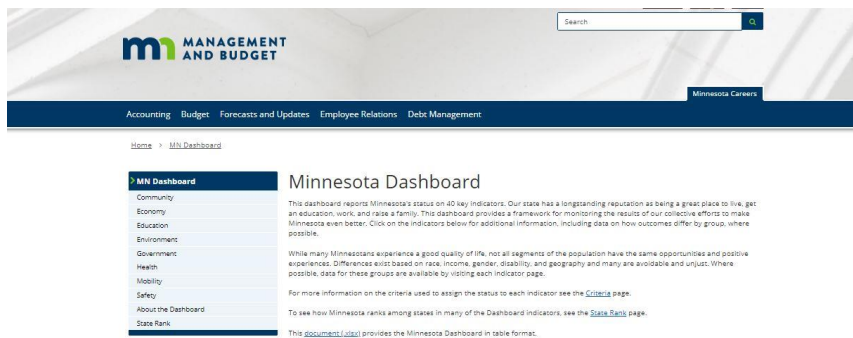
Washington: <http://www.results.wa.gov/>



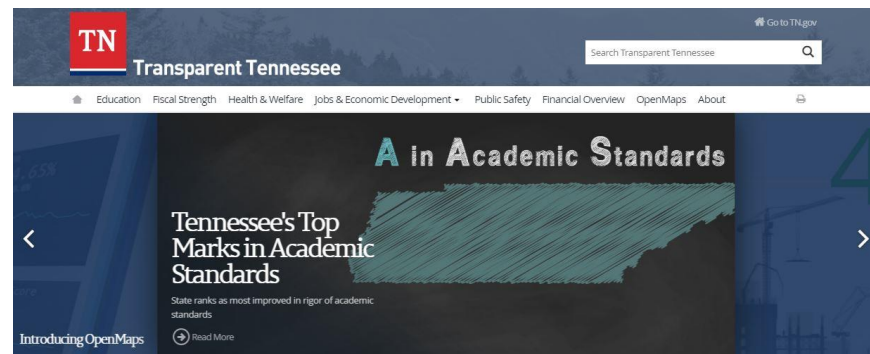
Maryland: <https://dbm.maryland.gov/>



Minnesota: <https://mn.gov/mmb/mn-dashboard/>



Tennessee: <https://www.tn.gov/transparenttn.html>

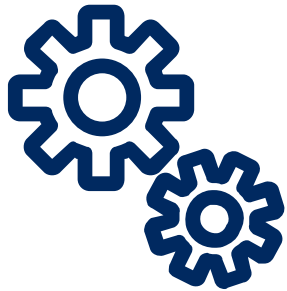


- Ask “who is the best in the country at this sort of program or activity? If a direct one-to-one comparison does not exist, what other organizations might provide analogies?”
- Research other states, professional associations (e.g., National Association of State Chief Administrators), federal government, and even private sector organizations measure



Tip: Monitoring performance measures through time helps you assess programs and adjust course if needed

Activity



If the “right” activities...



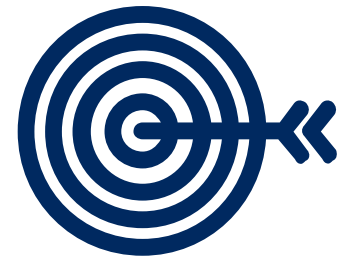
Quality



Are done consistently with good quality...



Impact



But the impact does not improve...

Then it is time to rethink the program design



Checklist to develop a Program Description Form – Part 2

- Draft a central issue statement that describes in clear language the program's:
 - Connection to department strategic goals (What placemat goal does this program connect to?)
 - Core activities (What are your program's primary activities?)
 - Primary impact (Who is your program helping? How does your program help them?)
 - Additional details on program design, activities, and secondary impacts (if appropriate)

- Ask someone outside your program to review the draft central issue statement to ensure clarity, and revise as needed

- Develop version 1.0 performance measures and targets for your program:
 - Research "who is the best in the country at this sort of program or activity? If a direct one-to-one comparison does not exist, what other organizations might provide analogies?"
 - Review how other organizations measure performance and define their targets: where appropriate, adapt; where needed, improve or create new measures and targets
 - Draft version 1.0 measures and targets
 - Core activities: start with "what is the most important activity to implement the program?"
 - Quality: then "how to we measure the quality of the core activities?"
 - Impact: consider "what impact matters most to our citizens and/or major stakeholders?"
 - Efficiency: this typically involves some sort of ratio or relationship between activities (or total effort) and impact

- Review measures and targets to ensure they meet best practice standards:
 - You should be able to describe all the measures and targets in clear language
 - All measures use SMART principles
 - All targets are clearly identified



Today's agenda

Time	Topic
1:00-1:10 pm	Where we are going
1:10-1:25 pm	Why measuring performance matters
1:25-1:45 pm	Program Description Forms – overview and case study
1:45-2:15 pm	What's the problem – central issue statement
2:15-2:35 pm	How to measure – developing SMART measures and targets
2:35-3:30 pm	How to apply these tools – exercise with department examples
3:30-3:50 pm	How to visualize data
3:50-4:00 pm	Conclusion



Exercise: How to apply these approaches to your program?

- **Objective: Apply the basic principles introduced today to an example from your department**
- Go to your break-out room in your department teams
- Identify a scribe for your team to take notes on the flip chart
- Identify a program from your department to use for this exercise
 - Ideally, you will have identified this program beforehand; if not, spend only a few minutes selecting a program for the sake of this exercise
 - Note: if you want to divide into more than one team so each can work on its own program description, feel free to divide up
- Complete the following steps:
 - Step 1: Record your program title at the top of the flip chart
 - Step 2: Draft a central issue statement using the template format [~15-20 minutes]
 - Step 3: Develop at least one measure for each category (activity, quality, impact, efficiency) [~25-30 minutes]
- Time permitting, select a target for one measure and provide your reasoning for why this is the appropriate target
- Return to plenary and be prepared to share highlights of your problem solving and any specific challenges or questions you have related to your program



Template – central issue statement

Template

My organization, _____,

is _____

to help _____

by _____

with _____

**Statements should be concise,
understandable, and jargon free**



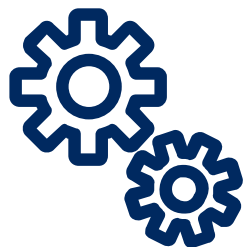
Template – draft performance measures and targets

Problem



Draft core issue statement

Activity



Is the organization **doing** what it said it would do?

Quality



Is the activity **done well**?

Impact



Does it **deliver**? Is the activity causing meaningful impact?

Efficiency



Is it **worth it**? How much effort is invested to achieve the impact?



Today's agenda

Time	Topic
1:00-1:10 pm	Where we are going
1:10-1:25 pm	Why measuring performance matters
1:25-1:45 pm	Program Description Forms – overview and case study
1:45-2:15 pm	What's the problem – central issue statement
2:15-2:35 pm	How to measure – developing SMART measures and targets
2:35-3:30 pm	How to apply these tools – exercise with department examples
3:30-3:50 pm	How to visualize data
3:50-4:00 pm	Conclusion



Getting your presentation of your measures and targets right matters

- Getting your presentation of data right makes it easier for people to understand your measures and targets
- The best data “visualizations” are clear, precise, and efficient
- Quality data visualizations will:
 - Make your measures easier to understand and remember
 - Demonstrate relationships and patterns quickly
 - Help show and explain trends and any outliers
 - Provide insight that allows us to make better decisions



Avoid these common mistakes with data visualization



From Don McMillan "Life after Death by PowerPoint" (2012)



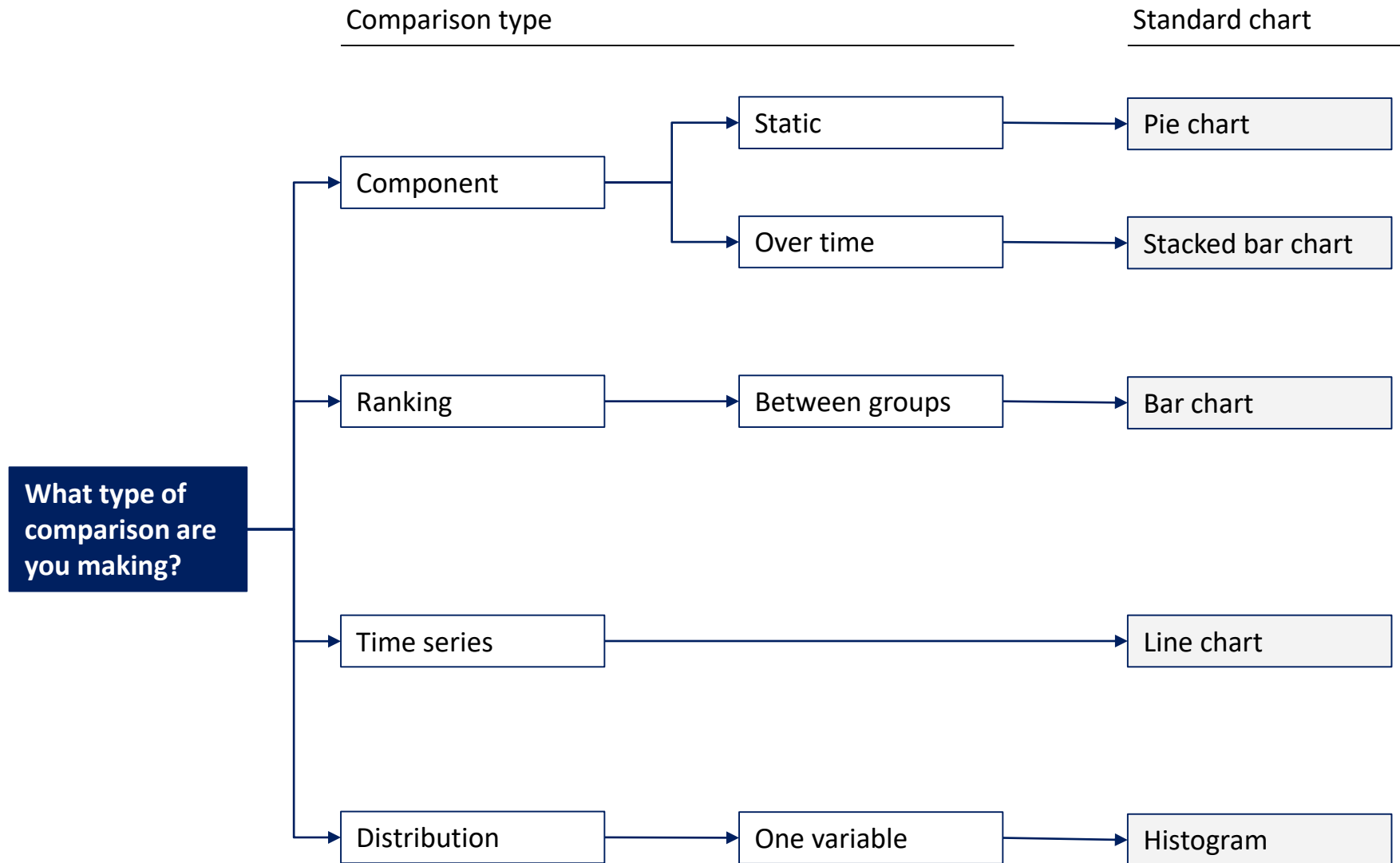
Choosing the right chart

What comparison are you making?

	Description	Commonly used words
Component	<ul style="list-style-type: none"> The size of each part as a percentage of the whole 	<ul style="list-style-type: none"> <i>“Share”</i> <i>“Percentage of total”</i> <i>“Accounted for X percent”</i>
Ranking	<ul style="list-style-type: none"> The relative rank of a group of items: are they the same, or is one more or less than the others? 	<ul style="list-style-type: none"> <i>“Larger than”</i> <i>“Smaller than”</i> <i>“Equal”</i>
Time series	<ul style="list-style-type: none"> The trend in how items change over time 	<ul style="list-style-type: none"> <i>“Change”</i> <i>“Growth”</i> <i>“Decline”</i>
Frequency distribution	<ul style="list-style-type: none"> How many items fall into a series of ranges 	<ul style="list-style-type: none"> <i>“Concentration”</i> <i>“X to Y range”</i> <i>“Frequency”</i>



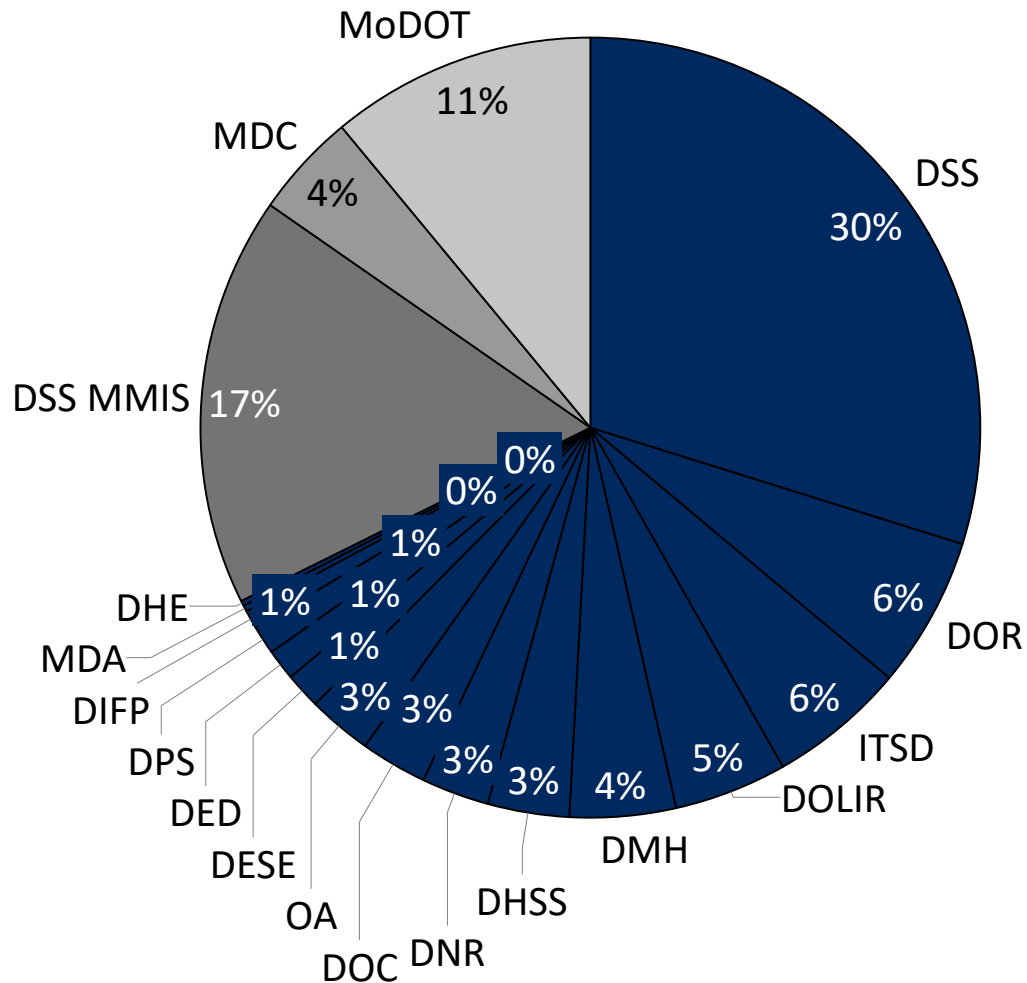
Types of charts



Component comparisons (example)

The size of each part as a percentage of the whole

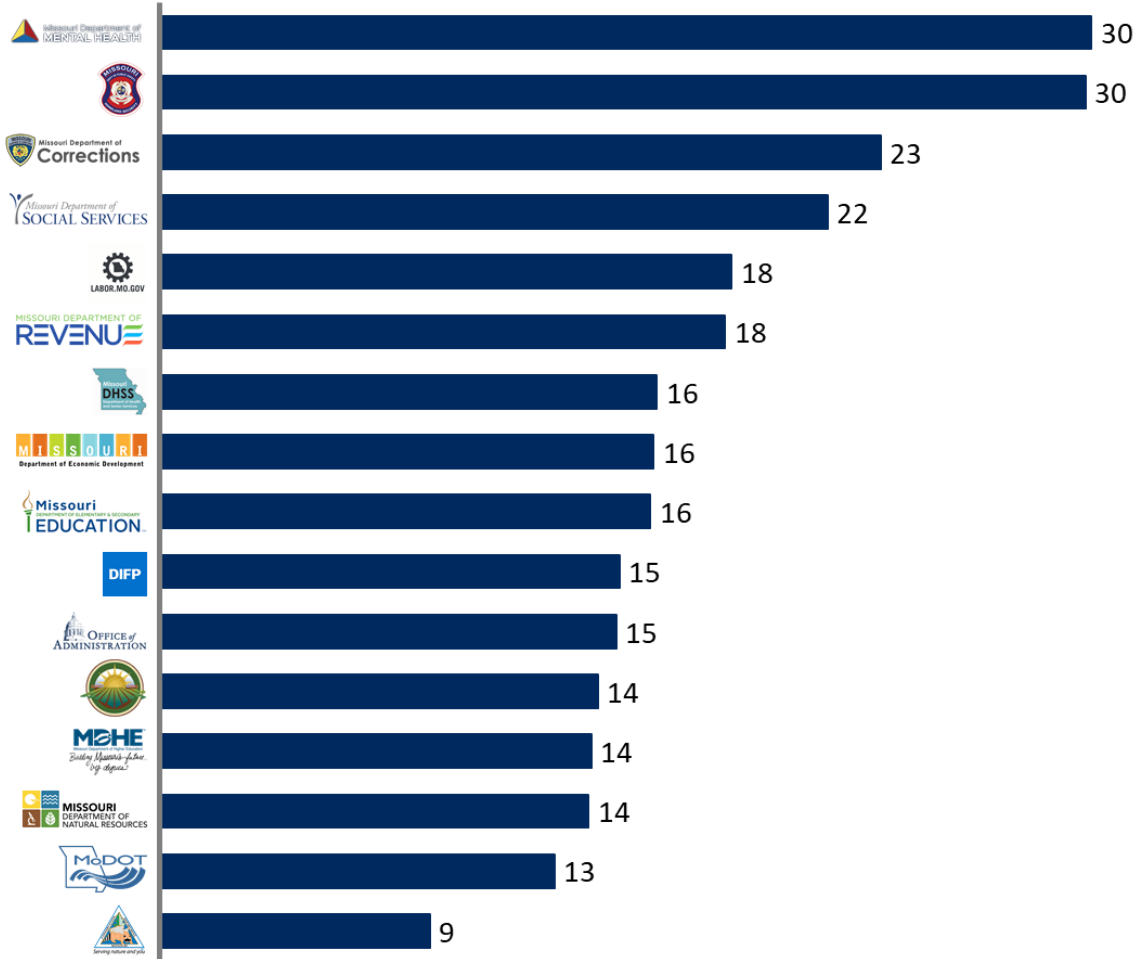
FY18 IT department expenditures as a share of total IT spend



Ranking comparisons (example)

The relative rank of a group of items: are they the same, or is one more or less than the others?

% of State of Missouri staff turnover by department, January 1, 2018 to December 31, 2018

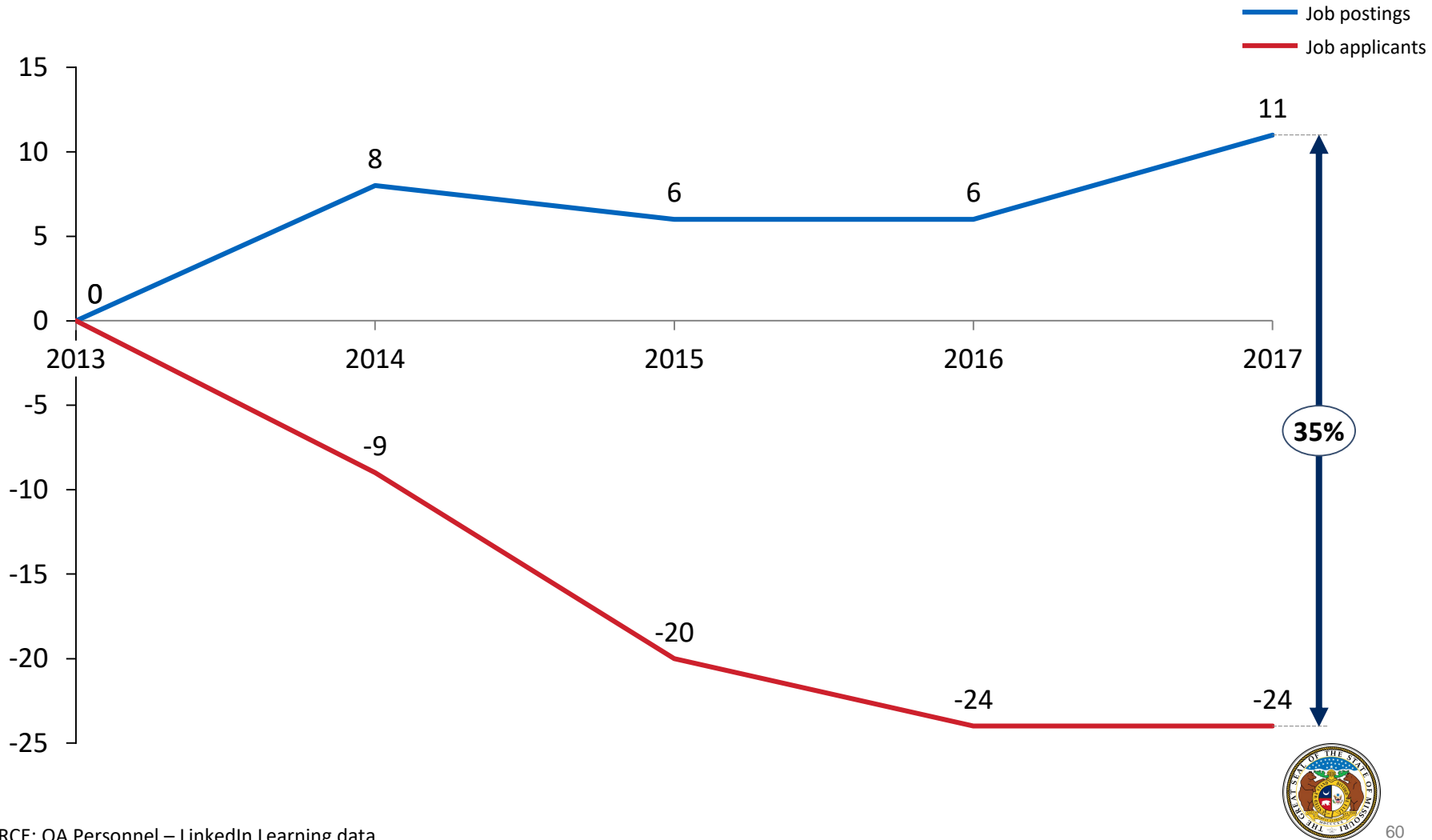


SOURCE: OA Personnel – LinkedIn Learning data

Time series comparisons (example)

The trend in how items change over time

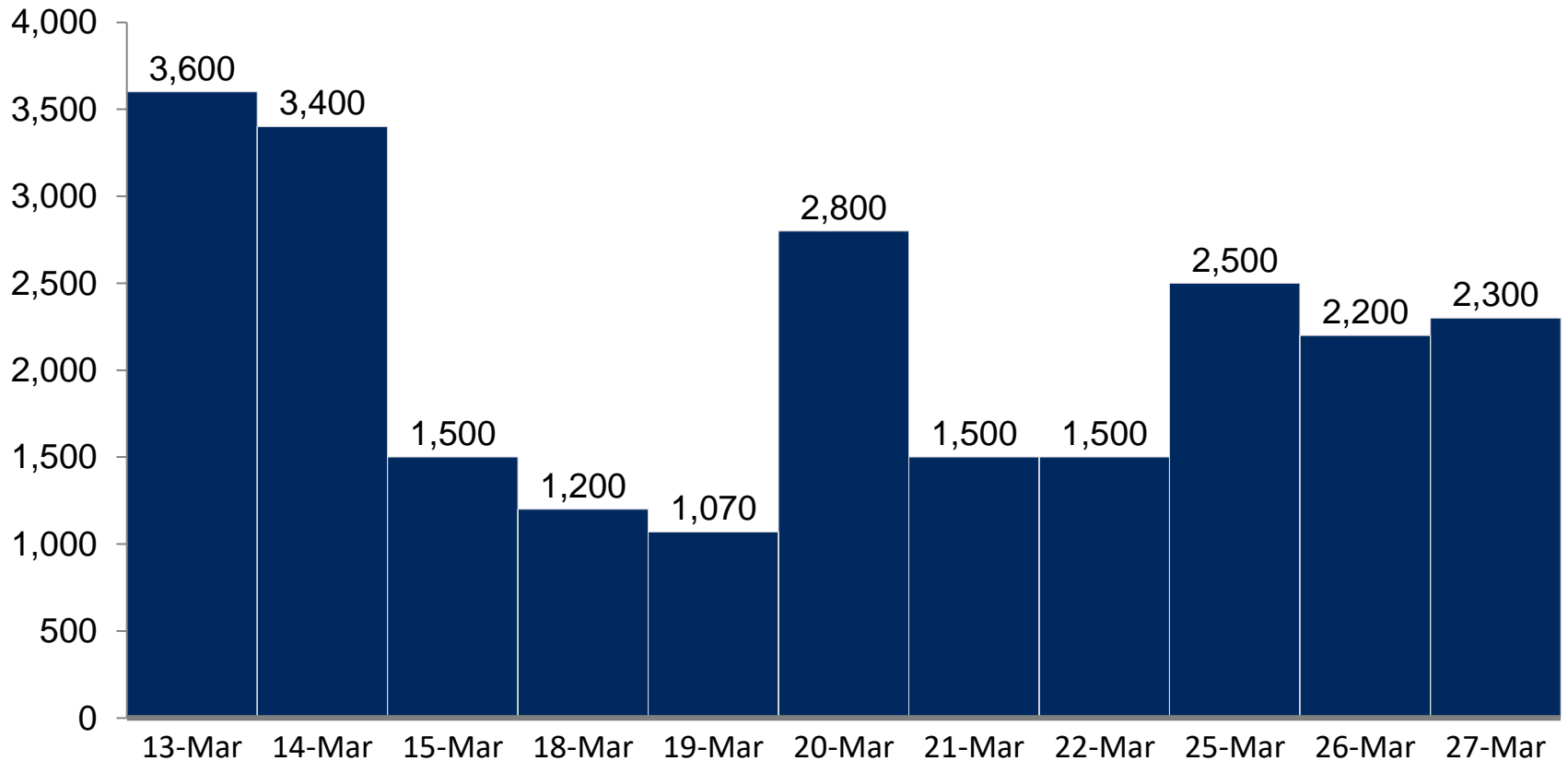
% change since 2013 in job postings vs. job applicants, 2013-2017



Distribution comparisons (example)

How many items fall into a series of ranges

Distribution of March 2019 Quarterly Pulse Survey responses throughout survey period



A simple check to help guide you

If a reader cannot interpret the overall story you are telling within

10 seconds,

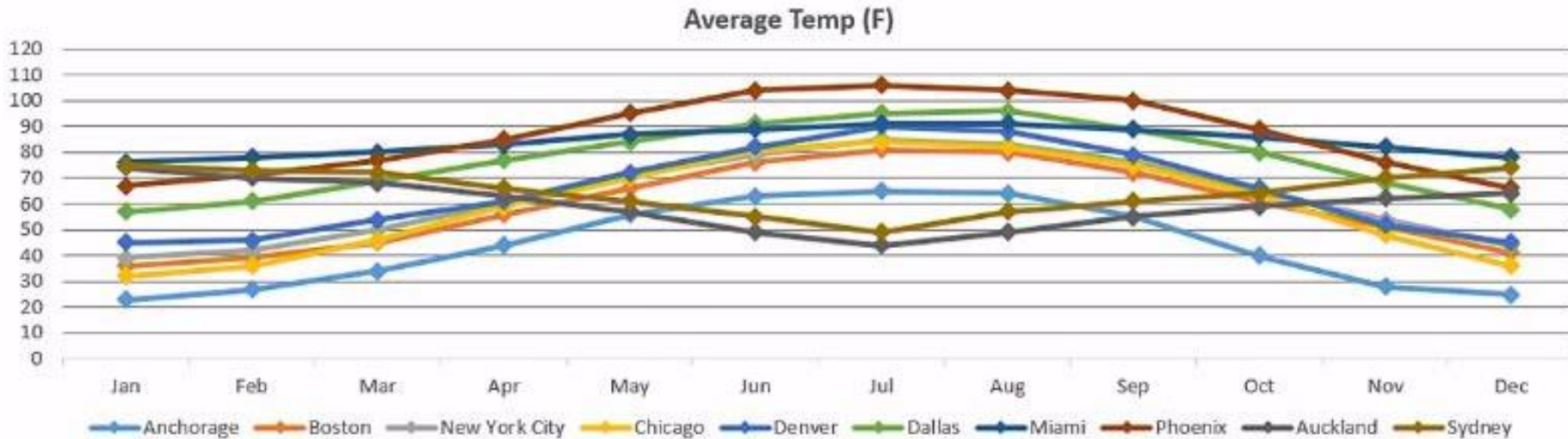
it's time to simplify



Put the check to the test....

A quick group exercise...

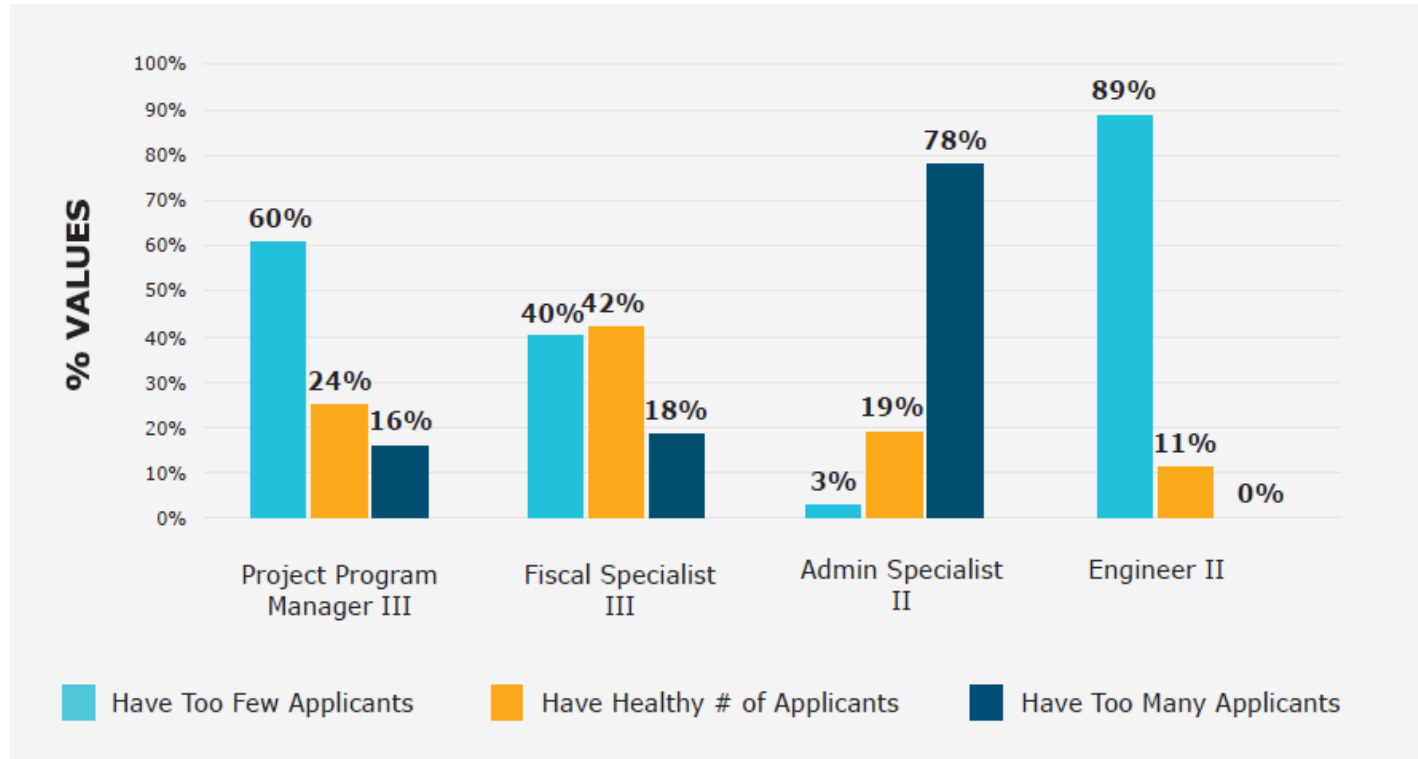
Raise your hand when you understand what the story that the chart is saying below



Put the check to the test....

A quick group exercise...

Raise your hand when you understand what the story that the chart is saying below



Source: NEOGOV

Copyright © 2019 NEOGOV. All Rights Reserved.



Group exercise: practice selecting charts

- **Objective:** Practice identifying which chart to use to answer your questions using data
- On the following page, take 5 minutes to sketch out up to two charts using the data provided below to best answer the question:

- **Is Department X meeting its goal of retaining employees?**

Employee turnover rate by month

Target	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
1%	1.77%	2.20%	1.34%	1.96%	2.00%	1.96%	2.00%	1.60%	2.06%	1.62%	1.98%	1.74%

- Consider:
 - *What story are you trying to tell?*
 - *What kind of comparison are you trying to make between the data points?*
- Identify one type of additional data that you would go collect to best answer this question
- Partner up with someone sitting next to you to discuss the following (5 minutes):
 - *What story are you telling?*
 - *Which charts did you choose and why?*
 - *What additional data would you like to have?*



Group exercise: practice selecting charts

Chart 1

Chart 2



Checklist to develop a Program Description Form – Part 3

- Draft a central issue statement that describes in clear language the program's:
 - Connection to department strategic goals (What placemat goal does this program connect to?)
 - Core activities (What are your program's primary activities?)
 - Primary impact (Who is your program helping? How does your program help them?)
 - Additional details on program design, activities, and secondary impacts (if appropriate)

- Ask someone outside your program to review the draft central issue statement to ensure clarity, and revise as needed

- Develop version 1.0 performance measures and targets for your program:
 - Research "who is the best in the country at this sort of program or activity? If a direct one-to-one comparison does not exist, what other organizations might provide analogies?"
 - Review how other organizations measure performance and define their targets: where appropriate, adapt; where needed, improve or create new measures and targets
 - Draft version 1.0 measures and targets
 - Core activities: start with "what is the most important activity to implement the program?"
 - Quality: then "how to we measure the quality of the core activities?"
 - Impact: consider "what impact matters most to our citizens and/or major stakeholders?"
 - Efficiency: this typically involves some sort of ratio or relationship between activities (or total effort) and impact

- Review measures and targets to ensure they meet best practice standards:
 - You should be able to describe all the measures and targets in clear language
 - All measures use SMART principles
 - All targets are clearly identified
 - All charts adhere to the 10 second rule and follow best practices for displaying information (e.g., component, ranking, time series, distribution)

- Ask someone outside your program to review the draft central issue statement to ensure clarity, and revise as needed



Today's agenda

Time	Topic
1:00-1:10 pm	Where we are going
1:10-1:25 pm	Why measuring performance matters
1:25-1:45 pm	Program Description Forms – overview and case study
1:45-2:15 pm	What's the problem – central issue statement
2:15-2:35 pm	How to measure – developing SMART measures and targets
2:35-3:30 pm	How to apply these tools – exercise with department examples
3:30-3:50 pm	How to visualize data
3:50-4:00 pm	Conclusion



Real-time interactive poll: How are you feeling now?

Directions:

- Text **22333** your answer to this question: *“At the end of today’s session, how comfortable do you feel with the content (choose only one)?”*
 - *Option A: I am comfortable with the content and confident I can coach others today*
 - *Option B: I am comfortable with the content, but I need more practice before coaching others*
 - *Option C: I am OK with main concepts, but I need more practice to get comfortable with their application*
 - *Option D: I am uncertain about the main concepts and their application, but appreciate their relevance*
 - *Option E: I am uncertain with main concepts, their application, and their relevance*
- If you get disconnected, please text **22333** the message **MOBUDGET** to reestablish your connection



Critical roles to get work done by October 1

- Department-level and division-level leadership**
 - Reinforce importance and expectations of quality measures
 - Participate in final review and refinement of Program Description Forms/measures before submission

- Department program leaders**
 - Build capabilities within teams to develop and use performance measures
 - Research other states' examples of measures, targets, etc.
 - Review and update all Program Description Forms with focus on identifying priorities, clarifying program design, and improving measures and targets

- Department-level budget and Operational Excellence teams**
 - Build capabilities within teams to develop and use performance measures
 - Provide coaching and problem solving help to department program leaders and teams
 - Coordinate internal department reviews, quality assurance, and transmission of documents to OA, Budget & Planning

- Governor's Office team and OA Budget & Planning team**
 - Support Governor's Office review
 - Develop and implement training, feedback, and additional work sessions
 - Provide coaching and problem solving support



What's next? FY21 budget planning calendar

- **July – September 2019:** State agencies meet internally to analyze their budgets and use performance measures to consider possible changes for FY21 budget including:
 - Reallocating existing resources and staff
 - Reducing existing appropriation levels
 - Requesting additional appropriations for mission based programs

- **August 2019 (date TBD):** Office of Administration, Division of Budget and Planning and Operational Excellence hold “office hours” coaching sessions to help department teams with specific performance measure and target challenges

- **August 2019 (date TBD):** Chief Operating Officer with OA, Operational Excellence will hold additional capability building sessions on performance measures and targets

- **October 1, 2019 - DEADLINE:** Departments submit FY21 operating budget recommendations to Governor Parson via the OA, Division of Budget and Planning

- **October – December 2019:** Budget and Planning works with the departments to analyze the FY21 budget requests for Governor Parson’s review and recommendations
 - Departments review and revise as needed top priority Program Description Forms
 - Second annual Program Description Form competition to recognize the best Program Description Forms and data-based presentations in State of Missouri

- **Mid-January, 2020:** Governor Parson presents his FY21 budget recommendations to the citizens of Missouri



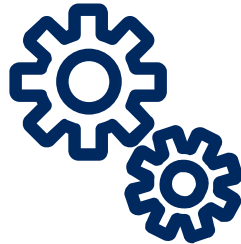
A framework for measuring performance and setting targets

Problem



What **specific need** is your program addressing?

Activity



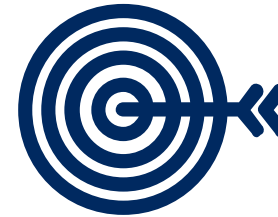
Is the organization **doing** what it said it would do?

Quality



Is the activity **done well**?

Impact



Does it **deliver**? Is the activity causing meaningful impact?

Efficiency



Is it **worth it**? How much effort is invested to achieve the impact?

Tools

Central issue statement

*Issue trees**

Tool

SMART Measures

*Issue trees are an advanced tool to help identify performance measures. They are covered in future in-depth trainings on problem structuring and performance measures



Checklist to develop a Program Description Form

- Draft a central issue statement that describes in clear language the program's:
 - Connection to department strategic goals (What placemat goal does this program connect to?)
 - Core activities (What are your program's primary activities?)
 - Primary impact (Who is your program helping? How does your program help them?)
 - Additional details on program design, activities, and secondary impacts (if appropriate)

- Ask someone outside your program to review the draft central issue statement to ensure clarity, and revise as needed

- Develop version 1.0 performance measures and targets for your program:
 - Research "who is the best in the country at this sort of program or activity? If a direct one-to-one comparison does not exist, what other organizations might provide analogies?"
 - Review how other organizations measure performance and define their targets: where appropriate, adapt; where needed, improve or create new measures and targets
 - Draft version 1.0 measures and targets
 - Core activities: start with "what is the most important activity to implement the program?"
 - Quality: then "how to we measure the quality of the core activities?"
 - Impact: consider "what impact matters most to our citizens and/or major stakeholders?"
 - Efficiency: this typically involves some sort of ratio or relationship between activities (or total effort) and impact

- Review measures and targets to ensure they meet best practice standards:
 - You should be able to describe all the measures and targets in clear language
 - All measures use SMART principles
 - All targets are clearly identified
 - A charts adhere to the 10 second rule and follow best practices for displaying information (e.g., component, ranking, time series, distribution)

- Ask someone outside your program to review the draft central issue statement to ensure clarity, and revise as needed



