

State of Washington
Joint Legislative Audit and Review Committee (JLARC)



Performance and Outcome
Measure Review: Department of
Community, Trade and Economic
Development

Report 04-2

January 7, 2004

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JLARC staff, under the direction of the Committee and the Legislative Auditor, conduct performance audits, program evaluations, sunset reviews, and other policy and fiscal studies. These studies assess the efficiency and effectiveness of agency operations, impacts and outcomes of state programs, and levels of compliance with legislative direction and intent. The Committee makes recommendations to improve state government performance and to correct problems it identifies. The Committee also follows up on these recommendations to determine how they have been implemented. JLARC has, in recent years, received national recognition for a number of its major studies.

**PERFORMANCE AND
OUTCOME MEASURE
REVIEW: DEPARTMENT
OF COMMUNITY, TRADE
AND ECONOMIC
DEVELOPMENT**

REPORT 04-2



REPORT DIGEST

JANUARY 7, 2004

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Overview

This report reviews the performance measurement system of the Department of Community, Trade and Economic Development (CTED). This review focuses on CTED's **Economic Development** and **International Trade Divisions**. The Economic Development Division provides technical and financial assistance to communities and businesses for economic development. The International Trade Division helps Washington businesses enter export markets or increase their exports.

Our overall conclusion is that CTED has many elements of a good performance measurement system, including some strong measures that reflect the work it does. At the same time, CTED needs to place a higher priority on using performance measures as a management tool and developing targets for its measures.

Study Background

JLARC's 2003-05 work plan includes an examination of issues pertaining to the state's fiscal reporting, accountability, and performance tracking systems. As part of this effort JLARC is conducting performance and outcome measure reviews of a number of state agencies. Through these reviews, JLARC will assess the accountability of state government to the public.

CTED's Performance Measurement System

The "Balanced Scorecard" is the primary tool CTED uses to monitor its performance. The scorecard lists key measures for each of CTED's eight goals, which are outlined in its strategic plan. The divisions or programs responsible for achieving each goal are identified next to each measure. These measures often reflect the efforts and achievements of multiple programs or units.

In addition to measures on the Balanced Scorecard, CTED uses and reports many other performance measures, but does not have a central list or process for identifying these additional measures. This makes it difficult to understand if a larger performance measurement system exists and how measures are used to manage internally.

Overall Findings

- CTED is one of **many players setting priorities** and working to improve the state's economic competitiveness. Within this environment, CTED establishes performance measures that reflect this larger spectrum of goals, but are still indicative of only those outcomes over which CTED has control.
- CTED staff have made a good effort to create performance measures that **reflect their work** and over which they can claim control. For example, instead of measuring the total number of jobs created in the state, they count only the number of jobs created or retained by the businesses they assist that are attributable to CTED's involvement.
- CTED has put considerable effort into creating and using **efficiency measures** because they seek to "achieve the greatest return on investment." These measures include the "comparison of state tax revenue to the General Fund State portion of the budget" and "dollars lent per job created or retained."
- Under the direction of the Governor, CTED has made useful **regional distinctions** in their achieved performance. For example, the International Trade Division distinguishes between "Puget Sound" and "Non-Puget Sound" activity.
- The Economic Development Division tracks **measures that reflect the efforts of multiple programs and units** within the Division.
- Several programs and units rely on **self-reported data** from the businesses they assist to learn about the impact of their programs. This is **consistent with recommendations in the literature** on this topic.

Areas of Concern

- Although many components of CTED's performance measurement system are useful and meaningful, **the overall system is disconnected**. There is no focused effort to improve the performance measurement system. CTED could pay more attention to providing technical assistance to develop measures, collect data, and share best practices among programs and units.
- Apart from the Balanced Scorecard, there is **little evidence that performance data is routinely conveyed to staff internally or to external stakeholders**.
- CTED establishes **performance targets** for the measures that are listed on the Balanced Scorecard, but it is unclear how the targets are determined. Often CTED does not set targets for individual programs or units.

Recommendations

To address the issues noted above, CTED should take the following steps:

1. Put greater focus on promoting the continuous improvement of the performance measurement system by **making technical assistance available** to program managers and **sharing best practices**;
2. In its goal to improve internal and external communications, **develop a strategy for conveying performance measures and results**; and
3. Encourage managers to **establish targets for all performance measures** at the program or unit level, and to base performance targets on external standards or benchmarks whenever possible.

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Acronym Glossary

ADO	Associate Development Organizations
B&TD	Business and Tourism Development
BFU	Business Finance Unit
CCA	Child Care Advantage
CEAC	Community Economic Assistance Center
CERB	Community Economic Revitalization Board
CTED	Department of Community, Trade and Economic Development
EDD	Economic Development Division
MWBD	Minority and Women Business Development
OTED	Office of Trade and Economic Development
SBR	Small Business Resources
WDN	Washington Development Network

CHAPTER ONE – BACKGROUND

INTRODUCTION

In its 2003-05 work plan, the Joint Legislative Audit and Review Committee (JLARC) decided to examine issues pertaining to the state’s fiscal reporting, accountability, and performance tracking systems. As part of this effort, JLARC intends to conduct Performance and Outcome Measure Reviews of a number of state agencies and activities. These reviews will assess whether state agencies have effective measures in place for evaluating their performance and establishing budget and policy priorities. Through these reviews, JLARC will help demonstrate the accountability of state government to the public.

Two of these reviews have been completed to date – one on the performance measurement system used within the Department of Ecology (03-9) and one on the performance-based contracting process used within the Department of Labor and Industries workers’ compensation system (03-11).

JLARC selected the Department of Community, Trade and Economic Development (CTED) for this review with an emphasis on its **economic development** and **international trade** activities. This report focuses on CTED’s performance measurement system related to economic development and trade, reviewing both a sample of individual measures and the use of those measures within the larger management structure.

PERFORMANCE MEASUREMENT IN WASHINGTON STATE

Requirements for state agency performance measurement and assessment activities flow both from statute and from directives issued by the Governor. In 1996, the Legislature amended the state’s Budgeting and Accounting Act to require all state agencies to engage in strategic planning and related performance activities.¹ Then, in 1997, the Governor issued Executive Order 97-03. It requires state agencies to “utilize the tools of strategic business planning and performance measures to establish their priorities and measure their progress toward their stated goals.” Additional information about Washington’s performance measurement system and an overview of performance measurement may be found in **Appendix 3**.

STUDY ORGANIZATION

This report is divided into four chapters. Chapter Two provides an overview of CTED and two of its divisions. Chapter Three describes the larger environment in which economic development efforts occur in Washington State, outlines the overall performance measurement system used within CTED, and reviews a sample of specific performance measures linked to economic development and international trade. Chapter Four completes the report with findings and recommendations.

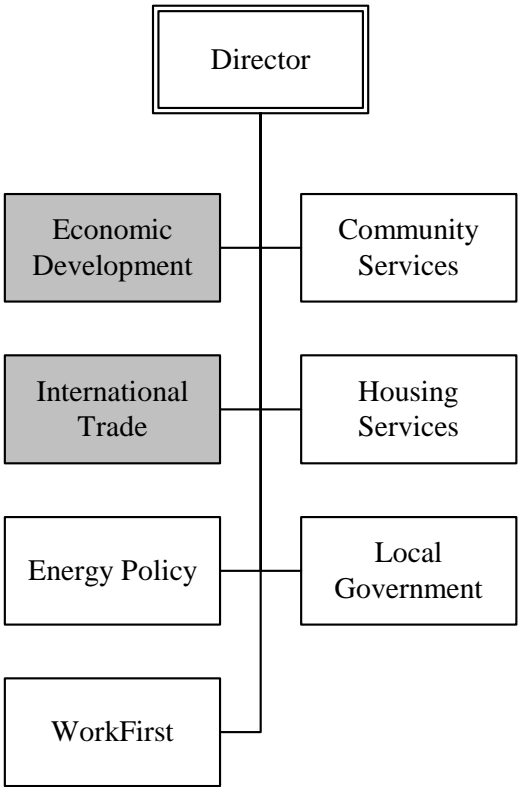
¹ Chapter 317, Laws of 1996.

CHAPTER TWO – DEPARTMENT OF COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT

OVERVIEW OF CTED

The Department of Community, Trade and Economic Development (CTED) is the state agency charged with carrying out activities to enhance and promote economic vitality. The **Economic Development Division** and the **International Trade Division** are the two (out of seven) divisions within CTED upon which this review is focused, as displayed in **Exhibit 1**.

Exhibit 1. Community, Trade and Economic Development Organizational Structure



Source: CTED.

The following sections describe the agency budget and provide additional detail on the two divisions that are the focus of this review.

Agency Budget Information

CTED has an operating budget of \$453 million for the 2003-05 biennium. Within that budget, approximately 8 percent of the operating budget is devoted to economic development and international trade efforts, as shown in **Exhibit 2**, below. The Economic Development and International Trade Divisions together have about 65 employees, or 21 percent of the agency’s total FTEs.

Exhibit 2. CTED 2003-2005 Budget

Program/Budget Unit	03-05 Budget	% of CTED Budget	FTEs
Economic Development Division	\$32,644,858	7%	50
International Trade	\$5,255,980	1%	15
WorkFirst (not part of CTED's approp.)			
Energy Office	\$4,121,947	1%	7
Community Services	\$175,905,488	39%	46
Housing	\$78,016,498	17%	47
State Building Code Council	\$900,629	0%	5
Energy Facility Site Evaluation Council	\$7,810,955	2%	9
Local Government	\$134,893,265	30%	70
Director's Office and Admin.	\$13,932,844	3%	63
Total CTED Operating Budget	\$453,482,464		312

Capital Budget	03-05 Biennium	% of Capital Budget
Economic Development	\$29,572,043	4%
Housing	\$106,500,000	14%
Local Government	\$650,364,080	83%
Total CTED Capital Budget	\$786,436,123	

Source: CTED.

Exhibit 2 also indicates CTED’s capital budget for 2003-05. Note that the capital budget is comprised mostly of grant and loan money disbursed to local jurisdictions. The Public Works Trust Fund comprises just over \$570 million (88 percent) of the “Local Government” capital budget allotment. Similarly, much of the operating budget allotments to the Energy Office, Community Services, Housing, and Local Government are passed through to local jurisdictions. According to CTED, the agency passes on 93 percent of its resources to local governments, nonprofit organizations, and businesses.

Economic Development Division

There are five separate work units within the Economic Development Division of CTED, as described below. The next chapter describes in more detail how each unit uses performance measures.

The **Business and Tourism Development Unit** markets Washington as both a place to do business and a place to vacation. The Unit's business marketing efforts include industry marketing events, media relations, and advertising. The Business and Tourism Unit works to attract tourists through advertising campaigns and a website, www.experiencewashington.com. This Unit provides technical assistance and support to communities to help them attract businesses and tourists.

The **Business Finance Unit** provides technical assistance, financing services, and loan packaging assistance to existing Washington businesses. Many of their clients operate in rural areas or areas with high unemployment rates. The *Business Loan Program* provides financing for businesses. *Community Development Finance* staff offer technical assistance on business financing issues to Economic Development Councils, ports, local governments, commercial finance institutions, and other state programs.

The **Community Economic Assistance Center (CEAC)** provides financial and technical assistance for local economic development. One way CEAC does this is through the *Washington Development Network*. Network funding goes to Associate Development Organizations around the state for local economic development. CEAC also administers and monitors pass-through grants and loans and provides administrative support to several investment boards, including the *Community Economic Revitalization Board*. That board provides financing for publicly owned economic development infrastructure in order to foster economic development. *The Downtown Revitalization Program* provides technical assistance to communities on developing their downtowns.

The **Film and Video Office** markets Washington State for film and video productions. The Office assists film and video production companies by informing them about locations, potential set workers, and other pertinent filming information.

Project Development Services offers technical and financial assistance to communities and local economic development offices. These services help communities prepare and implement private and public investment opportunities.

Additionally, the **Education and Training** program, which provides professional development and training opportunities for economic development professionals, operates within the Division Director's office.

International Trade Division

The **International Trade Division**, based in Seattle, works primarily with small- and medium-sized businesses located in Washington to help them enter foreign markets or increase their markets abroad. The Division provides consulting and training services, market research, credit and financing counseling, and advocacy. It also helps connect businesses with buyers, distributors, and partners. Staff are organized according to target industries, such as aerospace and building materials, and trading regions, such as France and South Korea. The Division maintains trade offices in Japan, China, South Korea, Taiwan, and Europe.

CHAPTER THREE – PERFORMANCE MEASURES: ECONOMIC DEVELOPMENT AND INTERNATIONAL TRADE

LARGER ENVIRONMENT OF ECONOMIC DEVELOPMENT

Within Washington, CTED is the most visible state agency working on economic development and international trade. However, other state agencies, the federal government, private industries and their trade associations, and local governments are just a few of the other entities that also shape economic development strategies and implement initiatives and projects. **Exhibit 3** lists many of these groups. **Appendix 4** provides detail on the role of each entity in economic development. CTED’s role within this larger environment is reflected in its performance measures and how they are used.

CTED’S ROLE

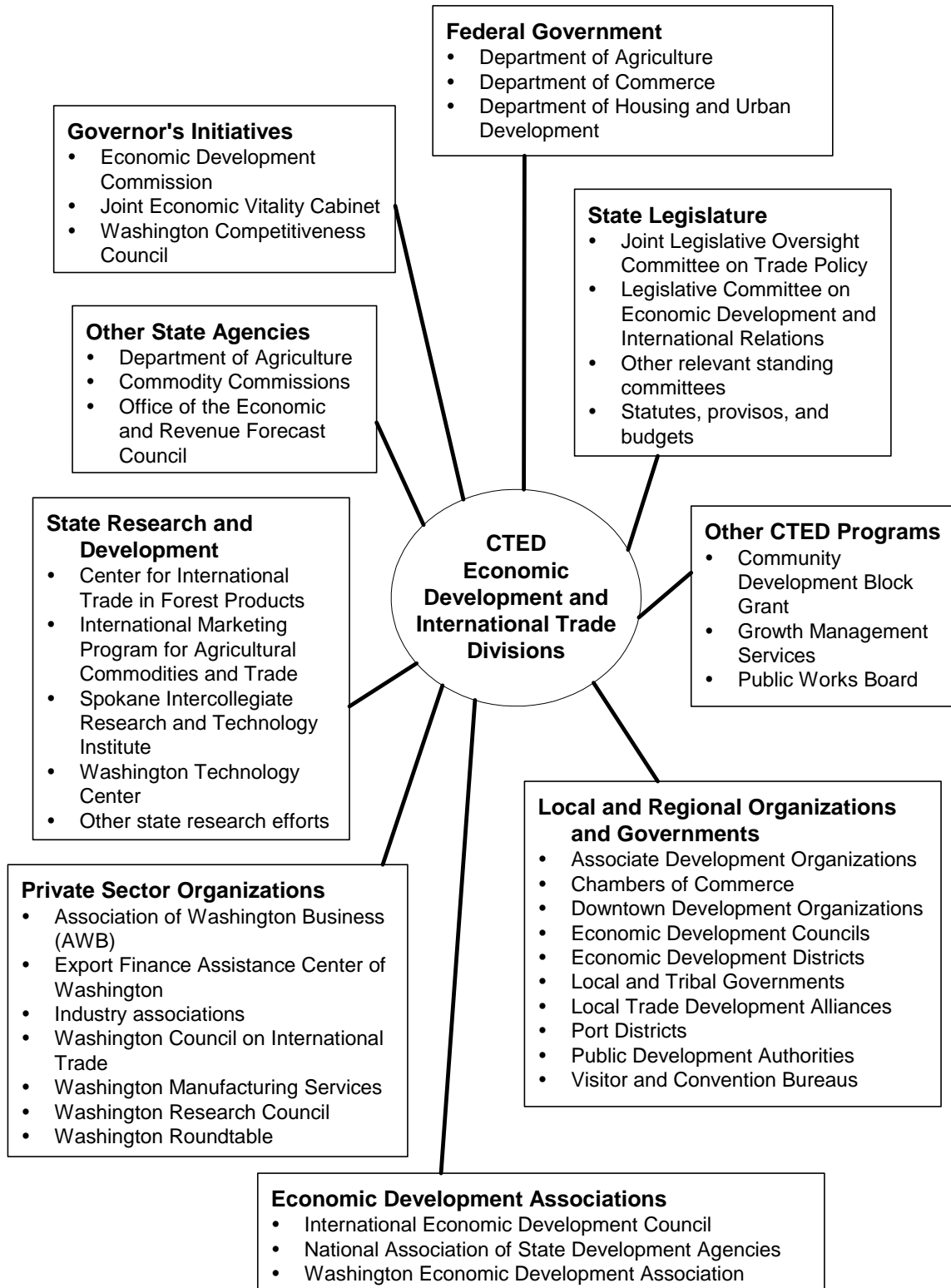
CTED operates among the myriad influences shown in **Exhibit 3**. Goals, strategies, rankings, priorities, and measures of performance come from many of the entities described above. CTED then must take these varied goals, which can at times be contradictory, and develop a service-delivery system that is responsive to all of them. For example, some influences push CTED to focus on urban versus rural economic development, while others distinguish between various industry sectors or the types of jobs created. Due to the sheer volume of external influences, **the performance measures CTED uses to evaluate its service-delivery system largely reflect priorities developed externally**. This external environment heavily influences what measures CTED uses and how it reports results.

Strategic Planning

RCW 43.88.090 requires agencies to develop strategic plans that define their mission, establish measurable goals, and develop clear strategies for achieving their goals. CTED uses an extensive array of strategic and business plans to state its role within the larger economic development system. In spite of the complex external influences referenced in **Exhibit 3** on the following page, CTED’s strategic plans and associated performance measures generally reflect statewide goals.

For this review, we focused primarily on the strategic and business plans created by the Economic Development and International Trade Divisions and their respective programs and units. Until recently, these two divisions, along with the Energy Policy and WorkFirst Divisions, formed the Office of Trade and Economic Development (OTED). Direction provided by the OTED strategic plan is clearly linked to the specific goals of each division and even certain activities within each program and unit, as described below in “CTED’s Performance Measurement System.”

Exhibit 3. Economic Development Organizations in Washington State



Source: JLARC analysis.

There is no strategic or business plan for the overall agency. Rather, CTED operated under one strategic plan for OTED and another strategic plan for the Office of Community Development (OCD). The OCD strategic plan, while reflective of statewide goals, does not appear to have the same links between the plan and specific work. In the balance of this report, our references to the CTED strategic plan refer primarily to the plan created under OTED.

Some notable aspects of the strategic/business plan structure that CTED developed and uses include:

- Many of the plans have **purpose/situation statements** that allow an understanding of the current issues the program or unit is facing.
- The strategic activities of individual divisions or units are **directly linked to the eight specific goals** in the CTED strategic plan. In turn, these strategies are included and expanded upon in the business plans of each division and unit.
- Program and unit managers are required to submit **monthly activity reports** that describe completed projects and progress made on initiatives identified in the agency's strategic plan and the Governor's Performance Agreement. The activity reports, however, do not necessarily include specific performance measures.

CTED'S PERFORMANCE MEASUREMENT SYSTEM

CTED outlines eight goals in its current strategic plan. The first **three goals** relate specifically to economic development and international trade efforts, and goals four through eight relate to internal management processes.

Goal 1: Promote sustainable and balanced economic development for all communities and residents throughout the state.

Goal 2: Strengthen the domestic and international competitiveness of Washington State businesses and the state's workforce.

Goal 3: Provide leadership and advocacy on long-term major economic vitality issues and activities affecting the state.

Goal 4: Strengthen existing and build new partnerships to achieve our goals and to do our work.

Goal 5: Create a focused, performance driven and integrated agency.

Goal 6: Recruit, develop, and retain a highly skilled and motivated workforce.

Goal 7: Increase our internal and external communication to enhance agency's visibility and value.

Goal 8: Optimize use of technology in the delivery of our program services to enhance the value, access, and customer use of our services.

The Economic Development Division and the International Trade Division align their strategies and activities along these eight goals. The primary vehicle used to report how they meet their goals is the **Balanced Scorecard**.² Key measures are listed under each of the goals referenced

² CTED's Balanced Scorecard is a performance measurement tool that lists agency goals and the key performance measures associated with each goal. The Scorecard includes specific targets as well as actual performance levels for each measure.

above. The divisions or programs responsible for achieving each goal are identified next to the individual measures. To illustrate how the agency aligns goals and performance measures, we have included the Balanced Scorecard as **Appendix 5**.

This Balanced Scorecard tool was developed over five years ago, is updated quarterly and identifies individual program contributions toward reaching a target. For example, the measure “total number of jobs created, retained, and forecasted in rural areas” reflects the work of the Business Finance Unit, the Community Economic Revitalization Board, and the Washington Development Network. Under that specific measure, the number of jobs “claimed” by each program is listed and totaled at the bottom. The Balanced Scorecard provides a direct link among the goals laid out in various business plans and the work actually being accomplished.

Another tool the agency uses to report on performance is the Governor’s Performance Agreement with the agency director. The agreement is a subset of the measures tracked in the agency’s Balanced Scorecard.

Beyond the Balanced Scorecard

Trying to understand the larger performance measurement system that exists beyond the Balanced Scorecard, however, proves more difficult. CTED has no centralized listing of all of its measures. JLARC identified approximately 45 performance measures relating to economic development and international trade that CTED uses and reports. However, program managers indicated there were “probably hundreds” used throughout CTED. Without a central list or process for identifying additional performance measures, it is difficult to know if a larger performance measurement system exists or how measures are used to manage internally.

Some unit managers were able to explain whether and how they use specific measures to manage their work:

- The **International Trade Division** currently tracks a handful of performance measures. The Division is in the process of creating a new case management tracking system that will allow managers to closely track performance at the individual staff level, and distinguish between the various types of assistance staff provide to companies. For example, “assists” can be broken out by type: conducting market research, making connections with overseas buyers, counseling businesses on credit and financing, and assisting with export documentation. This more detailed information will help the Division target its efforts to the most useful and effective services.
- The **Business Finance Unit** tracks several measures in addition to those listed on the Balanced Scorecard. It uses additional measures for federal reporting (the number of child care slots created) and to measure individual staff performance. For example, when measures indicate that the Unit is not generating enough tax revenue to cover its own budget, the unit manager puts more energy into closing deals.
- **Business and Tourism Development Unit** staff rely primarily on measures over which they can clearly claim some influence, such as the number of hits on the state tourism website. The Unit contracts annually with a private consulting firm to estimate more outcome-based impacts of business and tourism development. However, since the cause-and-effect link is difficult to establish, the Unit reports this information for general knowledge and not necessarily to reflect its performance.

- The manager of the **Project Development Services** unit uses performance measures such as “the number of projects engaged” to manage individual staff workload and to at least “start a conversation” about individual staff performance.
- The **Film and Video Office** surveys the production companies the Office assists about each film, video, or commercial filmed in Washington to learn about the economic impact of each production. In 2003, this unit contracted with a private consulting firm to estimate the economic effects the film and video industry has on the state. Neither the surveys completed by the Office nor the economic impact study are used as a gauge of the performance of this state office but rather to assess the impact of this industry on the economy in general. Data from these two tools is also used to direct marketing efforts, but is not used to evaluate staff performance or manage internal workloads.
- One example of how the **Community Economic Assistance Center (CEAC)** uses performance measures is in its performance-based contracts with the Associate Development Organizations. CEAC funds these organizations to provide local economic development services. The state funding, however, is contingent upon a contract identifying how many jobs a local organization will strive to create and retain. The CEAC manager then measures the organization’s performance detailed in monthly progress reports against the targets stated in the contract.

Other Users of CTED Performance Measures

One of the original goals of requiring agency performance measures was to make the state’s budgeting process more deliberate and strategic. According to the Office of Financial Management (OFM) fiscal and policy analysts assigned to work with CTED, however, performance measures are considered only in passing when making budget decisions. Furthermore, OFM analysts report that, given the measures reported by CTED, it would be difficult to hold them accountable for performance.

For example, one analyst asked, “How can CTED be held accountable for jobs created or retained or tax revenue generated when so many other factors affect these outcomes?” The Governor’s “Priorities of Government” (POG) process requires agencies to submit performance measures tied to each individual activity by November 2003. OFM analysts are hopeful that this information will allow them to understand more clearly how CTED’s activities are linked to performance measures and to hold the agency more accountable for performance.

Under Executive Order 97-03, the Governor directed all state agencies to designate a person to be responsible for quality improvement. Within CTED, this role is assumed by the Deputy Director. The Governor’s Quality Improvement Director, who reviews performance measures and their use across agencies, has little contact with CTED and is therefore not familiar with the agency’s measures or their use.

A SAMPLE OF CTED’S PERFORMANCE MEASURES

An integral part of the JLARC Performance and Outcome Measure Reviews is a study of a sample of specific measures used within each agency. Accordingly, we selected 17 measures that CTED collects and reports on economic development and international trade activities. **Exhibit 4** on page 13 lists the 17 measures included in our review.

These measures come from a variety of programs and are used for various purposes. CTED uses some to report performance to OFM and the Governor. The agency uses others to meet federal reporting requirements. Still others are used to evaluate individual staff performance. Generally, we found that **CTED has developed measures to reflect all of the key program areas related to economic development and international trade.**

Below, are some additional observations about the 17 measures included in this review:

- One of the primary sources of data for these measures is self-reported from the businesses and local entities served. CTED staff gather data on jobs created/retained and tax revenue from initial loan applications. Then they regularly confirm that information with local entities at six-month or yearly intervals. Staff ask for estimates of the outcomes – jobs, sales, or tax revenue generated – that can be directly tied to CTED assistance. This use of self-reported data is generally in line with best practices (see “Washington in Accord with Other States” below).
- The Economic Development Division states that part of its role is to “achieve the greatest return on investment.” As such, the Division has put considerable effort into creating and using efficiency measures. Although two of the 17 measures explicitly reviewed in this report are efficiency measures (“comparison of state tax revenue to general fund state portion of budget” and “dollars lent per job created or retained”), staff report similar efficiency measures in the Community Economic Assistance Center and the Business and Tourism Development Unit.
- At the direction of the Governor, CTED has made useful regional distinctions in its achieved performance, which allow observers to see where efforts are concentrated. Two measures used by the International Trade Division listed in this report distinguish between “Puget Sound” (Pierce, King, and Snohomish Counties) and “Non-Puget Sound” activity. Similarly, the CEAC and the Business Finance Unit track services provided in rural counties.
- The Economic Development Division regularly tracks measures that reflect multiple efforts and achievements. The “total number of jobs created or retained,” the “estimated tax revenue generated or retained,” and the “dollar amount of private investment” are measures that more than one unit (the Business Finance Unit, Business and Tourism Development Unit, and the Community Economic Assistance Center) report into. Division staff work to ensure that the numbers are collected in the same manner and that they are not double-counting program achievements.
- CTED does establish performance targets for the measures that are listed on the Balanced Scorecard, but it is unclear how the targets are determined. Targets for individual programs or units are often not set. For example, the Economic Development Division establishes a goal for the total number of jobs created or retained, but it does not determine targets for each of the contributing programs.

Exhibit 4. Select CTED Performance Measures for JLARC Review

	Division/Office	Measure	Type ³
1	International Trade Division	Reported actual and forecasted sales by client companies	Outcome
2	International Trade Division	Service requests, Puget Sound and non-Puget Sound ⁴	Output
3	International Trade Division	Companies assisted, Puget Sound and non-Puget Sound ⁵	Output
4	International Trade Division	Total number of protocol events ⁶	Output
5	International Trade Division	Representatives, distributors, joint ventures signed	Output
6	Economic Development Division	Total number of jobs created or retained ⁷	Outcome
7	Economic Development Division	Estimated tax revenue generated/retained ⁸	Outcome
8	Business and Tourism Development Unit	Estimated dollars spent by visitors to WA	Outcome
9	Business Finance Unit	Percent of jobs created or retained above county average wage	Outcome
10	Business Finance Unit	Comparison of state tax revenue to GF-S portion of budget	Efficiency
11	Business Finance Unit	Dollars lent per job created or retained	Efficiency
12	Business Finance Unit	Dollars leveraged (outside investment versus state money lent)	Outcome
13	Community Economic Assistance Center	Dollars of private investment	Outcome
14	Education and Training	Number participating in workshops	Output
15	Film Office	Production spending in WA	Outcome
16	Film Office	Number of local temporary jobs created	Outcome
17	Project Development Services	Number of projects engaged ⁹	Output

Source: JLARC analysis.

³ OFM notes in its budget instructions three main types of performance measures: outcome measures report the results of services being provided, output measures indicate how much work has been completed, and efficiency measures show the relation between inputs (dollars or FTEs) to outputs or outcomes. See Appendix 3 for more details.

⁴ “Services requests” are client requests for service from foreign offices or foreign market specialists, such as providing market intelligence and identifying potential buyers and distributors.

⁵ “Companies assisted” refer to domestic clients attending seminars or receiving one-on-one counseling.

⁶ “Protocols” are necessary activities related to organization of foreign dignitaries, diplomats, and other important contacts that do not lead to direct sales or business activity.

⁷ The total number of jobs created or retained is tracked at the division level, but is a measure of the work done within Project Development Services (PDS), the Business Finance Unit (BFU), and the Community Economic Assistance Center (CEAC).

⁸ This measure, too, is tracked at the division level and reflects work done by PDS, the BFU, and the CEAC.

⁹ “Projects engaged” is the number of communities and organizations provided with strategic and/or financial assistance.

Washington in Accord with Other States

As part of this study, JLARC researched general principles of evaluating economic development programs and best practices in other states.¹⁰ The challenge in evaluating economic development efforts is determining cause. Instead of measuring only the effects that can be attributed to their programs, some states use broad indicators of the economic climate. These measures are beyond what a state agency is able to address. Other states, including Washington, primarily measure activities and outcomes that the agency's efforts can influence directly.

CTED's economic development and international trade measures are in line with what the national literature suggests. First, agencies should measure service quality, intermediate outcomes, and end outcomes.¹¹ Examples of "intermediate outcomes" include the number of responses to marketing campaigns and number of businesses deciding to export. "End outcomes" could include number of jobs created and capital investment. Secondly, state agencies should take credit for an outcome if a business, non-profit organization, or local government claims that improved performance is a *direct result of the service provided by the agency*. Client surveys and interviews are the usual means of assessing the impact of an economic development program.

¹⁰ Included in this research was telephone and e-mail exchange with Miles Friedman, President of the National Association of State Development Agencies.

¹¹ Harry P. Hatry et al., *Monitoring the Outcomes of Economic Development Programs: A Manual*, The Urban Institute Press, Washington, D.C., 1990.

CHAPTER FOUR – FINDINGS AND RECOMMENDATIONS

STUDY FINDINGS

- The Department of Community, Trade and Economic Development (CTED) is the primary state agency involved in providing economic development and international trade services, but it is **only one of many entities** that set priorities and work to improve Washington’s economic competitiveness. The Economic Development Division’s strategic business plan states, “many other governmental, non-profit and private sector organizations contribute to the state’s economic performance.” CTED understands its role within the larger environment and has established performance measures that reflect the larger spectrum of goals, yet focus on only those outcomes over which CTED has control.
- The absence of a deliberate focus on the development and use of performance measures has led to a **disconnected performance measurement system**. There are many good components in the system: specific measures used, how data is collected, use of the Balanced Scorecard, establishment of some targets. There is, however, no focused effort on improving the system. More attention could be paid to providing technical assistance to program managers so they can develop measures, collect data, and share best practices among programs and units.
- Apart from the Balanced Scorecard, there is **little evidence that CTED routinely conveys performance data** to staff or to external stakeholders. Goal seven in CTED’s strategic plan is to “increase internal and external communication to enhance the agency’s visibility and value,” but there is little evidence that the strategies listed under this goal have been applied to the communication of performance measures.
- Data on measures is routinely collected and reported, primarily through the Balanced Scorecard and the various business plans. Targets for various measures, however, are **not based on external or best practice benchmarks**. In some cases, targets are not set for activities below the division level.

STUDY RECOMMENDATIONS

Recommendation 1

The Department of Community, Trade and Economic Development should put greater focus on promoting the continuous improvement of the performance measurement system by making technical assistance available to program managers and sharing best practices.

Legislation Required:	None
Fiscal Impact:	Minimal
Reporting Date:	September 1, 2004

Explanation/Rationale: Program managers need some way to access help in establishing measures, collecting data, determining targets, and providing other valuable technical assistance. Technical assistance is essential to help program managers identify and share best practices with one another and to help them use performance measures to manage their programs. There are clusters of good work in the area of performance measures (sophisticated tax revenue calculations, simple performance measurement reports, detailed customer surveys, and managing with performance measures), but there is no clear avenue by which to capitalize and expand on that good work.

Recommendation 2

The Department of Community, Trade and Economic Development (CTED) should include a specific strategy for conveying performance measures and results in its goal to improve internal and external communications (goal seven in the strategic plan).

Legislation Required:	None
Fiscal Impact:	Minimal
Reporting Date:	September 1, 2004

Explanation/Rationale: Aside from the Balanced Scorecard and Governor's Performance Agreement, CTED does not appear to have a routine method of communicating what performance measures it uses, what the various measures mean, and what performance results are achieved. While CTED reports some of this information in the various business plans, fact sheets, and reports to the Legislature, the level of detail and method of reporting varies greatly. This lack of a comprehensive focus makes it difficult for legislators and other stakeholders to understand CTED's performance measurement system. In addition, this strategy would help OFM analysts as they try to understand the agency's performance measures and their fiscal connections.

Recommendation 3

To provide broader context for its performance measures, CTED should encourage managers to establish targets for all performance measures at the program or unit level, and to base performance targets on external standards or benchmarks whenever possible.

Legislation Required:	None
Fiscal Impact:	Minimal
Reporting Date:	September 1, 2004

Explanation/Rationale: Establishing targets at the program or unit level would provide individual program and unit managers with more explicit expectations about their efforts. Basing targets on external standards or benchmarks would enhance the credibility of their goals. Further, the 2005-07 OFM budget instructions¹² suggest various methods for developing targets, including basing performance on comparisons with established industry standards and the performance levels of comparable organizations.

¹² "Operating Budget Instructions, Part 1: Guidelines for Strategic Plans and Performance Measures," distributed by the budget division of OFM in October 2003.

AGENCY RESPONSES

We have shared the report with the Department of Community, Trade and Economic Development and the Office of Financial Management and provided them an opportunity to submit written comments. Their written responses are included as **Appendix 2**.

ACKNOWLEDGEMENTS

We appreciate the assistance provided by the Department of Community, Trade and Economic Development staff in conducting this review. In particular, we would like to thank staff at the International Trade Division and the Economic Development Division.

Thomas M. Sykes
Legislative Auditor

This report was provided to members of the Joint Legislative Audit and Review Committee in January 2004, and was presented to the Committee at its January 7, 2004, meeting. Because the Committee did not have a quorum at the January 7th meeting, however, a formal vote to approve the report for distribution was delayed until the Committee's April 2004 meeting. On April 21, 2004, this report was approved for distribution by the Joint Legislative Audit and Review Committee.

Senator Jim Horn
Chair

APPENDIX 1 – SCOPE AND OBJECTIVES

Performance and Outcome Measure Review:

Department of Community, Trade and Economic Development

SCOPE AND OBJECTIVES

SEPTEMBER 2003



STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

STUDY TEAM

Heather Moss
Lisa Jeremiah
Isabel Muñoz-Colón

LEGISLATIVE AUDITOR

TOM SYKES

Joint Legislative Audit & Review
Committee
506 16th Avenue SE
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STUDY BACKGROUND

In its 2003-2005 Work Plan, JLARC decided to examine issues pertaining to the state's fiscal reporting, accountability, and performance tracking systems. As part of this effort JLARC will conduct Performance and Outcome Measure Reviews of a number of key state agencies. The purpose of the reviews is to ensure that state agencies have effective measures in place for assessing and continuously improving performance, and to help establish budget and policy priorities. Through these reviews, JLARC will help demonstrate the accountability of state government to the public. Performance reviews of these measures have been completed for the ten major environmental programs in the Department of Ecology and for vocational rehabilitation services within the Department of Labor and Industries. The Department of Employment Security and the Department of Community, Trade and Economic Development were selected as the next agencies in this JLARC review process.

COMMUNITY, TRADE AND ECONOMIC DEVELOPMENT

The Department of Community, Trade and Economic Development (CTED) works to enhance and promote sustainable economic vitality throughout the state. CTED is comprised of seven divisions: Economic Development, International Trade, Energy Policy, WorkFirst, Local Government, Housing Services, and Community Services. The agency has a \$453 million two-year operating budget and a capital budget of \$786 million.

STUDY SCOPE: Economic Development Programs

This study will involve a review of the performance and outcome measures for the economic development programs and international trade efforts.

STUDY OBJECTIVES

- (1) Determine whether the performance and outcome measures are consistent with both statutory mandates (including RCW 43.88.090) and internal strategic plans.
- (2) Review the process followed in developing these measures, including the extent of involvement of employees, employers and other stakeholders, and if appropriate, other agencies that may operate related programs.
- (3) Determine whether the performance and outcome measures provide substantive information that enables assessment of the agency's performance in all key areas. Determine if the measures are reliable, timely, and cost-effective.

(continued)

STUDY OBJECTIVES (Continued)

- (4) Assess the extent to which the agency makes substantive use of its performance measures in terms of:
- Managing resources in an efficient and effective manner;
 - Making operational improvements;
 - Assessing its performance compared to external standards or benchmarks;
 - Assisting in its budget planning, development, and allotment processes; and
 - Reporting on performance to stakeholders, the Governor, the Legislature, and the public.

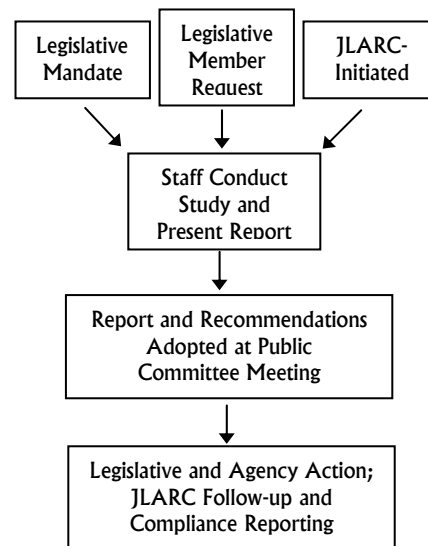
Timeframe for the Study

Staff will begin work in September 2003 and present a preliminary report at the JLARC meeting of December 3, 2003.

JLARC Staff Contact for the Study

Heather Moss	(360) 786-5174	moss_he@leg.wa.gov
Lisa Jeremiah	(360) 786-5293	jeremiah_li@leg.wa.gov
Isabel Muñoz-Colón	(360) 786-5179	munoz_is@leg.wa.gov

JLARC Study Process



Criteria for Establishing JLARC Work Program Priorities

- Is study consistent with JLARC mission? Is it mandated?
- Is this an area of significant fiscal or program impact, a major policy issue facing the state, or otherwise of compelling public interest?
- Will there likely be substantive findings and recommendations?
- Is this the best use of JLARC resources: For example:
 - Is the JLARC the most appropriate agency to perform the work?
 - Would the study be nonduplicating?
 - Would this study be cost-effective compared to other projects (e.g., larger, more substantive studies take longer and cost more, but might also yield more useful results)?
- Is funding available to carry out the project?

APPENDIX 2 – AGENCY RESPONSES

- Department of Community, Trade and Economic Development
- Office of Financial Management



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

128 - 10th Avenue SE • PO Box 42525 • Olympia, Washington 98504 • (360) 725-4000

December 10, 2003

Tom Sykes
Legislative Auditor
Joint Legislative Audit & Review Committee
PO Box 40910
Olympia WA 98501-2323

RECEIVED
DEC 15 2003
JLARC

Dear Tom:

Subject: Performance and Outcome measure review of the Economic Development and International Trade Divisions

This letter is in response to the Joint Legislative Audit and Review Committee preliminary report dated November 21, 2003 that analyzes the performance and outcome measures of CTED's International Trade and Economic Development Divisions. We appreciate the committee's thoughtful analysis and additional perspective on our programs and the way we use performance measures. The analysis and report are particularly timely. You will find attached specific responses to the three recommendations of the committee in the format requested.

For the last several years the state's business climate and economic development system have been under close scrutiny, first by me when I first arrived at the agency, by Governor Locke's Competitiveness Council, and then by the Economic Development Commission. How to set measurable objectives and determine success has been a subject of much debate and work. Indeed, we are in the midst of a major review of our economic development related programs with our stakeholders and the Commission.

When I first became director of the then Office of Trade and Economic Development over four years ago there was no performance management system. I employed a consultant, Larisa Benson, to assist in rectifying the situation. My management team and I developed a performance measurement system with several key principles in mind:

1. It tracked real results directly tied to our efforts.
2. It could require data to be gathered easily and within existing resources
3. It could be used to allocate resources and that would assist me to identify performance targets to hold my managers accountable.



Connection and consistency with the Balanced Score Card, the budget planning and fiscal management system, and my performance agreement with the Governor were also important. I appreciate the report's acknowledgement that the system we developed meets these criteria.

When I assumed directorship for all of CTED, I discovered there was no work done in the Housing, Community Development and Local Government divisions on performance measurements. We are undertaking work to bring all of CTED under one strategic plan with performance measurements for these three divisions.

Recommendation 1: The Department of Community, Trade and Economic Development should put greater focus on promoting the continuous improvement of the performance measurement system by making technical assistance available to program managers and sharing best practices.

Agreed. We are looking at ways to review our performance measurements and continue to seek ways to provide capacity within CTED to develop, refine and apply these measurements. Starting from a point at which there were no measurements, we have attempted to integrate meaningful performance measures with our division plans and budgets. As the agency continues work on integration as a whole agency, we have identified this as an element that the management team will continuously review and refine.

It is our goal to fully integrate those measures into our budget planning process, applying many of the same principles as the Governor used for the POG (Price of Government) process. We will also identify what capacity and training we will need to provide the agency.

Recommendation 2: The Department of Community, Trade and Economic Development (CTED) should include a specific strategy for conveying performance measures and results in its goal to improve internal and external communications (goal seven in the strategic plan).

Agreed. CTED needs to improve our communication on our performance measure results to our stakeholders and staff. We plan to include this reporting mechanism in our agency newsletter and our website, which we are in the process of rebuilding. These efforts will offer better communication about CTED internally and externally. Both initiatives provide venues to give feedback and share information about our achievements and challenges.

Recommendation 3: To provide broader context for its performance measures, CTED should encourage managers to establish targets for all performance measures at the program or unit level, and to base performance targets on external standards or benchmarks whenever possible.

Agreed. The divisions have completed various levels of work to establish baseline measurements. We will include in this ongoing work and review adopting external benchmarks/standards where appropriate. The International Trade Division applies its

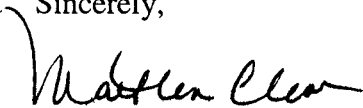
performance measures and expected results down to an industry or country level. Since most of our program managers are individual contributors, this means that over half the staff have individual goals tied directly to outcomes and performance measures.

The Commission has a statutory role in advising CTED on our economic development measures and results. CTED is working closely with The Economic Development Commission and has requested its assistance to review and refine our performance measurements. During the past year, the Commission has surveyed other states' programs, including various performance measurements used and is well on it's way to developing a strategic plan.

We have also included this as an agenda item at the next Economic Development Commission meeting. We have asked them to assist in reviewing and refining our performance measurements to reflect their direction and priorities. They will receive a copy of the JLARC report. We will seek counsel and advice as we determine how to implement your recommendations.

Again, thank you for choosing to review our programs. We welcome the feedback and look forward to implementing measures to respond to your recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Martha Choe". The signature is written in a cursive style with a large initial "M".

Martha Choe
Director



RECEIVED
DEC 16 2003
JLARC

STATE OF WASHINGTON
OFFICE OF FINANCIAL MANAGEMENT
Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

December 11, 2003

TO: Thomas Sykes, Legislative Auditor
FROM: Marty Brown, Director *MB*
**SUBJECT: PERFORMANCE AND OUTCOME MEASURE REVIEW: CTED
PRELIMINARY REPORT**

Thank you for the opportunity to review and comment on the preliminary report on the Performance and Outcome Measure Review: Department of Community, Trade and Economic Development (CTED). Per your request, listed below is the Office of Financial Management's (OFM) response to your recommendations.

RECOMMENDATION	OFM POSITION	COMMENTS
Recommendation 1: Sharing Best Practices	Concur*	
Recommendation 2: Conveying Results	Concur*	
Recommendation 3: Base Targets on Benchmarks	Concur*	

* All of these recommendations are good ideas, and should continue to be implemented as funding permits.

OFM looks forward to working with CTED and the Economic Development Commission as they further develop and refine performance measures in the agency budget submittals and the activity inventories that will be an integral part of the Priorities of Government process.



APPENDIX 3 – WASHINGTON’S PERFORMANCE MANAGEMENT SYSTEM

PERFORMANCE MEASUREMENT – A QUICK OVERVIEW

Over the past decade, the public sector has placed significant emphasis on performance measurement as part of the broader concept of *managing for results*. Indeed, a recent report noted that it has become “one of the most intensively adopted of public-sector reforms in the last decade,” with virtually every state government now requiring that government regularly plan and report on performance issues.¹³

The Governmental Accounting Standards Board (GASB) notes that performance measures provide information that decision-makers can use for such activities as setting goals and objectives, allocating resources, and monitoring and evaluating results. GASB describes the ultimate purpose of performance measures this way:

*Through the measurement, analysis, and evaluation of performance data, public officials can identify ways to maintain or improve the efficiency and effectiveness of activities and provide the public with objective information on their results.*¹⁴

In Washington, the Office of Financial Management (OFM) notes in its *Budget Instructions* and other materials that three main types of performance measures are particularly significant:

1. *Outcome Measures report the results of the service being provided. In its 2005-07 budget instructions, OFM identified three different types of outcome measures to describe the levels of impact it is measuring. Outcome measures are the most significant because they indicate the impact on the problem or issue the program was designed to achieve. OFM's examples include the following:*
 - a. *public education: 4th grade reading test scores;*
 - b. *public health: percentage of the population treated who are now free of the target disease; and*
 - c. *economic development: number of jobs of a certain income level created by firms receiving assistance.*
2. *Output Measures indicate how much work has been completed. OFM's examples include:*
 - a. *number of products completed or services delivered;*
 - b. *caseloads or headcounts in such areas as entitlement programs, corrections, or education; and*
 - c. *number of maintenance projects completed.*

¹³ The Maxwell School of Citizenship and Public Affairs, *Paths to Performance in State and Local Government*, Government Performance Project, 2002.

¹⁴ See the Governmental Accounting Standards Board’s *Performance Measurement for Government* website: <http://www.seagov.org/perfmeasures/index.html>.

3. *Efficiency Measures* show the relationship between inputs (dollars or FTEs) to output or outcome. OFM's examples include:
 - a. cost per case completed; and
 - b. number of investigations completed per FTE.

The types of measures and definitions noted by OFM above are consistent with those cited in other sources (e.g., the GASB) and used in other jurisdictions (e.g., Texas¹⁵).

WASHINGTON'S FRAMEWORK FOR PERFORMANCE MEASUREMENT

Requirements for state agency performance measurement and assessment activities flow both from statute and from directives issued by the Office of the Governor.

Statutory Requirements

The Legislature amended the state's Budgeting and Accounting Act in 1996 to require all state agencies to engage in strategic planning and related performance-assessment activities.¹⁶ RCW 43.88.090 lays out specific requirements:

- Agencies must define their mission, establish measurable goals, and develop clear strategies and timelines for achieving their goals.
- Agencies must establish program objectives for each major program in their budget.
- Agencies must have a process for continuous self-assessment for each program and activity.
- Agency budget proposals must integrate performance measures that objectively determine whether a program has achieved its goals.

Executive Branch Directives

In 1997, the Governor issued Executive Order 97-03, relating to "Quality Improvement." Under this Executive Order, agencies are to develop and implement a quality improvement program, designate a person responsible for quality improvement within the agency, and establish a steering committee for quality related activities. The order directs agencies to "utilize the tools of strategic business planning and performance measures to establish their priorities and measure their progress toward their stated goals," and to report the results of their quality programs to the Governor on a quarterly basis.

The Office of the Governor also has instituted Annual Performance Agreements with cabinet-level agency directors and annual agency self-assessments as performance assessment tools.

In the summer of 2002, the Office of the Governor implemented a new budgeting strategy termed *Priorities of Government* (POG). The process involved identifying ten primary goals across all of state government against which all spending recommendations could be measured.

¹⁵ Texas State Auditor's Office, *Guide to Performance Measure Management 2000 Edition*, December 1999, SAO No. 00-318.

¹⁶ Chapter 317, Laws of 1996. The amendments enacted were one part of what had been a broader-based measure passed by the Legislature. Governor Mike Lowry vetoed most of the original measure's other provisions, which primarily dealt with creation of a new legislative committee on performance review.-

The Governor likely will follow this process for the 2005-07 Biennium.¹⁷ Although this budgeting process does not supersede the strategic planning and performance assessment requirements established in the Budgeting and Accounting Act, it may affect how they are implemented.

Role of the Office of Financial Management

As the Governor's budget office, the Office of Financial Management (OFM) is the "point agency" for centralized activities related to state agency performance assessment. It issues biennial "Budget Instructions," which detail the format and overall requirements related to state agency budget submissions, including the statutory requirements referenced above.

The Budgeting and Accounting Act charges OFM with the responsibility of providing professional and technical assistance to agencies in their strategic planning and performance assessment activities. For a period of time, OFM did have a designated staff-person assigned to this role, but has not assigned a specific employee to this function since July 2002.

JLARC PERFORMANCE AND OUTCOME MEASURE REVIEWS – GENERAL THEMES¹⁸

In September 2003, JLARC members asked staff to develop overall observations from the four completed performance and outcome measure reviews. Although these observations are based on a sample of state government agencies, they provide a foundation for future JLARC efforts in this area. Understanding how our public agencies define and keep track of their performance gives JLARC a means to inform the Legislature and Washington's citizens of whether and how public agencies are efficient and effective in their activities.

Background

We have carried out four Performance and Outcome Measure Reviews since August 2003 at the Committee's direction—

- All ten major program areas within the *Department of Ecology* (03-9);
- The performance-based contracting at the *Department of Labor and Industries'* vocational rehabilitation services (03-11);
- The economic development and international trade programs at the *Department of Community, Trade and Economic Development* (04-1); and
- The return-to-work initiatives for unemployment insurance claimants at the *Employment Security Department* (04-2).

At the completion of these reviews, staff has compiled general areas of observation centered around the following three questions:

1. *What are good practices in developing effective performance measures?*
2. *What are the steps in creating an effective performance measurement system?*
3. *What role does agency leadership play in the effective use of these measures?*

¹⁷ The 2003-05 Operating Budget (Chapter 25, Laws of 2003, 1st Ex. Sess.) includes a proviso that directs OFM to report to pertinent legislative committees on the "...ten general priorities of government upon which the 2005-07 biennial budgets will be structured."

¹⁸ In response to the committee's request, this section of the appendix was added prior to the release of the proposed final report.

1. What Are Good Practices in Developing Effective Performance Measures?

In these four reviews, we tried to assess the effectiveness of individual performance measures and identified several good practices to follow.

- Measures should reflect key agency activities. An effective performance measurement system should adequately reflect *all key* activities on which an agency expends its resources—staff, contractors, services. Having measures for all key areas gives a more complete picture of an agency’s overall performance. When key features of what an agency carries out on behalf of Washington’s citizens are missing from its performance tracking, accountability is weakened.
- Efficiency measures should be tracked. The Office of Financial Management has identified three major types of performance measures: outcome, output, and efficiency. While outcome measures indicate actual results of public spending and output measures indicate workload, *efficiency measures* can clearly indicate performance on a cost or time basis. Are we getting improved results from the expenditure of scarce dollars: *more outcomes, better results, and at less cost?* Such indications are key in a good set of accountability practices. Efficiency measures were not very evident in these four JLARC reviews.
- Targets should be based on baselines and benchmarks. Performance targets establish results to be achieved within a specific time period. Meaningful targets are based on existing performance data, as well as industry standards or benchmarks. Targets can be useful in providing realistic yet ambitious performance goals for a public agency to aim to accomplish. Individual programs within agencies should know how much of a given agency target they are responsible for achieving.
- Measures should generally reflect a public agency’s scope of control. Performance measures should reflect an outcome over which an agency or program clearly has measurable influence. For example, growing new jobs and increasing employment is an overall goal for all of those state agencies focused on the health of the Washington economy. Yet any set of agency activities cannot be said to foster large portions of job creation in the state. An individual agency should then claim credit only for those new jobs directly linked to that agency’s efforts—assistance to local businesses, fostering job training in a particular skill area, assisting the growth of a particular export-based industry.
- Appropriate levels of detail should be available. Developing measures that reflect a wide scope of an agency’s work is helpful, but also important is to be able to drill down to various levels of detail within performance measurement data. For example, CTED distinguishes between “Puget Sound” and “non-Puget Sound” impacts for two of its international trade performance measures and notes what services are provided in rural (versus urban) counties. Such detail would be useful in other areas, such as determining specific types of trade assistance provided by CTED or identifying impacts of return-to-work training offered by the Employment Security Department.

2. What Are the Steps in Creating an Effective Performance Measurement System?

Defining an appropriate collection of measures is only the first step toward an effective performance measurement system. Any public agency should have an overall system that incorporates input from all levels of staff and, at the same time, reflects the agency's external environment and input from its stakeholders. We found the following steps reflective of an effective performance system.

- Measures and associated roles and responsibilities should be clearly defined. A good performance measurement system will define its measures clearly, unambiguously, and directly, so that ordinary citizens can understand those accountability measures for a particular public agency. Also important is to clearly define roles and responsibilities of agency managers and staff at all levels for achieving performance targets. For example, within the context of a set of performance measures, the Unemployment Insurance Division's director within Employment Security has clearly outlined to managers and staff their roles and responsibilities for reporting performance measures and meeting the targets associated with those measures.
- Performance measures should be linked to an agency's strategic plan. Performance measures should reflect upon and help carry out an agency's goals, mission, and statutory mandates. Positive achievements in performance can help ensure that the agency is fulfilling its roles and responsibilities as intended by the Legislature. For example, staff and managers in each of the ten programs in Ecology develop performance measures aligned with Ecology's overall mission and goals.
- Development and use should include input from staff. Any effective and dynamic performance measurement system requires input from staff at all levels of an agency. Including staff may lead to measures that better reflect the performance of major agency activities and the availability of existing data. For example, the Water Resources Program within Ecology asked for input from frontline staff for developing measures and appropriate, yet ambitious, targets for their permitting process.
- System should take into account agency's operating environment. A performance measurement system should incorporate input from external stakeholders. Such a process could help create measures that address the concerns of legislators, stakeholders, and the general public interested in how an agency conducts its activities and invests its human and financial resources. For example, CTED recognizes the complex set of influences from other entities in Washington focused on economic development when developing its own goals and performance measures.

3. What Role Does Agency Leadership Play in the Effective Use of Performance Measures?

After looking at how performance measures have been developed, improved upon, and used to manage key agency practices, we have concluded that agency leadership in this arena is critical and helps distinguish a robust system from one that meets minimal expectations. Agency executives need to continually improve the system, use the performance data for internal management, and share performance data with staff and stakeholders. Following are key observations about the effective use of performance measures.

- *Performance measures should be used as a key management tool.* One of the values of a performance measurement system comes from its use for internal management purposes. Performance data can serve many management purposes. At Ecology, both top agency leaders and individual program managers use performance measures extensively. The agency uses measures as part of personnel evaluations, to shape program budgets, and to highlight the practices of regions and/or offices performing at or above standards. Since staff at all levels have bought into this process, all share in documenting both individual and program improvements throughout the agency.
- *A performance measurement system should be an agency priority.* Consistent emphasis and support of performance measurement from agency executives is crucial to the success of creating and using performance measures. Specifically, measures need to be a visible and important part of the agency. In Ecology, performance measurement and assessment activities have the strong and active support of top agency management who regularly use and discuss these measures and their connection to the agency's major and substantive activities.
- *A performance measurement system should be continuously improved.* The agency must continue to re-evaluate the performance measurement system and the agency's needs for performance data, as well as share best practices on performance measurement. Agencies should regularly review their measures to determine if they are the right measures, if they yield the necessary information, and if they are useful to managers and staff. CTED has many elements of a strong performance measurement system, but lacks a focused effort to improve the system. Best practices and results in one part of the agency are not regularly shared with other parts.
- *Performance information should be communicated externally.* To help promote public accountability, performance data should be readily accessible in a way that can be easily understood. None of the four agencies reviewed by JLARC have a central place for reporting performance measures on their website to make it available to stakeholders and to the state's citizens. Improving the accessibility and transparency of performance information could improve accountability by giving citizens access to information about how their public dollars are being spent and what is being achieved through these expenditures.

APPENDIX 4 – ECONOMIC DEVELOPMENT EFFORTS IN WASHINGTON STATE

ECONOMIC DEVELOPMENT IN WASHINGTON STATE

The Department of Community, Trade and Economic Development (CTED) is only one of many organizations for whom economic development is the primary mission. Other state agencies, the federal government, private industries and their trade associations, and local governments are just a few of the other entities in the state that shape economic development strategies and implement initiatives and projects.

Legislative Activities

The Legislature plays an important role in shaping the economic development strategy for the state through creating policy, setting the state's budget, and providing oversight to state agencies. In addition to the standard oversight and direction provided by the Legislature's related standing committees,¹⁹ the Legislature occasionally creates *ad hoc* committees.

- The **Legislative Committee on Economic Development and International Relations** was formed in 1985 to provide the Legislature with responsive and consistent involvement in economic development. The committee is comprised of six senators and six representatives, and chaired by the lieutenant governor. It's charged with reviewing economic development issues and assisting the Legislature in developing a comprehensive and consistent economic development policy. Most recently, the committee has focused its efforts on developing international relationships and promoting trade.
- The **Joint Legislative Oversight Committee on Trade Policy** was created in 2003 to monitor the impact of the various trade agreements on Washington State laws and to provide opportunity for public comment.

Governor's Role

The Governor and his staff provide leadership and input for the state's economic development efforts in many ways. While CTED is the most direct extension of the Governor's role in this area, he has also developed more specific and strategic initiatives. He has convened high level policy groups to provide advice and focus the implementation of the state's economic development strategy.

- The **Economic Development Commission** is primarily comprised of people from the private sector. The commission is mandated by RCW 43.162.020 to develop and update the state's economic development strategy and performance measures.²⁰

¹⁹ Legislative committees that regularly deal with economic development and international trade issues include the Senate Commerce and Trade Committee, the House Trade and Economic Development Committee, the House Commerce and Trade Committee, and the fiscal committees of both houses.

²⁰ The Commission has just completed its own internal strategic planning process.

- The **Joint Economic Vitality Cabinet** is a sub-cabinet with the goal of increasing the information flow and cooperation between agencies. CTED's director is the chair of this cabinet.
- The **Washington Competitiveness Council** works to improve the state's business climate. Council members include business and labor leaders, local government, and legislators.

Other CTED Programs

The Economic Development and International Trade Divisions are not the only CTED entities working toward economic development.

- The **Community Development Block Grant** program provides grants to Washington communities and counties for economic development, housing rehabilitation, infrastructure, community facilities, planning, and public service projects.
- **Growth Management Services** provides grants, training, and technical assistance for communities related to the Growth Management Act.
- The **Public Works Board** offers loans to local governments for the improvement of their public works systems.

Other State Agencies

Although CTED is the most visible state agency working on economic development and international trade, other state agencies are focusing on and working toward similar goals.

- The **Office of the Economic and Revenue Forecast Council** publishes an annual report of Washington's economic climate.
- The **Department of Agriculture** promotes the export of food and other agricultural products grown in Washington.
- **Commodities Commissions**, such as the Wine Commission, promote the sales and exports of their products.

State Research and Development

The state also contributes funding and resources to specific research and development efforts at various public institutions of higher education.

- **Center for International Trade in Forest Products (CINTRAFOR)** is a research center at the University of Washington's College of Forest Resources. CINTRAFOR facilitates forest-product exportation through applied research and professional development for forest-product professionals.
- **International Marketing Program for Agricultural Commodities and Trade (IMPACT)** is a center at Washington State University working to increase the competitiveness of the state's agricultural products through science and technology.
- **Spokane Intercollegiate Research and Technology Institute (SIRTI)** works for the development and growth of technology companies in eastern Washington by providing business development services.

- The **Washington Technology Center** is a state organization that connects industry with scientific and engineering resources at state universities.

Federal Government

Washington's economy is connected to the national economy, so the federal government also plays a role in setting economic development priorities in Washington. Often, federal priorities are transferred to states when federal dollars are tied to specific outcomes or requirements (such as jobs created in distressed areas).

- The **Department of Agriculture**, through the Forest Service, provides economic development funding, which CTED administers. Financial assistance is provided through the Old Growth Diversification Funds and the Columbia River Gorge National Scenic Area Economic Development Funds.
- The **Department of Commerce** programs that provide funding and loans for economic development in Washington include the Economic Development Administration and the National Oceanic and Atmospheric Administration.
- The **Department of Housing and Urban Development** has several grant and loan programs that fund economic development in Washington. One such program is the Community Development Block Grant, which funds economic development efforts to create jobs and business opportunities in low-income communities.

Local Governments and Organizations

CTED believes that the state's role is to support "locally led, locally driven" economic development efforts. There are many local groups whose primary focus is the economic development of their own communities.

- **Associate Development Organizations (ADO)** act as CTED's local partners in economic development pursuant to RCW 43.330.080. ADOs are designated by the Boards of County Commissioners in each county and represent community and economic interests. CTED contracts with ADOs to provide local economic development services.
- **Chambers of Commerce** are membership organizations that work to strengthen businesses in their community.
- **Downtown Development Organizations** can receive funding from CTED for downtown revitalization.
- **Economic Development Councils** promote economic development in their region. Many are also the ADO for their area.
- **Economic Development Districts** receive funding from the U.S. Department of Commerce's Economic Development Administration for local economic development activities.
- **Local and Tribal Governments** often have economic development offices or staff to promote economic development within cities and on tribal reservations.
- **Local Trade Development Alliances** promote the trade interests of their region. Both the Spokane and Seattle regions have trade development alliances.

- **Port Districts** are formed to encourage and facilitate economic development in their community. Several ports serve as the ADO for their areas.
- **Public Development Authorities** can be created by local governments to improve the administration of authorized federal grants or programs, or to streamline government services. RCW 35.21.730 was initially enacted to authorize counties, cities, and towns to participate in and implement federally assisted programs, including revenue sharing.
- **Visitor and Convention Bureaus** work to promote tourism in their community.

Private Sector Organizations

Private businesses and their associations are primary beneficiaries of economic development efforts. Their ideas and suggestions are significant in developing a state economic development strategy.

- The **Association of Washington Business (AWB)** is a business organization working for policies that foster economic growth, productivity, and jobs. AWB, the Washington Research Council, and Washington Roundtable have formed **WashACE** to report on Washington's business climate.
- Assorted **industry associations** promote the business interests of their industry.
- The **Export Finance Assistance Center of Washington** gives technical counseling on exporting to businesses.
- The **Washington Council on International Trade** is a non-profit association advocating for a strong trade base by providing information about federal and state trade issues.
- **Washington Manufacturing Services** is a private non-profit organization helping small manufacturers to become more competitive by providing them with technical and business services.
- The **Washington Research Council** is a private research organization focused on economic development.
- The **Washington Roundtable** is comprised of private-sector chief executives advocating for policies related to economic growth, creating jobs, and improving the quality of life.

Economic Development Associations

Finally, organizations that stretch across or even beyond Washington's borders offer perspective on the larger economic development picture and allow us to compare our efforts with those of other states, regions, and countries. These associations also help highlight best practices and new strategies to adopt.

- The **International Economic Development Council** is a trade organization for people working for economic development.
- The **National Association of State Development Agencies** is a membership organization for the directors and managers of state economic development organizations.
- The **Washington Economic Development Association** includes members from a wide range of economic development organizations and practitioners, such as ports, economic

development councils, visitor and convention bureaus, chambers of commerce, public development authorities, downtown development organizations, and local and regional revolving loan programs.

APPENDIX 5 – CTED’S BALANCED SCORECARD FOR FISCAL YEAR 2003 *

Key Measures	Baseline	1 st Qtr Results (July – Sept 02)	2 nd Qtr Results (Oct - Dec 02)	3rd Qtr Results (Jan - Mar 03)	4th Qtr Results (Mar – Jun 03)	Year to Date
		Target Actual	Target Actual	Target Actual	Target Actual	
Goal 1: Promote sustainable and balanced economic development for all communities and residents throughout the state.						
Total dollars leveraged for physical infrastructure projects by CERB, Coastal & Sec. 108 loans from non-OTED sources (other state \$, federal, local, private sources). (EDD)	\$9,847,110	\$1,000,000 BFU \$7,466,000 CERB \$2,040,775 Total \$9,506,775	\$600,000 -0-	\$1,000,000 BFU \$709,916 CERB \$5,340,000 Total \$6,049,916	\$400,000 BFU \$ 116,800 CERB \$-0- Total \$ 116.800	\$15,673,491
Number of individuals served through EDD-sponsored training. (EDD)	6,663	1,400 MWBD 434 CCA 303 Educ & Training 591 B&TD 247 Total 1,575	1,400 MWBD 241 CCA 216 Educ & Training 210 B&TD 220 Downtown 98 Total 981	1,600 MWBD 155 CCA 96 Education & Trng 247 B&TD 1,303 Downtown 8 Total 1,809	1,400 SBR 300 Education & Training 923 BTD 503 Downtown 180 Total 1,906	6,271
Total number of jobs created or retained as a result of business assistance. (Includes actual jobs and forecasted jobs over the next 18 months) (EDD)	9,365	1,528 BFU 197 CERB 134 Total 1,635	1,528 BFU 93 B&TD 80 WDN 1,288 Total 1,461	1,528 BFU 123 WDN 1,172 MicroLoans 1 Total 1,296	1,528 BFU 151 WDN 1,336 MicroLoans 42 Total 1,529	5,921

* An Acronym Glossary follows the Table of Contents at the beginning of this report.

Key Measures	Baseline	1 st Qtr Results (July – Sept 02) Target Actual	2 nd Qtr Results (Oct - Dec 02) Target Actual	3rd Qtr Results (Jan - Mar 03) Target Actual	4th Qtr Results (Mar – Jun 03) Target Actual	Year to Date
Goal 1: Promote sustainable and balanced economic development for all communities and residents throughout the state.						
Total number of actual and forecasted jobs created or retained over a 3-year period as a result of infrastructure investments. (EDD)	1,145	147 BFU 35 CERB 124 Total 169	-0- BFU -0- CERB -0- Total -0-	112 BFU 10 CERB 361 Total 371	-0- BFU -0- CERB -0- Total -0-	540
Total number of actual jobs created and forecasted in rural areas. (EDD)	3,767	1,300 BFU 176 CERB 134 Total 1,312	1,200 BFU 66 CERB -0- WDN 463 Total 529	1,300 BFU 127 CERB 361 WDN 477 Total 965	1,250 BFU 145 CERB -0- WDN 930 MicroLoans 30 Total 1,105	3,911
Percentage of jobs retained or created above the <i>county average wage</i> as a result of our assistance. (EDD)	Unavailable	55% BFU 128 of 197 WDN 1,298 of 1,438 Total 1,426 of 1,635 or 87%	55% BFU 28 of 93 WDN 939 of 1,288 Total 70%	55% BFU 115/128 WDN 827/117 Total 72%	55% BFU 98/151 WDN 746/1,336 Total 57%	
Number of temporary local jobs created by on-location motion picture, television, and commercial production. (EDD)	1,060	300 200	700 1,514	200 561	300 147	2,422
Percentage of hard-to-employ WorkFirst participants who gain unsubsidized employment within 12 months of Community Jobs enrollment (cumulative placements). (WorkFirst)	2777 served 61%	423 (61%) 53%	423 (61%) 53%	424 (61%) 56%	424 (61%) 55%	

Key Measures	Baseline	1 st Qtr Results (July – Sept 02) Target Actual	2 nd Qtr Results (Oct - Dec 02) Target Actual	3rd Qtr Results (Jan - Mar 03) Target Actual	4th Qtr Results (Mar – Jun 03) Target Actual	Year to Date
Goal 1: Promote sustainable and balanced economic development for all communities and residents throughout the state.						
Number of low-income individuals assisted in acquiring a home, business, or higher education through individual development accounts. (<i>WorkFirst</i>)	219 as of 6/30/02	75 Actual: 28	75 Actual: 73	50 Actual: 39	0 Actual: 63	203
Goal 2: Strengthen the domestic and international competitiveness of Washington State businesses and the state's workforce.						
Update and Implement State Energy Strategy recommendations. (<i>Energy</i>)		Work with Advisory Committee on policy recommendations In process	Complete policy recommendations Completed	Develop policy implementation plan Energy Strategy Report Issued to Legislature	Outreach to 10 organizations/groups Not reported	
Proportion of the state's electricity consumption that is from renewable resources. (<i>Energy</i>)	June 2002 0.2%	NA 0.2%	NA 0.3%	NA Not reported	Annual target 0.3% 1%	
Total capital investment for business retention and expansion. (<i>EDD</i>)		\$28,500,000 <i>BFU</i> \$11,542,665 <i>CERB</i> \$1,665,448 <i>WDN</i> \$57,830,500 Total \$71,038,613	\$6,500,000 <i>BFU</i> \$2,238,926 <i>CERB</i> \$-0- <i>WDN</i> \$111,564,000* Total \$113,802,926	\$28,500,000 <i>BFU</i> \$5,835,542 <i>CERB</i> \$31,000,000 <i>Micro Loans</i> \$5,000 <i>WDN</i> \$2,496,136 Total \$39,336,678	\$6,500,000 <i>CERB</i> –0- <i>WDN</i> \$93,143,500 <i>MicroLoans</i> \$201,500 Total \$104,269,565	\$328,447,782

Key Measures	Baseline	1 st Qtr Results (July – Sept 02) Target Actual	2 nd Qtr Results (Oct - Dec 02) Target Actual	3rd Qtr Results (Jan - Mar 03) Target Actual	4th Qtr Results (Mar – Jun 03) Target Actual	Year to Date
		Goal 2: Strengthen the domestic and international competitiveness of Washington State businesses and the state’s workforce.				
Estimated state tax revenue (state <i>B&O</i> , <i>property & sales taxes</i>) generated and retained from new and existing businesses sited, expanded or retained with OTED assistance. (<i>EDD</i>)		\$2,300,000 BFU \$702,313 CERB \$624,188 WDN \$841,106 Total \$2,167,607	\$2,300,000 BFU \$212,441 CERB \$-0- WDN \$3,491,418* Total \$3,703,859	\$2,300,000 BFU \$595,143 CERB \$251,536 WDN \$2,496,136 Total \$3,342,815	\$2,300,000 BFU \$587,556 CERB –0- WDN \$2,319,100 Total \$2,906,656	\$12,120,937
Number of businesses sited in the state as a result of timely and coordinated responses to prospective business leads and site location inquiries. (<i>EDD</i>)		4 B&TD 1 WDN 18 Total 19	4 B&TD 1 WDN 21 Total 22	4 B&TD 2 WDN 14 Total 16	4 B&TD 1 WDN 21 Total 23	80
Dollar value of capital deals for start-up and emerging businesses packaged by OTED. (<i>EDD</i>)		\$1,000,000 \$1,234,092	\$1,000,000 \$1,013,000	\$1,000,000 \$50,000	\$1,000,000 \$320,000	\$2,620,092
Number of unique visits to the Tourism Website. (<i>EDD</i>)		350,000 262,140	350,000 293,726	350,000 388,611	350,000 536,116	1,480,593
Increase in international tour operator partnerships created and maintained. (<i>EDD</i>)		2 -0-	2 -0-	2 -0-	2 536,116	536,116
Actual sales as reported by each customer receiving trade assistance. (<i>Trade</i>)		\$3,500,000 \$4,521,283	\$3,500,000 \$2,544,200	\$3,500,000 \$141,153	\$3,500,000 \$7,861,671	\$15,068,307

Key Measures	Baseline	1 st Qtr Results (July – Sept 02)	2 nd Qtr Results (Oct - Dec 02)	3rd Qtr Results (Jan - Mar 03)	4th Qtr Results (Mar – Jun 03)	Year to Date
		Target Actual	Target Actual	Target Actual	Target Actual	
Goal 2: Strengthen the domestic and international competitiveness of Washington State businesses and the state’s workforce.						
Number of agents, distributors, or joint ventures signed. <i>(Trade)</i>		6 4	6 1	6 0	6 1	6
Number of companies assisted on international trade matters. <i>(Activity numbers equal domestic activities and include seminars and detailed phone sessions that go beyond referrals but are not full one-on-one counseling.)(Trade)</i>		100 104	100 175	100 163	100 124	566
Number of service requests for trade assistance completed. <i>(Service requests for service from foreign representative and include ITD’s entire primary listed services – excluding seminars, clearinghouse and referrals). (Trade)</i>		65 286	65 183	65 147	65 105	721
Number of non-Puget Sound companies assisted on international trade matters. <i>(Trade)</i>		17 16	17 50	17 19	17 14	99
Number of “Clean Energy” businesses/organizations assisted. <i>(Energy)</i>		5 9	8 17	10 6	10 9	41

Key Measures	Baseline	1 st Qtr Results (July – Sept 02) Target Actual	2 nd Qtr Results (Oct - Dec 02) Target Actual	3rd Qtr Results (Jan - Mar 03) Target Actual	4th Qtr Results (Mar – Jun 03) Target Actual	Year to Date
Goal 3: Provide Leadership and advocacy on long-term major economic vitality issues and activities affecting the state.						
Promote expansion of customized training resources for businesses. (<i>WorkFirst</i>)	No present work plan	Develop workgroup and plan Roundtable convened at Economic Development Summit. Workgroup formed to further discussion and groundwork.		Conducted a training seminar for employers – Careers in Hospitality. Speakers/trainers engaged audience – Developed Action Plans by Regions.		
Instances of leadership roles for Governor’s priorities. (Summit, trade mission, Task Force, Competitiveness Council) (<i>Director’s Office</i>)	N/A	N/A Economic Development Summit, Spokane, September 11-13	N/A Task Force Meeting Governor’s Trade Mission to China	N/A Two ED Commission Meetings Competitiveness Council Meeting State tours by Director and Deputy Directors: Bremerton Bellingham	N/A	

Key Measures	Baseline	1 st Qtr Results (July – Sept 02) Target Actual	2 nd Qtr Results (Oct - Dec 02) Target Actual	3rd Qtr Results (Jan - Mar 03) Target Actual	4th Qtr Results (Mar – Jun 03) Target Actual	Year to Date
Goal 4: Strengthen existing and build new partnerships to achieve our goals and work.						
Expand and improve cluster projects with hospitality industry. (<i>WorkFirst</i>)	4 projects (80 WorkFirst job placements)	0 1 – Thurston 4 employed to date	2 Solicited & awarded RFP for hiring low-income job seekers into hospitality industry for Spokane and King Counties.	2 Community Jobs participants continue to excel in the Hospitality project that is supported by CTED, Tacoma Pierce County Employment and Training Consortium, The WA Restaurant Association, and Clover Park Technical College. The Job Fair will be held on 042403 and graduation is scheduled for 042503.	2 Careers in Hospitality Projects in Seattle and Spokane yielded the following employment outcomes for low-income job seekers: Spokane: 36 Seattle: 45 Total Employed 81	
Percentage of periodic customer/stakeholder survey respondents who indicate a high level of satisfaction with the quality of the Energy Policy Division's work. (<i>Energy</i>)(<i>Survey question 1.2</i>)	June 2002 1.7 on a 4.0 scale	NA No results	NA 1.4/4.0	NA No results	Annual Target 1.4/4.0 No results reported	This is an annual survey.
Goal 5: Establish the agency as a performance and client driven agency committed to the highest standards of quality and continuous organizational improvement.						
Number of employee hours saved as a result of quality improvement (QI) initiatives. (<i>Director's Office to report for all divisions</i>)		N/A 100	N/A -0-	N/A -0-	N/A -0-	100

Key Measures	Baseline	1 st Qtr Results (July – Sept 02)	2 nd Qtr Results (Oct - Dec 02)	3rd Qtr Results (Jan - Mar 03)	4th Qtr Results (Mar – Jun 03)	Year to Date
		Target Actual	Target Actual	Target Actual	Target Actual	
Goal 5: Establish the agency as a performance and client driven agency committed to the highest standards of quality and continuous organizational improvement.						
Dollars saved as a result of QI initiatives. <i>(Director's Office to report for all divisions)</i>		N/A \$7,000,000	N/A -0-	N/A -0-	N/A -0-	\$7,000,000
Goal 6: Recruit, develop and retain a highly skilled and motivated workforce.						
Percentage of employees annually participating in at least one agency, state, or other training opportunity they rate as valuable. <i>(All Divisions report to Employee Services)</i>		25% 51%	50% 78%	75% 89%	100% 90%	
Percentage of employees completing Performance Expectations & Individual Development Plans. <i>(All Divisions report to Employee Services)</i>		25% 14%	50% 12%	75% 13%	100% 11%	
Percentage of employees receiving annual performance reviews. <i>(All Divisions report to Employee Services)</i>		25% 27%	50% 15%	75% 18%	100% 12%	
Goal 7: Increase our internal and external communications to enhance the agency's visibility and value.						
Number of quarterly external newsletters distributed. <i>(Communications)</i>	4	1 1	1 -0-	1 -0-	1 -0-	

Key Measures	Baseline	1 st Qtr Results (July – Sept 02)	2 nd Qtr Results (Oct - Dec 02)	3rd Qtr Results (Jan - Mar 03)	4th Qtr Results (Mar – Jun 03)	Year to Date
		Target Actual	Target Actual	Target Actual	Target Actual	
Goal 7: Increase our internal and external communications to enhance the agency's visibility and value.						
Annual report researched, written, produced, and distributed. <i>(Communications)</i>		Researching	Written and preparing final draft			
Number of bi-monthly internal newsletters produced and distributed. <i>(Communications)</i>	6	1.5 0	1.5 In development	1.5 In development	1.5 In development	
Number of press releases distributed. <i>(Communications)</i>	40	12 12	12 20	12 35	12 45	
Enhance the agency intranet. <i>(Information Technology)</i>	Beta Version June 2002	Update agency logo and contact information Pictures and addresses updated	Link division's intranets Enhancements were made to the Documents and Applications links	Assist with creation of division intranets Created new mockup and new logo.	Add agency news Added menu items. Reconfigured calendar to show correctly.	
Percentage of periodic customer/stakeholder survey respondents who indicate good or very good knowledge of Energy Division activities. [Survey Question 1.1] <i>(Energy)</i>	June 2002 49%	Annual target No results	Annual target No results	Annual target No results	Annual target	
Percentage of periodic customer survey respondents who indicate an increasing knowledge of, and satisfaction with communications' activities. <i>(Communications)</i>		N/A -0-	-0-	-0-	-0-	

Key Measures	Baseline	1 st Qtr Results (July – Sept 02)	2 nd Qtr Results (Oct - Dec 02)	3rd Qtr Results (Jan - Mar 03)	4th Qtr Results (Mar – Jun 03)	Year to Date
		Target Actual	Target Actual	Target Actual	Target Actual	
Goal 8: Optimize the use of technology in the delivery of our program services to enhance the value, access, and customer use of our services.						
Increase ratio of service requests completed to service requests submitted. <i>(Information Technology)</i>		100% 100%	100% No results	100% 96%	100% 90%	
Increase percentage of scheduled network availability. <i>(Information Technology)</i>	Novell Network 72% (FY 02)	97% 98.8%	97% No results	97% 99.2%	97% 99.4%	
Schedule quarterly meetings with divisions. <i>(Information Technology)</i>	0	10 No results	10 No results	10 ASD – Discussing applications, server ownership and SLA HSD – Assisted with contractor selection for database migration LGD – Discussion on migrating PWB into network	10 No results	

