**Governor's Office of Planning & Budget and
Office of the Legislative Fiscal Analyst**

Performance and Efficiency Initiatives Report

*Prepared for the Legislative Management Committee regarding
H.B. 326, "Performance Reporting and Efficiency Requirements,"
2021 General Session*

May 2022

SUMMARY

In December 2021, the Office of the Legislative Fiscal Analyst (LFA) and the Governor's Office of Planning and Budget (GOPB) produced a report outlining progress on the new performance and efficiency initiatives work directed in H.B. 326, "Performance Reporting and Efficiency Requirements," 2021 General Session. This brief gives additional information on the efficiency improvement process that was not included in the December report.

EFFICIENCY IMPROVEMENT PROCESS UPDATES

Pilot Projects

LFA and GOPB plan to complete three efficiency evaluations as part of the efficiency improvement process directed in statute. After creating a list of priority government processes for pilot projects, LFA and GOPB began reaching out to the executive directors of those agencies to discuss and scope the projects and set timelines.

Criteria and Methodology for Efficiency Evaluations

After a project is confirmed, LFA and GOPB will send the survey found in Appendix A to the host agency to prepare for a first efficiency evaluation meeting. Appendix B shows a list of questions that will be used for evaluation. Appendix C shows draft efficiency evaluation process steps.

Rewards and Incentives

H.B. 326 asks whether rewards or incentives should be used to motivate the implementation of efficiency evaluation recommendations. LFA and GOPB propose delaying consideration of this question until after completion of the 2022 pilot projects, and receiving clarification from the Legislature on how such rewards or incentives should be funded.

Evaluation of Performance Measures

LFA and GOPB are developing a rubric of questions to analyze existing agency performance measure results that are associated with the subject of each efficiency evaluation. LFA and GOPB analysts will use the same rubric to evaluate line item performance measures as part of the accountable budget process and to evaluate new funding item performance measures proposed by agencies. The rubric will be finalized over the next few weeks.

Efficiency Evaluation Criteria form

In 2021, the Legislature passed HB 326, Performance Reporting and Efficiency Requirements, which created an efficiency improvement process for operations at state agencies. As part of this process, the Governor's Office of Planning and Budget (GOPB) and the Office of the Legislative Fiscal Analyst (LFA) conduct efficiency evaluations. This document requests information to help us learn more about your work. Please provide the information to the best of your ability; however, we will only use this document as background and will not make it public (except as subject to existing public records law). As you respond to each question below, please include links to supporting information and materials as appropriate.

The respondent's email (**null**) was recorded on submission of this form.
* Required

1.   Email *

_____

Project Scope

2.   Is this description of the project scope accurate: <insert project scope developed after scoping meeting> *

   Mark only one oval.

   ( ) Yes   *Skip to question 4*

   ( ) No   *Skip to question 3*

   ( ) Maybe   *Skip to question 3*

Project Scope

3.   What other information should we be aware of about the scope of this project? *

_____

_____

_____

_____

_____

Project Information

4.   What sections of code are relevant to this project? *

_____

_____

_____

_____

_____

Agency Information

5.   Does your agency have a mission and/or goals? *

Mark only one oval.

◯ Yes   *Skip to question 6*

◯ No   *Skip to question 8*

◯ Other: _____

Agency Mission & Goals

6. What are your agency's mission and/or goals? *

    _____

    _____

    _____

    _____

    _____

7. How do your agency's mission and/or goals align with your statutory requirements?
    *

    _____

    _____

    _____

    _____

    _____

Performance Measures

8. What are your agency's line item measures that pertain to the project? *

    _____

    _____

    _____

    _____

    _____

9. If your agency has line item measures that pertain to the project, please provide (or link to) outcome data for those measures (up to five years if available).

_____

_____

_____

_____

_____

10. Do your agency's line item measures pertaining to the project capture the desired outcomes or outputs that could logically be used to predict desired outcomes?

    Mark only one oval.

    ◯ Yes

    ◯ No

    ◯ Other: _____

11. Are your line item measures meaningful to you as an agency? *

    Mark only one oval.

    ◯ Yes

    ◯ No

    ◯ Other: _____

12. Does the project have other measures, internal or otherwise, that help measure progress toward your desired outcomes (e.g. operational measures, federally-reported measures)? If so, what are they? *

_____

_____

_____

_____

_____

13. If your agency has other measures identified above, please provide (or link to) outcome data for those measures (up to five years if available).

_____

_____

_____

_____

_____

System of Work Understanding

14. Does your agency have a clear understanding of the process flow of your systems in regard to the project? *

Mark only one oval.

◯ Yes

◯ No

◯ Other: _____

15. Are there processes and/or services your agency is providing related to the project that are not working toward stated goals, improving the operational measures, or are statutorily required? *

Mark only one oval.

◯ Yes

◯ No

◯ Other: _____

16. Are there any statute, rules, or policies keeping you from improving and/or meeting your project-related goals and targets? *

Mark only one oval.

◯ Yes

◯ No

◯ Other: _____

Improvement

17. What recommendations do you have for improvement in your agency related to the project? *

_____

_____

_____

_____

_____

18. What resources could be invested in your agency to improve performance related to the project? *

_____

_____

_____

_____

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APPENDIX B

Efficiency Evaluation Criteria Form

Meeting Questions:
- What are your project's mission and/or goals?
- Who are your project's primary customers?
- Who are the other important stakeholders?
- How do you measure the project's fulfillment of customer needs?
- According to these measures, how well does the project meet its customers' needs?
- Does your agency have a process for continuous improvement? If so, please explain what it is.

Potential follow-up questions from evaluation criteria form responses:

Section: Project Information
- 4. If no sections of code are relevant to the project, how did the work/project originate?

Section: Performance Measures
- 8. If the response is no, how come there are no line item performance measures pertaining to the project?
- 9. & 13. Review performance measures (line item and others) and outcome data provided for any interesting trends that should be examined.
- 10. If the response is yes, how do your agency's line item measures capture the desired outcomes or outputs?
- 10. If the response is no, how come your agency's line item measures do not capture the desired outcomes or outputs?
- 11. If the response is yes, explain how your line item measures are meaningful to you as an agency.
- 11. If the response is no, explain why your line item measures are not meaningful to you as an agency.
- 12. If the response is no, how come there are no other measures pertaining to the project that help assess achievement of desired outcomes?

Section: System of Work Understanding
- 14. If yes, please explain the process flow of your system in regard to the project.
- 14. If no (or potentially other), let's work through what the process flow is for the project.
- 15. If yes, what processes and/or services is your agency providing related to the project that are not working toward stated goals, improving operational measures, or are statutorily required?
- 16. If yes, what statute, rules or policies are keeping you from improving and/or meeting your project-related goals and targets?

APPENDIX C

Efficiency Evaluation Process Steps - Draft

Initiation date	1. Email to agency to schedule introductory meeting

As soon as possible after initiation date	2. Zoom meeting with the agency
	   a. Meeting agenda
	      i. Discuss the efficiency improvement process (5 min)
	      ii. Explain reason for selection (10 min)
	      iii. Introduce the team (5 min)
	      iv. Discuss high-level process steps and expected timeline (5 min)
	         I. Determine agency contacts for scoping meeting
	      v. Questions

Anytime after the introductory meeting	3. Scoping meeting with agency
	   a. Meeting agenda
	      i. Introduce project
	      ii. Define scope of engagement
	      iii. Refine necessary agency resources
	      iv. Refine evaluation timeline
	      v. Discuss evaluation criteria form and provide agency with the form
	      vi. Schedule information gathering interviews
	      vii. Work out logistics
	   b. Meeting participants
	      i. Agency personnel
	      ii. GOPB team
	      iii. LFA team

About two weeks after scoping meeting	4. Receive completed evaluation criteria form from agency a. GOPB and LFA send list of interview questions as soon as possible following review of form

Completed in about two weeks	5. Evaluation information meeting to gather information not included in the evaluation criteria form
	    a. Meeting agenda
	        i. Additional information gathering through interview
	        ii. Follow-up questions from evaluation criteria form
	    b. Meeting participants
	        i. Agency-assigned personnel
	6. Review and analyze evaluation criteria form responses and information collected from prior information gathering meeting
	    a. Identify areas needing additional information/clarification
	    b. Begin to identify areas of possible improvement
	    c. Performance measures review
	    d. Statutory obligations review
	    e. Participants
	        i. GOPB team
	        ii. LFA team

Completed in about two weeks	7. Fieldwork and information follow-up
	    a. Receive additional information and clarification
	    b. Better understand the system of work and desired outcomes
	    c. Participants
	        i. Agency-assigned personnel
	        ii. GOPB team
	        iii. LFA team

Completed in about one week	8. Review and analyze new information
	    a. Analyze new information and its effects on the initial evaluation
	    b. Begin to develop recommendations for areas of possible improvement
	    c. Performance measures alignment
	    d. Participants
	        i. GOPB team
	        ii. LFA team

Completed in about one week	9. Create first draft of report and recommendations
	    a. Populate the report template with findings and recommendations
	    b. Participants
	        i. GOPB team
	        ii. LFA team

Completed in about one week	10. Review, edit, and revise draft report
	    a. GOPB and LFA peer reviews of initial report draft by other team members
	    b. Update draft as needed
	    c. Participants
	        i. GOPB team
	        ii. LFA team

Completed in about one week	11. Review draft report with agency
	    a. Review draft report with agency
	    b. Confirm accuracy of understanding and information
	    c. Participants
	        i. Agency-assigned personnel
	        ii. GOPB team
	        iii. LFA team

Completed in about one week	12. Agency provides response to report
	    a. Agency provides a written response, if desired
	    b. Response is included in the final report
	    c. Participants
	        i. Agency-assigned personnel

Completed in about one week	13. Final draft of report and recommendations published
	    a. GOPB and LFA peer reviews of initial report draft by other team members
	    b. Update draft as needed
	    c. Publish
	    d. Participants
	        i. GOPB team
	        ii. LFA team

Completed in about one week	14. Report out to agency
	    a. Final report is reviewed with agency
	    b. Discuss possible next steps and resources available
	    c. Participants
	        i. GOPB team
	        ii. LFA team

Anytime after the agency report out meeting	15. Report distribution
	    a. LFA provides to OLAG
	    b. GOPB provides to EPIC
	    c. Agency distributes at their discretion
	    d. Summary information from all efficiency evaluations will be included in the annual GOPB and LFA December report