Implementing Performance Measurement:
Reflections on Tompkins County New York

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Abstract: In a time of declining municipal revenues and rising fixed costs, the importance of effectively managing the delivery of municipal services, evaluating performance, and monitoring trends cannot be overstated. This field report will discuss the steps Tompkins County, New York has taken in developing a performance measurement system over the past two years. The report will discuss the direct and collateral benefits in instituting a performance measurement system and highlights considerations public managers must evaluate before implementation.

Introduction

In a time of declining municipal revenues and rising fixed costs, the importance of effectively managing the delivery of municipal services, evaluating performance, and monitoring trends cannot be overstated. This field report will discuss the steps Tompkins County, New York has taken in developing a performance measurement system over the past two years. To place the scale of Tompkins County into context the county has a total roster of just over 700 FTEs and 20 departmental functions. The report will focus on the implementation efforts taken and accomplished by county administration this summer to develop and standardize scorecards, measure program costs, and build an automated database that spans across departments.

Performance measurement efforts by the administrator's office has relied heavily on the leadership of Joe Mareane, County Administrator, the directive of Executive Assistant, Kevin Sutherland, several teams of Cornell University graduate students, and the ongoing participation of department directors. Kevin Sutherland was hired in 2009 to develop a performance measurement system and within a year was assigned to take on budget coordination responsibilities that delayed implementation efforts. Thereafter, in 2010 graduate students from Cornell's Institute for Public Affairs and Department of City and Regional Planning were taken on to evaluate programs and develop preliminary measures for pilot programs.

The student work resulted in two reports, the fall 2011 performance measurement report and manual that was included as part of the *Budget Priority Setting, Performance Measurement, Shared Services, and Charter Revision Report* prepared for the Tompkins County Chamber of Commerce and the spring 2012 *Performance Measurement Study* prepared for the Department of County Administration. These reports collectively developed preliminary inputs, outputs, efficiencies and outcomes for various programs in the department of county administration, office of the aging, assessment, finance, mental health, health, solid waste management, and workforce development.

The studies provided a particular focus on understanding performance measurement as a management process that could track efficiency but also improve effectiveness and reveal latent opportunities. The scope of evaluation within each department varied and was tailored to their specific needs. Initial research was conducted on each department and then formally engaged in designing a performance measurement system collaboratively. This provided the time and space for public managers to reflect on current needs and constraints of their staff, programs, and processes.

This information in turn provided the framework for drafting initial measures, determining how data was going to be collected and developing a scorecard. The assessment process revealed that performance measurement should go beyond reporting data and rather public managers should engage in this reflective process in a structured manner as to correlate individual performance to overall department goals. The studies provided a working theory and recommendations that provided mechanisms for evaluation and reporting.

This past summer we were tasked to examine and synthesize past reports in order to develop and engage in an implementation strategy. The resulting process is outlined below and will be discussed in detail in the succeeding paragraphs.

Implementation steps:

1. Determining goals of performance measurement
2. Defining scope and where to start
3. Creating a scorecard template
4. Meeting with departments
5. Creating a database infrastructure
6. Next steps and future expansion

Why performance measurement?

A well-designed performance measurement system can provide numerous benefits to a public manager. These benefits can be divided into *direct benefits* and *collateral benefits*. The direct benefits are generally well understood by anyone familiar with the concept of performance measurement. These are often the motivation behind decisions to undertake a performance measurement initiative. However there is also a wide array of ancillary benefits that are not as obvious to one who is considering performance measurement.

Direct Benefits

Simply put, performance measurement provides managers with meaningful quantitative data about government programs. Importantly, this data is available over a period of several years so that trends can become apparent. This data allows managers to quickly assess how efficiently and effectively a program is operating, and then to make any necessary actions to address the situation. For example, a performance scorecard for an immunization program may show that the number of immunizations administered has

remained constant over the past five years, while the number of cases of vaccine-preventable diseases in the area has increased. Clearly, the number of immunizations provided is inadequate. The manager can couple this information with more qualitative data from program managers and staff to determine whether the number of immunizations can be increased using existing resources or if additional funding is required to increase staff hours. Organized, accessible data empowers managers.

It may well be that all of the information required to make such a decision already existed somewhere before anyone even began thinking about performance measurement. But as we found at Tompkins County, important data about programs is often locked away in separate *information silos*. Even within a single department, data collection is often carried out differently from year to year, with some pieces squirreled away deep within a spreadsheet on one computer, and other pieces in three-ring binders on a basement shelf somewhere. As staff members come and go, so do systems of recording and presenting data. Software changes, new annual report formats, and the physical relocation of offices can also fragment important data. Without a systematic, centralized, and consistent way of recording and reporting data, the task of learning about what goes into and comes out of a program each year is prohibitively inconvenient. If the data is not organized and accessible, it might as well not exist.

Developing a performance measurement system means reorganizing key pieces of information in a way that is consistent across the entire government in question. A manager (or interested citizen) does not have to be an expert on a given program or intimately understand their data systems to be able to understand how efficiently and effectively a program is operating.

Such a system does not only have benefits for internal government managers and executives; it can be an excellent way to increase public transparency as well. Performance data can be posted on a government website, distributed to the press, or otherwise made public so that interested citizens can easily know the full scope of what their government is executing, how efficiently it runs, and how effectively it accomplishes its goals.

Collateral Benefits

The *actual process* of collecting and organizing data in order to build a performance measurement system, aside from the end product itself, can yield its own benefits for the public manager. These are benefits that are often overlooked when considering undertaking performance measurement, but they are as tangible as the direct benefits mentioned above.

One of the first steps in developing a performance measurement system is to conduct an inventory, if one is not done already. At Tompkins County, our unit of analysis was the individual program. That is, each program from every County department or agency would be measured individually. However, there was no comprehensive list of all County programs in an accessible format that could be manipulated, so one had to be compiled.

Already, we had begun to paint a picture of the scope of Tompkins County government and created a resource that did not exist before.

Similarly, we decided that a crucial measure for each program must be its cost to the County. We soon found that while the *budgeted* cost of a program was relatively easy to find, the *actual net local* cost - that is, the dollars actually spent minus any revenues and external funding - was somewhat more elusive. It was necessary to delve into the County's accounting software to connect individual expenses and revenues to each program in our inventory. Thereafter, we could tell exactly what the County spent on a given program. Once again, a valuable resource had been created, not by recording any new data but simply by organizing and processing what already existed.

Finally, it was collaboratively decided to create the data collection system in a centralized design in order to maximize its utility for County Administration. In our case, we built a relational database in Microsoft Access that could electronically collect data from program managers and store it in a central location. Over time, the aim is to have departments transition from the myriad reporting practices already in place and simply report their data directly into the system. Any necessary calculations can be automated, and in many cases, the entering of data itself could be automated. For example, the Tompkins County Emergency Response Department electronically managed their 911-call center and dispatching operations. Given time, this system could be connected to the performance database so that any necessary information is automatically collected and centrally accessed.

An Important Caveat

It should be clearly stated that such a performance measurement system can only supply quantitative data. It does not provide managers with qualitative information about how their programs are perceived, how staff feel about their work, and other intangible factors. While quantitative performance metrics can tell a detailed and informative story, they can never tell the whole story, and thus should always be supplemented with qualitative data.

Determining scope and where to start

Performance measurement as an administrative endeavor should be considered as a process by which managers can analyze how different departments and their corresponding sub-units (e.g. divisions and offices) are being managed and implemented. The goal was to create a map of the resources being utilized to provide all mandated and discretionary programs. Further, the process provided an opportunity to discern the level of interaction and cooperation between sub-units in order reveal opportunities for cooperation and resource sharing.

A strategic consideration was given in our implementation strategy as to when performance measurement is executed in regards to specific programs within a department. In an ideal scenario, departments would independently determine which

programs to evaluate, set strategic goals, determine measures, track data, and report their findings in regards to impact. Due to insufficient staff capacity, performance measurement becomes or has the potential to become an administrative burden for each department yielding varying degrees of success. The question of "when and where to start?" becomes a crucial one when attempting to implement a centralized system.

Where to Start

Is it at the program, sub-unit (office-division), or departmental level? Each described level would have a different type of "associated impact". The associated impact in regards to a specific program can be directly linked to how it affects external stakeholders and/or the socio-economic environment. The sub-unit level will have an overall functional impact for the organization, for example the number of press releases created by the Public Information Office. The overall performance of a department can be linked to the budget and tracked to determine how staff, resources, and organizational infrastructure are used, deployed, and shared over time to execute service, but not necessarily the quality or impact of service being provided. Thus a distinction is being proposed between the level of analysis and the type of associated impact that will be examined.

For our purposes, the unit of analysis was individual programs and specifically it was the programmatic "low-hanging" fruit within each department. This strategy was pursued for two reasons. First, department heads were heavily involved in submitting their corresponding annual budgets, time and staff capacity was limited. Second, not all department heads were approached about performance measurement in the earlier studies and thus time was spent introducing the new administrative effort.

Further considerations

When considering when and where to start, planning is key. Programs have the potential to be cut, staff turnover produces knowledge gaps, limited staff capacity slows the process, departmental priorities can change, data collection and technology barriers are guaranteed to thwart, and other unforeseen environmental factors, etc. Determining and enforcing a clear administrative priority as to the purpose of implementing performance measurement becomes vital since it provides a clear directive to all departmental managers on why they are engaging in this process.

Creating a scorecard template

Once we had decided on the scope and direction of the system, it was necessary to design a template scorecard. The scorecard would be the format in which data for each program would be recorded, and it would dictate the types of data that we would we collecting.

There is a large body of literature on performance measurement that suggests many different ways of characterizing and categorizing data. We decided on the following system because it simply laid out program costs (in dollars but also in time and staff

resources), efficiency, and effectiveness. It was also general enough to apply to a wide variety of programs, from emergency dispatching to home meal delivery for seniors to tax assessing.

For each program, measures would be defined for each of the following four measure types:

Inputs: This is what resources go into a program, excluding generic departmental resources such as computers, desks, pens, etc. For almost every program, this category had three measures: actual net local program cost, number of full-time equivalents (FTEs) assigned, and number of staff members assigned.

Outputs: This is what a program directly produces. They are a measure of workload, such as the number of immunizations administered or the number of properties assessed. These are things that contribute to achieving a program's goals, but do not achieve them directly. For example, a teen counseling program may try to boost outputs (number of counseling hours provided), but this is not the same thing as discouraging destructive behaviors in teens.

Efficiencies: These are simply outputs divided by inputs. They show how many dollars, staff members, or hours are required to produce a single unit of output.

Outcomes: Outcomes are the most important type of measure. They measure that degree to which a program is accomplishing its goals. They are not directly under the control of a program, but are influenced by the program's outputs. To continue the teen counseling example, number of teens involved in violent incidents would be a good outcome measure. The counseling program cannot directly prevent such acts, but if it is working well, the counseling can help to reduce the likelihood of them occurring. Outcomes should always be explicitly related to a program's stated goals. They are often the most difficult to define.

Each scorecard allowed space for several measures within each of these categories. The specific measures themselves would be defined in cooperation with program managers familiar with the department. Additionally, each scorecard would display the program name, department, and a description of its goals and operations.

Meeting with departments

Engaging department heads under this administrative endeavor was a critical component of our work. For those department heads that had not been approached in the earlier studies, time was spent introducing the new administrative effort while at the same time listening to how they currently manage staff, resources, accounting practices, reporting demands, and data tracking systems. The diversity of management practices across departments was vast. These initial conversations allowed us to understand the challenges faced by each individual manager and helped identify scope of work overlap in order to avoid redundancies.

The goal was not to create more work but rather understand how each department is currently collecting and reporting data and enhancing their efforts via the centralized system. A distinct effort was made to highlight how our system would look like via the scorecard template while at the same time presenting research on how other counties evaluated similar programs. This had a two-pronged effect. First, the template gave managers a concrete visual of what type of data we were looking to identify and it served as an immediate data collection mechanism as we recorded what measures they believed would be of significance.

The research we presented on other counties showed managers the goal we were trying to achieve. In most cases, this information was a relief to managers since they quickly realized the data we were requesting was already being tracked but just in a different form in the annual reports they were producing. For each department we engaged we collaboratively identified one or two programs that would be feasible to study within our limited time frame that had consistent and accurate data over a period of at least five years.

Further inquiry was made into each department's data collection methods, their processes were recorded, and in some instances, such as with the Office of the Aging, they were already using the database management technology that we were seeking to connect systematically.

The Database

Data management technology can substantially streamline any performance measurement system. There are numerous software packages on the market designed to provide a pre-built performance measurement database and reporting system. These are often powerful products, able to collect vast amounts of data and create sleek, attractive reports. However, they are also very expensive. Performance measurement can be particularly valuable to governments facing restrictive budgets who must make difficult decisions about resource allocation and program cuts. These governments need performance measurement the most, but are the least able to afford expensive software.

To circumvent this limitation, we decided to use Microsoft Access - software already available on every computer in the County - to build our performance measurement database. Access is a relational database program, which allows the creation of a system of interconnected tables. Rather than having a single table which lists every program in its own row, and then every piece of data for each program in columns, a relational database reduces data duplication by having separate lists of programs, measures, and data points, and then creating links between these tables. This enabled us to store all of the necessary program data in a secure and stable format that is easily updated and modified.

Access also allowed us to create an intuitive user interface. We wanted program managers and staff to be able to enter data in the system each year. Therefore it was

crucial that users find it easy to use the database. Using text entry fields, drop down menus, and navigation buttons - elements familiar to anyone who uses modern operating systems - we created a set of forms that guided a user through the process of entering in program performance data. And because the database could be located on the County's intranet, staff from every department could enter data from their own computers.

To produce the scorecard reports which would ultimately inform County managers and the public, we were able to export performance data from the database to Crystal Reports, report-building software also already available on County computers. This software could produce detailed, informative, professional-quality reports that would display our performance scorecards.

Using only these relatively inexpensive software tools, we were able to replicate what could be done with expensive performance measurement software. In some ways, we were able to improve upon what we could have bought. The system we designed was specifically tailored for the particulars of Tompkins County government. We were able to determine the scope (entire government), the level of analysis (every program), and the exact types of measures that we thought would be appropriate. This is a level of customization that we could not have paid for otherwise.

Next steps

The creation of the database created an immense capacity for the expansion of programmatic evaluation for Tompkins County moving into the future. The barriers to the growth of the system will foreseeably be the same as in the beginning of our assignment, which is the lack of capacity and time to engage department managers. The benefits will undoubtedly increase exponentially as more information is inputted into the system and trends are analyzed over time. The system has the potential to be a powerful management tool for the county.

In the upcoming year we look forward to continue our work with the Department of Administration in order to produce the county's first performance measurement report with the data compiled over this past summer. This will introduce the public to the administration's priority of tracking how resources are being allocated and understanding the impact of existing programs.

Reflections from interns

We hope that our work this summer has produced a valuable tool for Tompkins County government. This will be determined in part by how our efforts are continued by County staff in the coming months. However we can be sure that our work provided us with valuable experiences in terms of our own professional development. The nature of this project required us to explore the depth and breadth of a particular local government.

For example, in order to fully understand program costs, we had to delve deep into the intricacies of the budget process. We traced the path of budget requests as they were

created by individual departments based on complicated considerations of need, staffing, and expected state aid, as they were brought in line with the County Administrator's expectations and priorities, and finally as they were submitted for approval to the legislature. Or in order to help develop performance measures for a maternal health services program, we had to learn about the complex influences - some constructive and some obstructive - that state funding can have on local programs.

As two graduate students with an interest in local government, we were also very lucky to gain an understanding of the breadth of services that a medium-sized local government can offer. A large proportion of our time was spent visiting different County facilities, interviewing department heads and program managers, and poring over the annual reports they produced, affording us with a bird's-eye view of Tompkins County government. Now, as we continue to prepare for careers in the sphere of local governance, we are better able to make informed decisions about where our interests lie, the roles we could play, and how we could make valuable contributions.