**Common Performance Measure Issues**

**Multiple Targets**

Measures with multiple targets often lead to confusion when setting and reporting on targets.

Example: Environment Department-Environmental Health

“Number of site visits and assistance actions provided to public water systems to ensure compliance with the federal safe drinking water act regulations.”

Discussion: In FY11 and FY12 the target set by LFC and DFA was 180. However, the agency reported “520/4406” and “449/3675” in FY11 and FY12, respectively. It is unclear whether the “180” was supposed to reflect site visits and assistance actions added together or if this amount only considered one or the other.

Takeaway: Analysts should propose that measures with multiple targets are changed to multiple measures with single targets.

**Unclear/Confusing Language**

Measures with unclear/confusing language are less effective than well-written measures because legislators, the Governor, the public, and even analysts may have difficulty interpreting targets and results.

Example 1: Department of Health-Facilities Management

“Percent of collectable third-party revenues at all agency facilities.”

Discussion: This measure is actually trying to gauge the percent of third-party revenues *collected* by DOH out of the total amount that can be reimbursed to DOH from third-parties, like Medicaid.

Example 2: School for the Blind and Visually Impaired

“NMSBVI will foster an atmosphere of creativity that results in innovative practices and programs.”

Discussion: This measure is vague and is more of a goal than a performance measure, thus making it difficult to collect clear quantifiable data. In fact, this agency simply reported 100% based on their sense that an atmosphere of creativity resulting in innovative practices had been achieved.

Example 3: Environment Department-Environmental Health

“Protect public health by conducting sanitary surveys on public water systems to ensure compliance with drinking water regulations.”

Discussion: What exactly is being measured is not immediately clear. Does the measure seek to demonstrate the number of sanitary surveys conducted, how many systems are in compliance, or both?

Takeaway: Performance measures are used to keep agencies accountable by providing information to individuals outside the agency to review and inquire about. This purpose becomes more difficult to fulfill when clouded by poorly written and designed measures. Analysts should work with agencies to ensure that measures are written in a logical, straightforward, and reportable fashion.

**Measure Not Performance-Oriented**

Some measures offer surface level information, providing no insight into the effectiveness of an agency nor offering any insights that could serve useful for policy decisions.

Example 1: Board of Veterinary Medicine

“Number of veterinarian licenses issued annually.”

Discussion: This type of measure fails to address important questions that could easily be answered. Is the agency reviewing all license applications that it receives in a timely manner? How effective is the agency at informing licensees of the documents and/or benchmarks they must meet to get a license renewed? How does the licensed veterinarian to pet ratio differ from New Mexico to other states?

Example 2: Public School Insurance Authority

“Number of loss control prevention seminars.”

For FY16 this measure was changed to “Percent of schools complying with loss control prevention recommendations.”

Discussion: The original measure simply demonstrated that seminars/trainings were occurring. The new measure will provide data that reveals the impact of Public School Insurance Authority-led seminars on schools.

Takeaway: Agencies should institute measures that provide a fuller picture of agency performance.

**Agency Refusal to Request Target**

Often when a measure is new, agencies will refuse to request a target and instead input “N/A” “none”, “baseline” or leave the field blank altogether. This can pose a challenge to LFC and DFA analysts when making recommendations.

Example: General Services Department-Risk Management Funds

“Percent reduction in the average cost per public liability claim.”

FY16 requested target: “Baseline.”

Discussion: The average cost per public liability claim over the past several fiscal years is information that the agency had readily available. Ultimately, the DFA and LFC analysts used that information to make a recommendation. If the analysts had adopted the agency’s request for essentially no target, which sometimes happens, it would effectively be as if the measure did not exist for that fiscal year because an agency would not be held accountable to a target.

Takeaway: Agencies should be encouraged to make requests for the subsequent fiscal year based on internal data from previous years or other well-grounded assumptions.

Remember: Targets are not requested with the PB-1 and PB-2 form submission on July 17. Targets will be requested as part of the agency’s budget submission on September 1.

**Technical Issues**

* Existing performance measures that are continuing unchanged into the next fiscal year should appear on the PB-1 form exactly as written in the PBB Table 2 report.
* Reminder: Quarterly measures included on the PB-2 form must come from approved FY18 measures on the PBB Table 2 report.
* Ensure that performance measure language adheres to HB2 language conventions regarding capitalization, punctuation, etc.
  + Measures begin with a capital letter and do not end with a period
  + Specific names of places are capitalized but not general locations. Examples: university of New Mexico, Rio Grande river, etc.
* When crafting measures, keep in mind the difference between a number, a percentage, a rate, and a ratio.
  + **Number:** A raw data point that is not relative to any other number
    - Example: Number of stolen livestock reported: 500 head
  + **Percentage:** A data point divided by the total possible, expressed as a percentage of the total
    - Example: Percent of total livestock reported as stolen: 5% (500/10,000 = 0.5 = 5%)
  + **Rate:** a certain quantity of one thing considered in relation to a unit of another thing, often expressed with “per”
    - Example: Number of livestock reported stolen per 1,000 head: 50
    - Note: If rates are expressed as decimal numbers they are assumed to be equivalent to percentages, and no relative total is required. However, the measure should clearly state that the rate is being reported.
      * Example: Rate of livestock reported stolen: 0.05
  + **Ratio:** a relationship between two numbers indicating how many times the first number contains the second. The total is not included but is derived by adding the two numbers together.
    - Example: Ratio of stolen livestock to non-stolen livestock: 50:950 (=50/1,000 = 5%)
    - Note: Ratios are seldom appropriate for performance measures. If you want to use a ratio, please be sure to craft the measure carefully and accurately.