

**ADMINISTRATIVE SERVICES, DEPARTMENT of**  
**Annual Performance Progress Report (APPR) for Fiscal Year (2009-2010)**  
**Proposed KPM's for Biennium (2011-2013)**

Original Submission Date: 2010

Finalize Date: 8/6/2010

2009-2010 KPM #	2009-2010 Approved Key Performance Measures (KPMs)
1	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.
2	FORECAST RELIABILITY - Percent of Advisory Committee and Council Members who rank the reliability of the Office of Economic Analysis' forecasts as good to excellent.
3	FINANCIAL REPORTING - Number of years out of the last five that State Controller's Division wins GFOA Certificate of Achievement for Excellence in Financial Reporting.
4	STATE WORKFORCE TURNOVER - Annual turnover rate for the state workforce.
5	STATE WORKFORCE DIVERSITY - Racial/ethnic diversity in the state workforce as a percentage of the total civilian labor force.
6	FLEET ADMINISTRATION - Statewide Fleet Administration evaluated as effective by independent party.
7	RENT COSTS - Uniform rent costs per square foot as a percent of private market rates.
8	IT GOVERNANCE - Percent of the state's major IT projects with a budget or schedule variance of plus 5% as reported in the quarterly major IT project portfolio report for which a mitigation plan is submitted in response to a DAS requirement.
9	INFORMATION SECURITY - Overall information security maturity rating based on a sample of state agencies. Rating achieved using a compilation and aggregate score based on the ISO 27002 standard and assigning a rating using the Carnegie-Mellon Capability Maturity Model. (3rd party conducting information security business risk assessments)
12	PROCUREMENT EFFECTIVENESS - Estimated savings resulting from price agreement pricing compared to prices that would be paid without the benefit of a price agreement.
13	RISK MANAGEMENT - Annual number of: a) worker's compensation; b) liability; c) property; and, d) total claims per 100 FTE.
14	SUSTAINABILITY - Percentage reduction in greenhouse gas emissions.
16	DATA CENTER - Percentage of time systems are available.

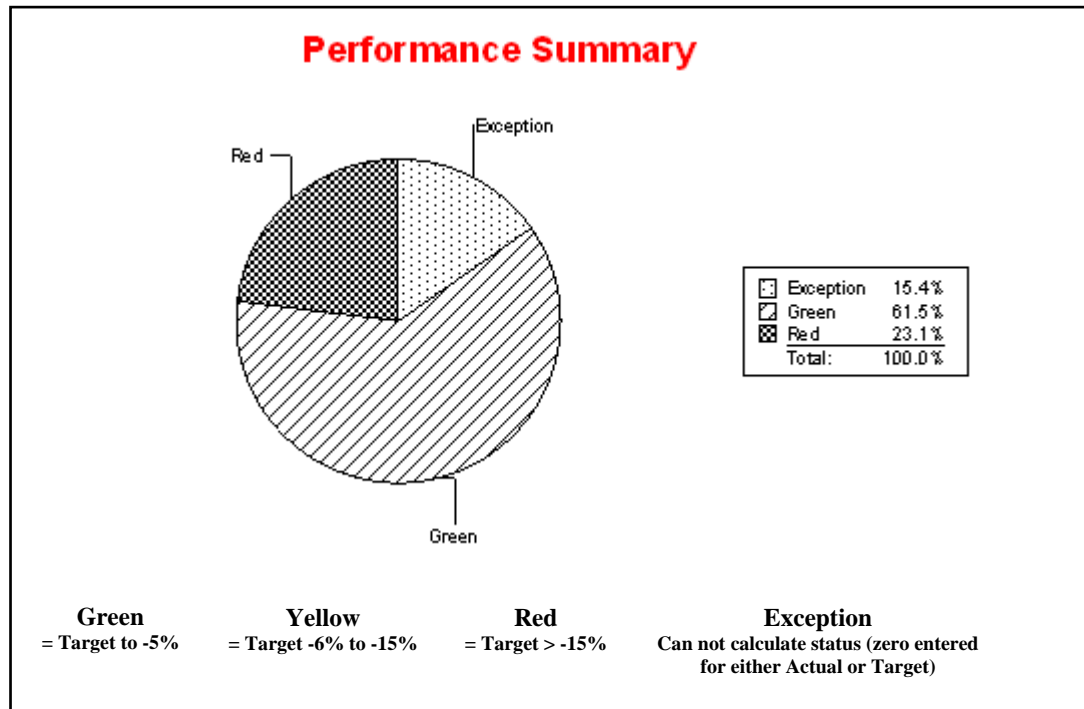
**Agency Mission:** Lead the pursuit of excellence in state government.

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**1. SCOPE OF REPORT**

The Department of Administrative Services (DAS) key performance measures (KPMs) align with the current DAS Strategic Plan's goals and strategies. Goal 1: Excellent customer service Strategy: Foster excellent customer relations Strategy: Deliver timely and accurate information Goal 2: Effective policies with clear direction Strategy: Involve key stakeholders in policy development Strategy: Use information to improve policies Goal 3: Efficient and effective government infrastructure Strategy: Ensure appropriate oversight and cost containment Strategy: Optimize performance Goal 4: Adaptable government for future generations Strategy: Lead efforts to define and implement statewide visions Strategy: Ensure state governments workforce needs are met Strategy: Protect the states information assets and systems Strategy: Advance sustainable business practices in government.

The KPMs in this report cover the first year of the 2009-2011 biennium. The 2009 Legislative Assembly directed DAS to convene a workgroup to review the department's structure, service delivery, and funding mechanisms. That work is being finished as this report is written. One expected outcome of the work is a proposed new set of measures focused on the following high level outcomes: Citizen Perception of State Government; Customer Satisfaction; Employee Engagement; Effective Policy; Cost per Transaction; On-time Delivery; Enterprise Leadership; Organizational Health; and Partner Engagement. Please note that not all data was available at the due date for publishing this report.

## **2. THE OREGON CONTEXT**

Much of the work of DAS is oriented toward the principles of stable, efficient and accountable state government, and the DAS mission to lead the pursuit of excellence in state government.

## **3. PERFORMANCE SUMMARY**

The performance results are grouped into three primary categories: Green, Yellow, and Red. Of the current set of 13 measures, 8 are green, 3 are red, and 2 are exceptions.

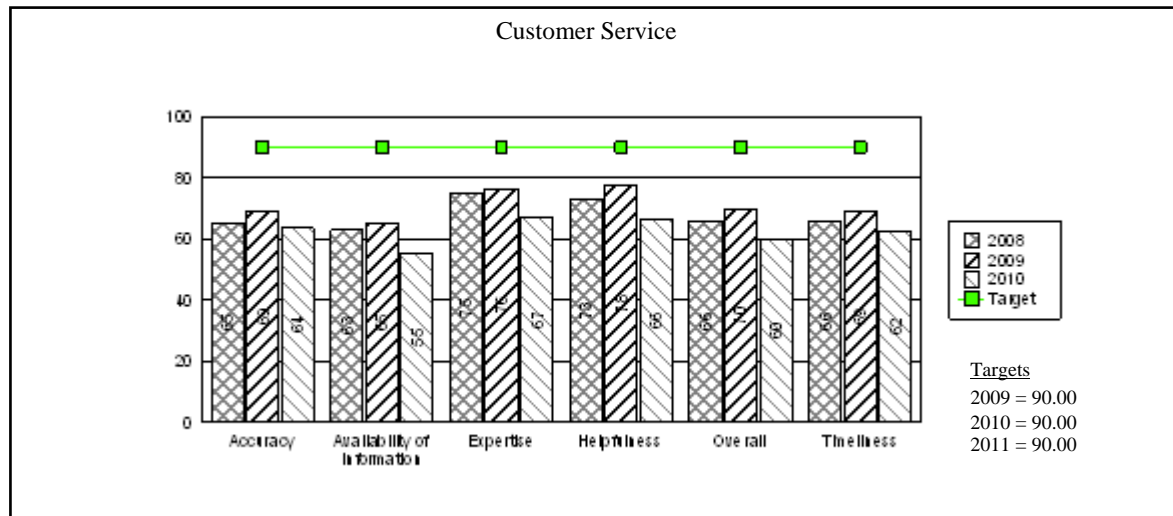
## **4. CHALLENGES**

DAS continues to address two challenges to improve on performance measures use and reporting. The first is to develop measures that are more effective and meaningful. As discussed above, this challenge is being addressed by the development of a new strategic plan. We expect the proposed measures to provide meaningful information on how well DAS is fulfilling its role. The second challenge is using the measures as a management tool for achieving our objectives. DAS' leadership team is focused on having the department become a more data-driven organization, with regular reporting of results to a wide audience. We expect that this challenge will be overcome by communication, training, and agency-wide adoption of a common set of tools to guide our work.

## **5. RESOURCES AND EFFICIENCY**

The DAS Legislative Approved Budget total for the 2009-11 biennium is \$2,573,172,109. Approximately 20 percent of this budget is for non-operating expenditures such as general fund distributions, pension bonds and other debt service. Remaining funds, which are largely fees and assessments, cover DAS operations. Assessments are charges to agencies based on an allocation formula. Fees are monies collected for services provided by DAS.

<b>KPM #1</b>	CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	2006
<b>Goal</b>	Excellent customer service	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	DAS' Annual Customer Satisfaction Survey	
<b>Owner</b>	Kris Kautz, Director's Office, 503-378-4691	



**1. OUR STRATEGY**

The strategy is to foster excellent customer relations, which links to the DAS strategic planning goal of excellent customer service.

**2. ABOUT THE TARGETS**

The target was set at 90 percent for all service criteria. This value was selected based on the department's commitment to excellent customer service.

### **3. HOW WE ARE DOING**

Survey results are trending downward from last year. Some of this may be due to a change in our customer service survey methodology; the most recent survey used a five-point scale rather than a four-point scale to rate satisfaction. Some of the downward trend may also be attributable to budget reductions DAS took during 2009, with a number of services either scaled back or eliminated. We also added two new categories to the survey - treatment received by customers and service options. Interestingly, these new categories received the highest and lowest scores of this year's survey. Treatment received the highest score, with 72.1 percent of respondents indicating they were satisfied or very satisfied with the way in which they were treated by DAS staff. Service options were rated the lowest with only 51.3 percent of customers satisfied or very satisfied. Regardless of these factors, we understand that we need to improve customer satisfaction and are taking steps to do so, including developing a new strategic plan with a heavy emphasis on understanding the Voice of the Customer. The DAS Combined Customer Service Survey Results are available at: [http://www.oregon.gov/DAS/directors\\_survey.shtml](http://www.oregon.gov/DAS/directors_survey.shtml).

### **4. HOW WE COMPARE**

While other state and Federal agencies do customer satisfaction surveys, there is no known comparable agency that aligns with the department's customer pool and survey methodology.

### **5. FACTORS AFFECTING RESULTS**

The methodology used gave the entire selected customer population the opportunity to evaluate the service criteria for all applicable department service areas. This introduced some self-selection bias into the survey. It is impossible to know the impacts of this bias on the survey results. In addition, the survey has become more cumbersome to administer due to the complexity of the agency and its many divisions within; this has contributed to a lower response rate.

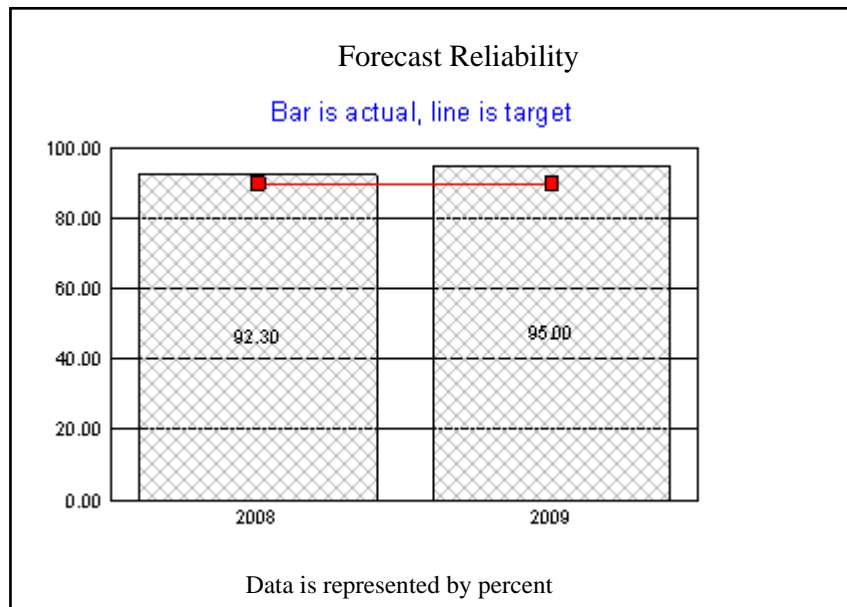
### **6. WHAT NEEDS TO BE DONE**

As discussed above, DAS leadership understands it must do more to increase customer satisfaction. One effort underway is intended to more clearly illustrate what DAS intends to accomplish over the next three years and beyond. With stakeholder input, a new strategic plan is being developed with emphasis on reducing the siloes within DAS and focusing our efforts on specific, customer-focused outcomes.

### **7. ABOUT THE DATA**

The 2010 survey was developed by a team of researchers at Portland State University. A full description of the survey methodology and results can be found at [http://www.oregon.gov/DAS/directors\\_survey.shtml](http://www.oregon.gov/DAS/directors_survey.shtml).

<b>KPM #2</b>	FORECAST RELIABILITY - Percent of Advisory Committee and Council Members who rank the reliability of the Office of Economic Analysis' forecasts as good to excellent.	2007
<b>Goal</b>	Efficient and effective government infrastructure	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	Annual survey completed by the Office of Economic Analysis	
<b>Owner</b>	Tom Potiowsky, Chief Economist, 503-378-3452	



**1. OUR STRATEGY**

This measure links to the DAS strategy of optimizing performance. Specifically, OEA strives to produce the most reliable Oregon Economic and Revenue Forecast possible each quarter.

## 2. ABOUT THE TARGETS

The target for forecast reliability is a measure of the forecast error. Historical errors form a benchmark. We use standard deviations of historical forecast errors as a target for current forecasts. We choose for “On Target” the range of one (1) standard deviation to one-half (1/2) standard deviation of an error in forecasting. This means that the errors are falling between 68% and 38% of all past errors. To be “Ahead of Target”, the errors must be less than one-half standard deviation and to be “Behind Target” the errors must be greater than one standard deviation.

## 3. HOW WE ARE DOING

This is a relatively new measure with two years of history. OEA has been below target in two out of 11 forecasts over two years. Other forecasts have been on target or ahead of target.

## 4. HOW WE COMPARE

Comparable to other state forecasts, though no state, to our knowledge, publishes their forecast errors.

## 5. FACTORS AFFECTING RESULTS

Rapid changes in the economy increase the difficulty in forecasting. After a forecast is published, unanticipated changes (e.g. legislation, federal and state) can impact results.

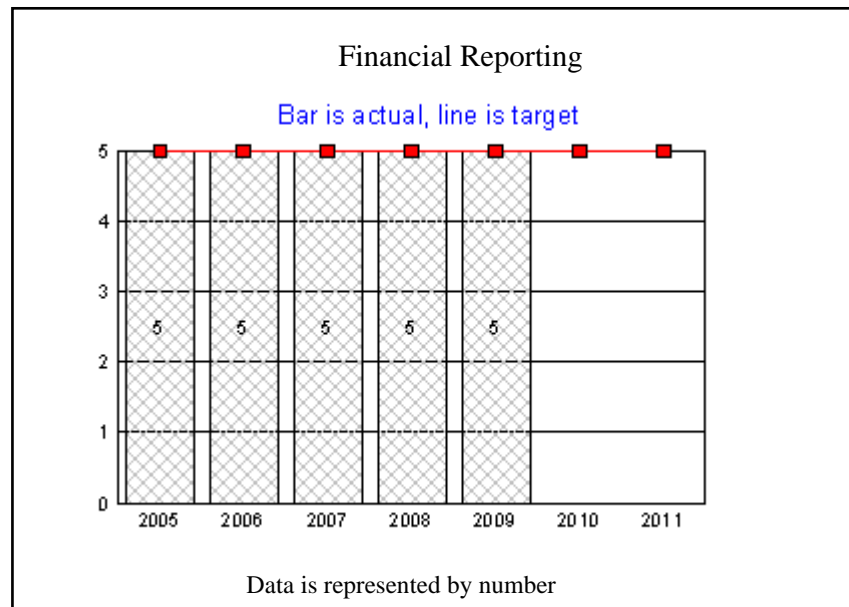
## 6. WHAT NEEDS TO BE DONE

OEA needs to monitor the direction of errors to see if their size is changing or being either consistently positive or negative (i.e. consistently forecasting too high or too low).

## 7. ABOUT THE DATA

The historical average errors are from 1979 to present. These will be updated every biennium.

<b>KPM #3</b>	FINANCIAL REPORTING - Number of years out of the last five that State Controller's Division wins GFOA Certificate of Achievement for Excellence in Financial Reporting.	1999
<b>Goal</b>	Efficient and effective government infrastructure	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	GFOA coordinates the review and awards the certificate.	
<b>Owner</b>	Kathy Ross, State Controllers Division, 503-373-7277 ext. 253	



**1. OUR STRATEGY**

The State Controller’s Division’s strategy is to efficiently and effectively manage and coordinate financial reporting activities by: documenting/updating/streamlining our financial reporting processes (internal procedures manual; detailed agency disclosures packages; detailed

compilation procedures; detailed footnote procedures; quality review checklists; agency guidebook); maintaining the system and other technological tools used to compile the financial statements, including upgrades when appropriate; providing clearly written statewide accounting policies for agencies; providing relevant training for agencies on accounting and financial reporting; attracting highly qualified professional employees; and providing staff appropriate opportunities for continuing professional development.

## 2. ABOUT THE TARGETS

Publication of the state's Comprehensive Annual Financial Report (CAFR) is a statutory requirement. ORS 291.040 requires the Department of Administrative Services to prepare a financial report in accordance with current, generally accepted accounting principles (GAAP). Achievement of the GFOA award recognizes that the State of Oregon goes *beyond* the minimum requirements of generally accepted accounting principles to prepare a CAFR that evidences *the spirit of transparency and full disclosure*. This goal was selected because it demonstrates the State Controller's Division's commitment to efficiently and effectively utilizing its resources to achieve excellence in financial reporting

## 3. HOW WE ARE DOING

The State Controller's Division has been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting 17 years in a row (through the FY 2008 CAFR). Results for the FY 2009 CAFR will be announced in late September 2010.

## 4. HOW WE COMPARE

Participation in the GFOA Certificate of Achievement program is voluntary. For fiscal years 2004 and 2005, 95% of the states that submitted their reports for review received the award. For FY 2006, 39 state governments submitted their annual financial report; all 39 received the award. For FY 2007, the number of states participating in the program rose to 41, with 100% receiving the award. For FY 2008, only 41 of the 45 states that submitted their CAFRs for review achieved the award. The source of these statistics is the GFOA. The statistical reports for FY 2009 are not available at this time.

## 5. FACTORS AFFECTING RESULTS

The extent and complexity of new accounting and financial reporting standards issued by the Governmental Accounting Standards Board (GASB) affects our ability to achieve the GFOA award. Implementation of new standards on a statewide basis requires focused resources to plan, modify systems as needed, update policies, and provide training to state agencies. Other factors affecting results include fiscal staffing levels at state agencies, level of staff expertise, turnover, and the ability of each agency to provide timely and accurate information for the fiscal year end closing.

**6. WHAT NEEDS TO BE DONE**

SCD needs to recruit and retain highly competent professionals and invest in staff training to keep abreast of new accounting and financial reporting standards. In addition, SCD needs to continue to commit sufficient resources to plan for implementation of new standards, modify/upgrade systems as needed, and provide clear guidance through policies and training for agency fiscal services staff.

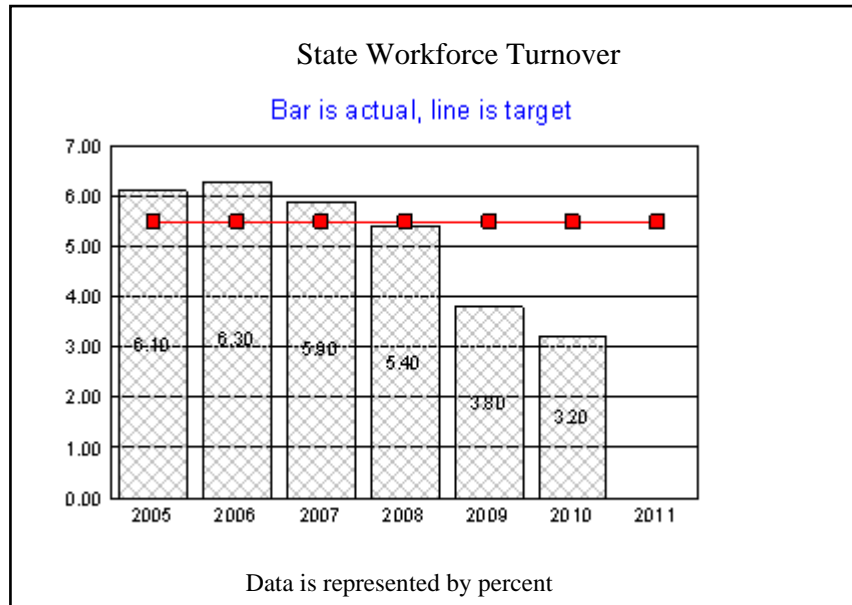
**7. ABOUT THE DATA**

The data reported in the CAFR is based on Oregon's fiscal year, which ends June 30. The data is aggregated and presented at the GAAP Fund level. GAAP Funds represent the state's major governmental functions on a cross-agency basis. Detail information is available from the agencies.

Data presented in the CAFR is accounted for and reported in accordance with standards issued by the Governmental Accounting Standards Board. To ensure compliance with these standards, Secretary of State, Audits Division issues an opinion on the CAFR as part of the annual statewide single audit.

Results of the GFOA review program are based on an independent, objective analysis performed by members of the GFOA's Special Review Committee.

<b>KPM #4</b>	STATE WORKFORCE TURNOVER - Annual turnover rate for the state workforce.	1999
<b>Goal</b>	Adaptable government for future generations	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	Reports taken from the statewide position and personnel database (PPDB)	
<b>Owner</b>	Diana Foster, Human Resource Services Division, 503-378-3020	



**1. OUR STRATEGY**

The strategy is to create a work environment and employment opportunities to attract diverse and skilled workers.

## 2. ABOUT THE TARGETS

The target was set at 5.5% as it was considered an acceptable turnover rate that would be considered as a stable workforce.

## 3. HOW WE ARE DOING

The state's resignation rate of 3.2% meets and exceeds our target. A total of 1,112 employees resigned during the 2009-2010 fiscal year. The overall turnover rate, which includes retirements, is higher at 7.3%, which is equal to the overall turnover rate for the 2009 fiscal year.

## 4. HOW WE COMPARE

Oregon compares favorably with turnover data from the U.S. Department of Labor. The U.S. Department of Labor's statistics on the resignation rate for state and local governments from June 2009 through May 2010 was 6.2%. U.S. Labor statistics are not currently available for June 2010. Therefore, we cannot compare for July 2009 through June 2010 at the time of publishing this report.

## 5. FACTORS AFFECTING RESULTS

The slowing economy and high unemployment rates are factors affecting the results. Companies are reducing their workforce and laying off employees and the Oregon unemployment rate has consistently been higher than the national average. In an environment where there are fewer jobs and more people looking for work, employees tend to remain in their current positions.

The following tables list reasons for employees leaving the state workforce; Table 1 lists the top five primary reasons for leaving and Table 2 lists the top five secondary reasons given for leaving state service.

\*Table 1 - Primary Reason for Leaving (Top 5)

Other
662 – 60%
In-State Public Sector
101 – 9%
Stay Home
101 – 9%
Relocation
83 – 7%

In-State Private Sector

75 – 7%

\*Table 2 – Secondary Reason for Leaving (Top 5)

Personal (Will Not Disclose)

826 – 74%

Own or Family Member Health Reason

84 – 8%

Work/Life Balance Issues

64 – 6%

Compensation or Benefit Issues

33 – 3%

Change of Duties

33 – 3%

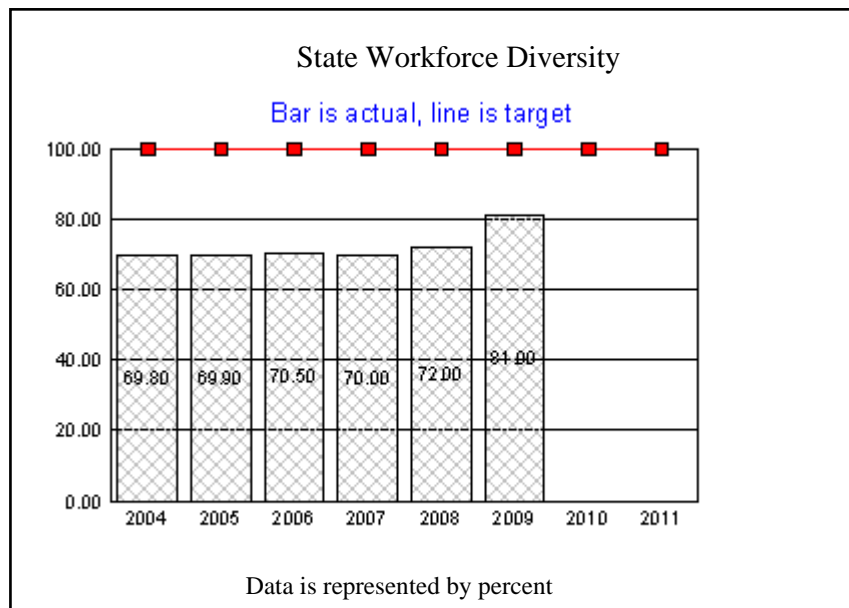
## 6. WHAT NEEDS TO BE DONE

The state needs to continue to request departing employees participate in the voluntary exit survey tool so we can obtain accurate and complete data to help determine why employees are leaving state service. Over half of departing employees elected to resign without designating a reason, so information gathered in an exit survey would enable more effective analysis.

## 7. ABOUT THE DATA

The state's turnover rate is based on voluntary separations (excluding retirements) between July 1, 2009 and June 30, 2010. Of the 1,112 employees who voluntarily left state service, only 489 completed the state's exit survey tool. There were 826 employees who chose not to identify his or her reason for leaving state service. Continuing to obtain a higher percentage of completed exit surveys will increase the Division's confidence level in identifying issues or trends that need to be addressed.

<b>KPM #5</b>	STATE WORKFORCE DIVERSITY - Racial/ethnic diversity in the state workforce as a percentage of the total civilian labor force.	1999
<b>Goal</b>	Adaptable government for future generations	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	Reports taken from the statewide position and personnel database (PPDB) and Oregon Employment Department workforce analysis report.	
<b>Owner</b>	Diana Foster, Human Resource Services Division, 503-378-3020	



**1. OUR STRATEGY**

The strategy is to create a work environment and employment opportunities to attract and retain diverse and skilled workers.

## 2. ABOUT THE TARGETS

The target was set at 100 percent. This value was selected to represent the State's commitment to cultural diversity in the workplace. As one of Oregon's largest employers, the State must set the example for other employers by striving to have a workforce that is as diverse as Oregon's population.

## 3. HOW WE ARE DOING

Since 2004, the State has made modest progress toward reaching its target. For the 2009 calendar year, the racial and ethnic diversity in the state workforce as a percent of the total civilian labor force was 81.0%. Although this did not meet the target, the percentage of the State's workforce identified in a minority group increased in 2009 to 13.21%. This is a 3.7% increase over 2008.

## 4. HOW WE COMPARE

Oregon is behind Washington State in employing minorities in state government compared to the civilian minority population. However, the State of Washington has 63,896 employees in the Executive branch of government, compared to the Executive branch of Oregon state government having 35,629 employees as of June 30, 2010.

The Oregon civilian labor force identified as belonging to a minority group in 2009 was 16.3% and the percentage of the State's workforce identified in a minority group on December 31, 2009 was 13.21%. The Washington civilian labor force identified as belonging to a minority group was 18.9% where the Washington State's workforce identified in a minority group is 19%.

## 5. FACTORS AFFECTING RESULTS

Many ethnic communities do not consider the State of Oregon as a potential employer and the Division continues to work through job and career fairs to market the State as one of Oregon's largest employers to these groups. In partnership with state agencies, the Division has recently adopted a web-based application process which we anticipate will increase the number of qualified applicants and also increase exposure to more employment opportunities with the State.

## 6. WHAT NEEDS TO BE DONE

A few years ago and in partnership with the Governor's Affirmative Action Office, the Division implemented a statewide exit survey to help identify

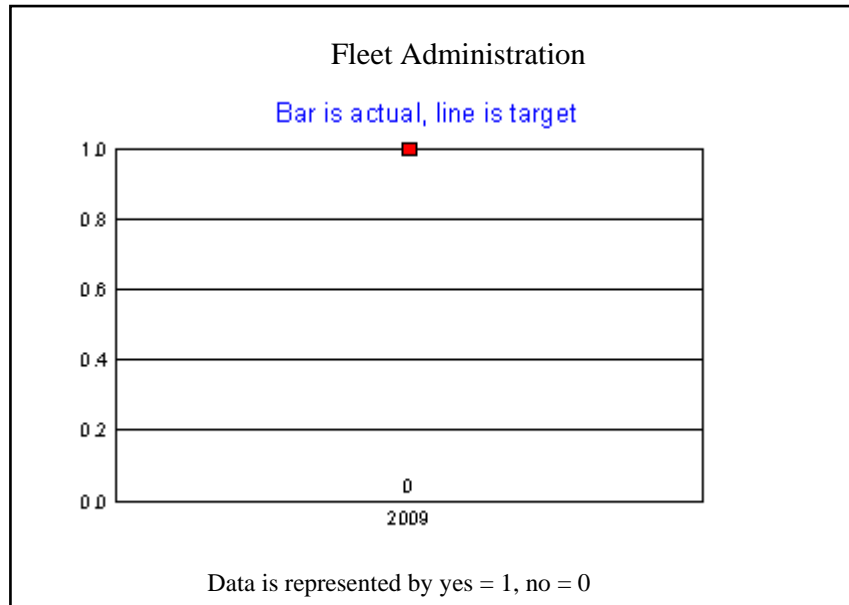
reasons for voluntary separation from state service. The Division encourages agencies to use this tool. We hope the survey will provide valuable and accurate information to help identify areas the State needs to focus on to improve its ability to retain a skilled, experienced and diverse workforce.

## 7. ABOUT THE DATA

The state government workforce data is from the statewide employee information database; the Position and Personnel Data Base (PPDB). It represents employee data for all state agencies other than the Oregon University System. The percentage of the State's workforce identified in a minority group on December 31, 2009 was 13.21%.

The Oregon labor force data is obtained from the Oregon Employment Department's annual workforce analysis report and is representative of the statewide labor force; it is available by the end of each October for the prior year (e.g. 2009 data is available in late October 2010). The percentage of Oregon civilian labor force is identified as belonging to a minority group in 2009 was 16.3%.

<b>KPM #6</b>	FLEET ADMINISTRATION - Statewide Fleet Administration evaluated as effective by independent party.	2007
<b>Goal</b>	Efficient and Effective Government Infrastructure	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	DAS Fleet systems, other state fleet systems	
<b>Owner</b>	Brian King, State Services Division, 503-373-7723	



**1. OUR STRATEGY**

To evaluate DAS Fleet to ensure industry best practices are being followed and that the Fleet remains among the national leaders in efficiency and innovation.

**2. ABOUT THE TARGETS**

The biennial review target is set in ORS 283.343. At least biennially, the Oregon Department of Administrative Services shall examine compliance with rules adopted pursuant to ORS 283.340 by state agencies owning vehicles. The department shall submit biennially to the Joint Legislative Audit Committee a management report on state-owned motor vehicles that includes: (1) Summaries of agency compliance examinations, with specific emphasis on non-complying state agency fleets; (2) Numbers of motor vehicles, listed by model and by state agency; (3) Mileage utilization of motor vehicles, listed by state agency; (4) Operating cost per mile of motor vehicles, listed by state agency; and (5) Recommendations for increasing motor vehicle utilization, for decreasing the overall motor vehicle population and for absorbing non-complying state agency fleets into the motor pool.

**3. HOW WE ARE DOING**

Due to Legislative direction regarding budget reductions, the external review of DAS Fleet was not performed

**4. HOW WE COMPARE**

No results produced; the external review of DAS Fleet was not performed

**5. FACTORS AFFECTING RESULTS**

Because previous reviews showed DAS Fleet made continued improvements over the last several reporting periods, budget shortfalls led to a decision to forego review of the Fleet

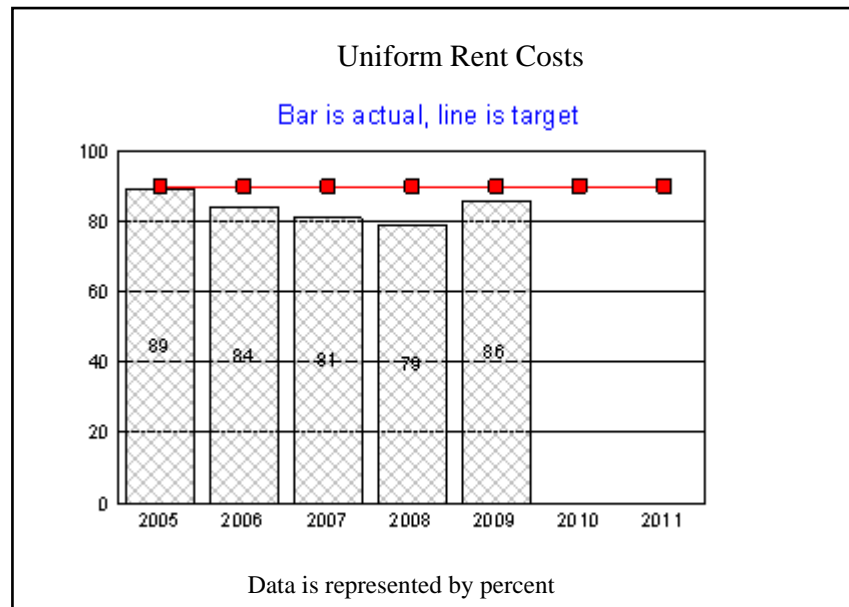
**6. WHAT NEEDS TO BE DONE**

Review the need to continue external reviews of the Fleet in future biennia

**7. ABOUT THE DATA**

No Data collected

<b>KPM #7</b>	RENT COSTS - Uniform rent costs per square foot as a percent of private market rates.	1999
<b>Goal</b>	Efficient and effective government infrastructure	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	State office costs compared to the Salem/Keizer Office and Retail Survey, prepared by PGP Valuation Inc.	
<b>Owner</b>	Valerie McBride, Facilities Division, 503-373-7086	



**1. OUR STRATEGY**

The strategy is to provide efficient and effective government infrastructure through appropriate oversight and cost containment processes.

## 2. ABOUT THE TARGETS

The measure compares private industry to lease rates in state-owned buildings. State office lease rates are considered equivalent to private market rates when the performance is at 100 percent. In pursuing cost-containment strategies, a target was set at a value below private industry rates. Successful performance achieves a percentage rate that is at or below the annual target rate.

## 3. HOW WE ARE DOING

For 2010, the goal for Uniform Rent was to be at or below the target of 90 percent; we will know in early 2011 whether we met that target. The mission of DAS Facilities is to provide well-maintained buildings at a good value for the state agencies who are our tenants. DAS Facilities also represents state agencies in leasing privately-owned buildings in the Salem-Keizer market and throughout the state; comparing costs between Uniform Rent and private leases demonstrates DAS Facilities to be a value-oriented building owner while at the same time securing fair and equitable leases in the private sector.

## 4. HOW WE COMPARE

Private industry is constantly comparing rates through private survey mechanisms in an effort to remain competitive. This measure allows us to check our internal rates against theirs to ensure we are providing good value to state agencies. There are some challenges with making a straight comparison because DAS expects to break even on their services (excess revenues are either returned to the agencies or used for capital expenditures) and provides more services, such as more comprehensive building maintenance and security systems, for their rent cost. There is no other known state government comparator that Facilities might use.

## 5. FACTORS AFFECTING RESULTS

Supply and demand remains the single largest factor in private office rental rates. A struggling economy often results in lower rent rates; however, building has also slowed. Lease rates in state-owned buildings are set in advance and are calculated on actual costs independent of supply and demand.

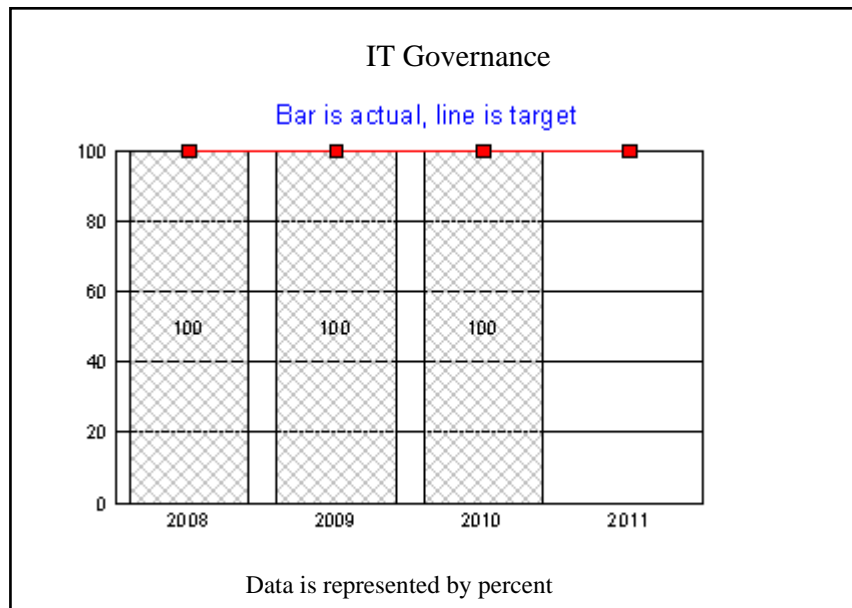
## 6. WHAT NEEDS TO BE DONE

The Uniform Rent rate has remained level for the past two biennia, but increased to \$1.38 for the 09-11 biennium. This increase is due in part to offset the rising cost of utilities and building materials; we don't yet have information from the Powell Valuation Inc. report on how we compare. The Facilities Division plans to continue cost containment strategies for state agencies leasing office space in DAS owned buildings.

**7. ABOUT THE DATA**

The Uniform Rent rate is developed biennially through the budget process as approved by the Legislature, and published in the Price List of Goods and Services. Industry rent rates and vacancy rates are taken from the Powell Valuation Inc. report, published annually in March or April; therefore, the 2010 data will not be available until the early 2011. The data is based on an annual survey of commercial lease rates and the report has become an established resource for the public and private sector. More information about the survey information we use is available at <http://www.powellvaluation.com>.

<b>KPM #8</b>	IT GOVERNANCE - Percent of the state's major IT projects with a budget or schedule variance of plus 5% as reported in the quarterly major IT project portfolio report for which a mitigation plan is submitted in response to a DAS requirement.	2007
<b>Goal</b>	Effective policies with clear direction	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	Quarterly Major IT project reports	
<b>Owner</b>	Sean McSpaden, Enterprise Information Strategy & Policy Division, 503-378-5257	



**1. OUR STRATEGY**

The strategy is to provide appropriate oversight and cost containment processes, which links to the DAS strategic goal of effective policies with clear direction. The DAS EISPD Information Technology Investment and Planning (ITIP) section leads statewide IT-related planning, budgeting, and

policy development efforts. ITIP is responsible for monitoring and overseeing the state's major IT projects.

## **2. ABOUT THE TARGETS**

This target was set at 5% budget or schedule variance as reported in the quarterly major IT project reports submitted by agencies to DAS EISPD. This target value was selected in alignment with industry practices for tracking project performance. Risk assessment and mitigation strategy development are expected for all major IT projects (\$ value > \$1M). When project budget or schedule variance exceeds 5%, project managers should consider implementing and/or revising existing mitigation strategies.

## **3. HOW WE ARE DOING**

The KPM target of 100% was met during reporting period. The risk of not meeting this KPM target in future reporting periods is low.

## **4. HOW WE COMPARE**

While other state and federal agencies track project schedule and budget variance there is no known agency with an identical Key Performance Measurement in place.

## **5. FACTORS AFFECTING RESULTS**

Estimated project schedule and budget variance at project completion is reported by agencies on a quarterly basis as measured against the currently approved schedule and budget baselines. Project budget and schedule baselines can change over time per project governance decision making processes.

## **6. WHAT NEEDS TO BE DONE**

DAS EISPD plans to continue requiring agencies with major IT projects to report quarterly on estimated project budget and schedule variance, project risks and associated mitigation strategies.

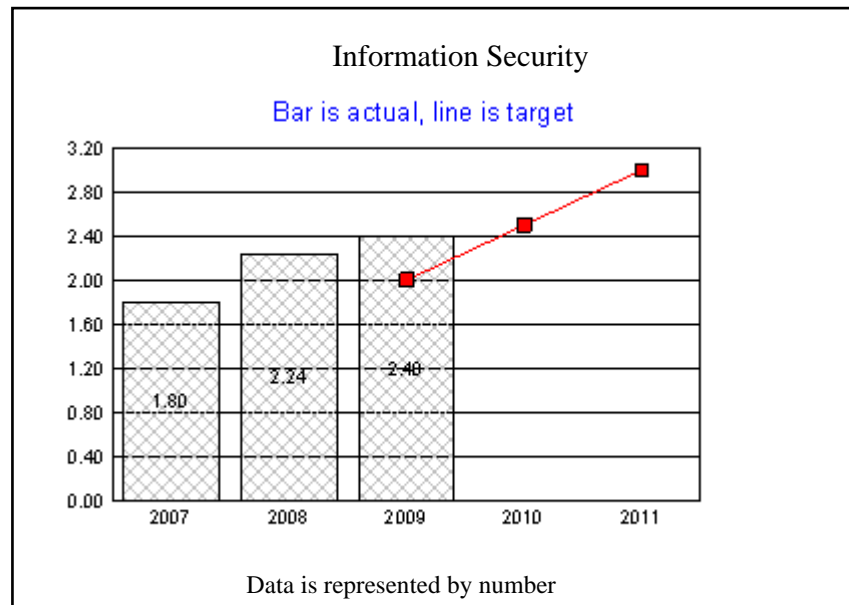
## **7. ABOUT THE DATA**

In accordance with statewide policy, state agencies with major IT projects are required to obtain the quality assurance oversight services of third

party independent contractors and to report project status to DAS EISPD on at least a quarterly basis. In addition to reporting on estimated project schedule and budget variance at project completion, DAS EISPD reporting instructions require agencies to identify and report their the top three (3) project risks and associated mitigation strategies on a quarterly basis regardless of budget and schedule variance status. More information information regarding IT oversight of major IT projects and quarterly reporting requirements can be found on the web at:

[http://www.das.state.or.us/DAS/EISPD/ITIP/IT\\_Investment\\_Oversight.shtml](http://www.das.state.or.us/DAS/EISPD/ITIP/IT_Investment_Oversight.shtml)

<b>KPM #9</b>	INFORMATION SECURITY - Overall information security maturity rating based on a sample of state agencies. Rating achieved using a compilation and aggregate score based on the ISO 27002 standard and assigning a rating using the Carnegie-Mellon Capability Maturity Model. (3rd party conducting information security business risk assessments)	2007
<b>Goal</b>	Adaptable government for future generations	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	Compiled an aggregate score based on the ISO 27002 standard and assigned a rating using the Carnegie-Mellon Capability Maturity Model. Score is assigned by 3rd party contractor conducting information security business risk assessments.	
<b>Owner</b>	Enterprise Security Office, Theresa Masse, 503-378-4896	



**1. OUR STRATEGY**

The Department of Administrative Services (DAS) strategy is to protect the state’s information assets and systems through a variety of programs that

assist agencies in improving their information security posture. The Enterprise Security Office (ESO) works in collaboration with agencies to protect the confidentiality, integrity and availability of state information resources. ESO focuses on reducing risk by developing policies, standards and guidelines that serve as a baseline for agencies to implement security safeguards in their business and technology environments. ESO uses a comprehensive information security business risk assessment model to evaluate each participating agency's maturity in managing information security. The cumulative average score of this assessment becomes ESO's key performance measure.

## 2. ABOUT THE TARGETS

A regular cycle of risk and vulnerability assessments helps to detect potential areas of risk across a representative sample of the enterprise. If DAS and participating agencies are successful in identifying and remediating these risks and vulnerabilities, future assessment cycles should reflect an improved security posture. The baseline was established in 2007 using a cross section of twelve agencies. Two additional agencies have been added to the program in each of the past 2 years (2008 and 2009) – although for consistency, only the control group agencies are included in the aggregate score.

## 3. HOW WE ARE DOING

DAS and a third party vendor use the International Organization for Standardization (ISO) information security standards ISO 27001 and 27002, and the Carnegie Mellon Software Engineering Institute's Capability Maturity Model integration (CMMi) to provide a framework for the risk assessment. Initial Information Security Business Risk Assessment (ISBRA) results, beginning in 2007, indicated an average aggregated score of 1.8 which approaches a "Managed Level" of maturity. 2008 ISBRA results indicated an aggregated score of 2.24 which moved agencies beyond the "Managed Level" of maturity. 2009 ISBRA results indicate an aggregated score of 2.4 which maintains a positive trajectory towards the "Defined Level" of maturity. Every agency is not at the same level of maturity in each category, nor should they be. Through a consultative, collaborative process, realistic goals are established based on a variety of factors including risk, line of business, type and amount of confidential information, etc. Achieving these goals ensures agencies realize success so there is continued commitment, momentum and progress.

## 4. HOW WE COMPARE

As outlined above, the aggregated score of the selected agencies has shown continued improvement. From an overall perspective, Oregon is in comparable maturity with other Public sector organizations in treating security as a priority, particularly in areas such as security organization, leadership, and risk assessment. Oregon is of comparable maturity with other Public sector organizations who put stronger emphasis on security awareness and training. Oregon is among the 2/3 of the states that have a policy requiring classification of information and in the top 1/3 that classify based on risk.

## 5. FACTORS AFFECTING RESULTS

In this challenging business environment, agencies' perception of their business risks may change, resulting in acceptance of a lower maturity rating. Formal security program adopted - when agencies adopt a formal security program (security plan with metrics, policies and governance) with reporting and management, their CCMi maturity score increases. Staff training and awareness - agency staff awareness of and involvement in the security program aids and influences that progress. Leadership - once a program is established, agency leadership must be actively involved and establish direction based on effectively managing risk. They must begin focusing on specific category initiatives. Resources - these initiatives often take more planning and investment of resources, which may result in a slower maturity growth rate. However, these initiatives are important to reducing overall risk. Budget - with reduced funding and resources, focusing on security categories with low cost and high return on investment will be critical to continued success.

## 6. WHAT NEEDS TO BE DONE

DAS ESO, the third party vendor, and each participating agency will continue to work closely together to identify agency specific targeted goals for each security category within ISO 27002 as a measurable outcome. Participating agencies need to develop a plan to meet their goals. ISBRA assists the agency in evaluating progress towards the goals. As goals are met, agencies need to evaluate if the risk level is appropriate or if they need to raise the goal in that category.

It is essential to be realistic in what can be accomplished, so participating agencies don't become discouraged. If participating agencies achieve their goals, the aggregate scores will meet the 2010 KPM target of 2.5. If goals are not achieved, ESO will examine the gaps and determine what assistance and support agencies need to help them improve. Assistance may include individual consulting, information security forums, training or workshops, and policies, standards or guidance.

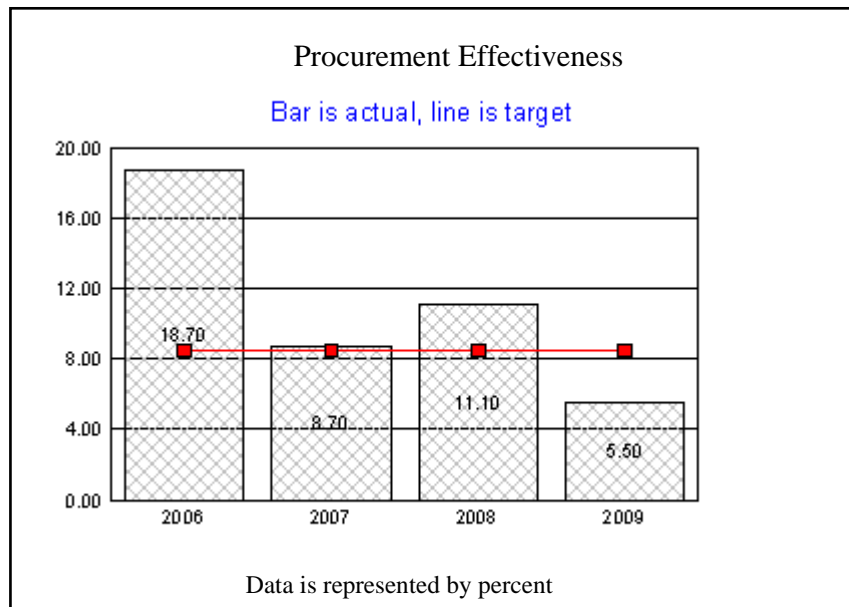
As participating agencies become familiar with ISBRA, responsibility for conducting the assessment needs to shift from DAS ESO and the third party vendor to the agency. The participating agencies will conduct an internal ISBRA based review and forward the results to the ESO who will evaluate and rate the agency's response. ESO may follow-up with the participating agency for clarity of response.

## 7. ABOUT THE DATA

ISBRA is conducted annually. The process begins in the fourth quarter of each year and the final aggregate report is completed in the first quarter of the following year. Data for the current time will continue to be reported based on the aggregated average of the control group agencies. As targets for the various categories are established, the report will reflect progress against those specific goals. The information is self-reported, which may be a weakness, but it is validated at a high-level. The limitation on the number of agencies that participate in ISBRA is a weakness, as not all agencies are included. The strength of the assessment is that it is an agency's view of how it is conducting information security. Many agencies tend to be quite critical in evaluating their progress.

The aggregate average is a reflection of the ESO program effectiveness and indicates where additional emphasis is needed. Further information is available from the DAS Enterprise Security Office.

<b>KPM #12</b>	PROCUREMENT EFFECTIVENESS - Estimated savings resulting from price agreement pricing compared to prices that would be paid without the benefit of a price agreement.	1999
<b>Goal</b>	Efficient and effective government infrastructure	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	Data Systems in the State Procurement Office	
<b>Owner</b>	Dianne Lancaster, State Services Division, SPO, 503-378-3529	



**1. OUR STRATEGY**

The strategy is to contain procurement costs for state government through negotiated price agreements for goods and services commonly used by all state agencies. Over 450 local governments and educational entities also use these agreements as members of the Oregon Cooperative Procurement

Program.

## 2. ABOUT THE TARGETS

A composite index of high-use commodities measure cost savings gained through statewide price agreements compared to equivalent government market pricing. DAS sets the annual target.

## 3. HOW WE ARE DOING

DAS established the index in 2002 and has achieved or exceeded the target for each year until FY 2009. For FY 2009, only one of the five commodities analyzed exceeded the target comparative percentage of savings of 8.5%. Total savings percentage achieved for FY 2009 was 5.5% or 3 percentage points below the target. Results for FY2010 will not be available until Fall 2010.

## 4. HOW WE COMPARE

A market basket of five commodities - Vehicles, Computers, Office Supplies, Industrial Paper, and Cellular Phones - was compared against other state pricing as available (Washington, California, Idaho, Colorado, Utah, Nevada). Also, we used pricing information from the federal General Services Administration (GSA) agreements, US Communities National Procurement Cooperative, Western States Contracting Alliance (WSCA), and occasionally pricing from competitors to current vendors for the statewide price agreements.

## 5. FACTORS AFFECTING RESULTS

Many factors affect measurement results in each of the five commodities. External factors include changes in products and product pricing for a particular industry. Also, state and local government buying patterns and volumes change due to the effects of economic conditions or changes in programs. Internal factors include the erosion over time of the initial pricing of a statewide price agreement due to inflation or product cost increases in raw materials such as steel, pulp, etc. A factor which has increased importance is the number of neighboring western states purchasing products through WSCA, the regional interstate government purchasing cooperative. When Oregon also adopts a cooperative contract, the effect flattens the comparative cost savings, e.g. cell phone plans.

## 6. WHAT NEEDS TO BE DONE

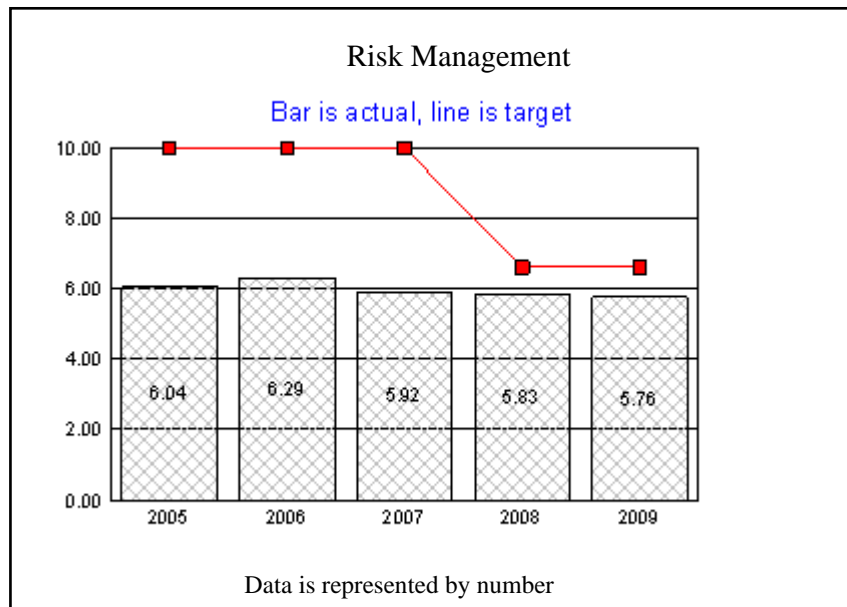
This is the first year SPO has not achieved the target goal. Total savings of 5.5% over equivalent government pricing is still a noteworthy

achievement, given the general economic crisis. However, even though the economic recession has been long and deep, it does not fully explain the apparent under-performance of Oregon's pricing comparisons. It may be that the comparison of Oregon's price savings in commodities where Oregon and neighboring states participate in the same WSCA agreement is no longer a measure of success. Certainly, Oregon benefits from significant discounts - 17% on cell phone plans and 35% on telephone equipment when compared to the general public. However, the state of Washington also benefits from a similar discount through the same WSCA price agreement. This factor thus negates or marginalizes Oregon's results in this measurement tool. DAS needs to study and adapt its procurement savings measurement method to account for participation in the WSCA interstate cooperative price agreements.

## **7. ABOUT THE DATA**

The reliability and integrity of the data is fair to good. DAS selects a very large sample of items from a diverse array of five categories of contracted goods and related services for the measurement model. Volume sales data captured over a 12-month period in each category guarantees a rich representation and an accurate measure of procurement pricing effectiveness. This work is challenging and complex. Each commodity has distinct and different issues related to accurate price comparison measurement.

<b>KPM #13</b>	RISK MANAGEMENT - Annual number of: a) worker's compensation; b) liability; c) property; and, d) total claims per 100 FTE.	2007
<b>Goal</b>	Efficient and Effective Government Infrastructure	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	Risk Management Information System (RiskFolio)	
<b>Owner</b>	Pat Carrothers, State Services Division, Risk Management, 503-378-4665	



**1. OUR STRATEGY**

The strategy is to reduce the number of workers compensation, liability, and property claims, thereby lowering the overall number of claims.

## 2. ABOUT THE TARGETS

The target rate is the average number of claims for the last five years for workers compensation and liability and the average number of claims for the last three years for property.

## 3. HOW WE ARE DOING

The combined claims rate has stabilized between 5.7 and 6.3 claims per 100 FTE over the last few years. The rate reduction in 2003 is attributed to a property loss deductible increase from \$500 to \$2500, which resulted in fewer property claims being filed with Risk Management. In 2009, total number of claims per 100 FTE decreased 1%, driven by a 20% drop in property claims. 2010 data will be available by the end of August 2010.

## 4. HOW WE COMPARE

The measure is used to compare our current rate to our historical rate. The 5.76 rate recorded in 2009 is the lowest rate in several years and below the target rate of 6.46.

## 5. FACTORS AFFECTING RESULTS

This measure aggregates results from workers compensation, liability, and property claims. Unusual events in any given year in any one of these categories will result in atypical results for the aggregated measure.

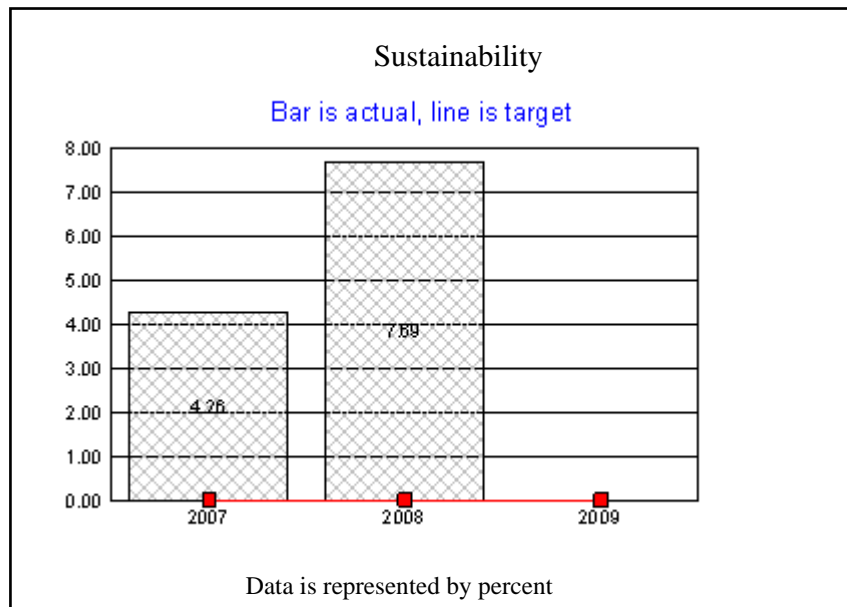
## 6. WHAT NEEDS TO BE DONE

Risk Management is aggressively implementing risk mitigation efforts with the agencies in the following ways: Risk Management partners with designated Risk Management liaisons in agencies. The role of agency liaisons is to report agency specific risk issues, keep executive staff informed of risk issues and mitigation alternatives, and act as the agency contact for risk management information from DAS Risk Management. In 2008 an enhanced Risk Management Information System (RMIS) was implemented. Training for agency users is currently under way. Agency users now have more ability to analyze agency specific causes for claims. In 2008 an inter-agency Risk Management Advisory Council (RMAC) was formed to provide a forum for stakeholders to exchange information, generate ideas, and make recommendations to DAS Risk Management in accordance with RMAC Operating Guidelines. The RMAC is represented on the Statewide Audit Advisory Committee (SAAC). Collaborative initiatives are under way to address risk management issues with State-wide impact through the RMAC Reduce Claim Cost work group and the RMAC Risk Charge Methodology work group.

**7. ABOUT THE DATA**

Reporting cycle is based on the fiscal year. 2010 data will be available by the end of August.

<b>KPM #14</b>	SUSTAINABILITY - Percentage reduction in greenhouse gas emissions.	2007
<b>Goal</b>	Adaptable government for future generations	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	Greenhouse Gas Emissions Interagency Team Report Initial Reporting Year Assessments and Recommended Best Practices	
<b>Owner</b>	Elin Shepard, Sustainability Coordinator, Facilities Division, 503-373-7132	



**1. OUR STRATEGY**

DAS developed a six-year plan to ensure we serve as a model for sustainability in state government, as well as to implement the Governor's sustainability and greenhouse gas reduction goals. The department's objective is to serve as a primary resource for state government's efforts to

achieve and maintain sustainable practices. As DAS moves into the last two years of the plan in 2011-13, the strategy is to increase our collaborative efforts with other state agencies towards infusing a culture of sustainability in all state agencies. The primary metric for measuring progress toward a fully sustainable DAS is based on our achieving the sustainability goals identified in the DAS Sustainability Plan.

## 2. ABOUT THE TARGETS

The targets are as follows: By 2010, stop the growth of greenhouse gas emissions; by 2020, reduce greenhouse gas emissions to 10 percent below 1990 levels; by 2050, reduce emissions to 75 percent below 1990 levels, and fully stabilize and eliminate their negative impacts. This measurement is a % reduction or increase for the current year compared to the previous year. It is the traditional measurement that formed the basis for the Sustainability KPM, and it would still be reflected as part of the total program. This measurement uses the total GHG emissions from specific DAS operations – energy to operate buildings, fuel use for fleet, and trash generation. Eventually, the data will be improved and expanded to take further factors into account. In 2007, the State of Oregon adopted the Clean Air, Cool Planet protocol (<http://www.cleanair-coolplanet.org/>) for tracking greenhouse gas emission reductions. In addition, the state of adopted the 2006 baseline data. In 2008, the backcasting process for estimating 1990 data was completed. It compared the number of vehicles in the state fleet and building square footage for DAS and ODOT, and used that figure as a representation of the emissions generated for the State of Oregon in 1990. Based on this calculation, DAS reported a 59% increase in GHG emissions from the base level determined for 1990.

## 3. HOW WE ARE DOING

DAS Greenhouse Gas (GHG) emissions - In 2008, DAS emitted 39,417 tons of CO<sub>2</sub>, which represents a 7.7% increase over 2007, and a 10.6% increase over the baseline year of 2006. The general trend shows that DAS is increasing and not arresting or decreasing Greenhouse Gas emissions. Report website: <http://www.orclimatechange.gov/ENERGY/GBLWRM/Measuring.shtml>. The 2009 report is not complete for state government.

## 4. HOW WE COMPARE

The City of Salem, City of Portland, Multnomah County, and METRO all have active sustainability programs with which DAS could compare the 2009 data. This comparison has not yet occurred.

## 5. FACTORS AFFECTING RESULTS

The biggest factors affecting results are the changing size and operational methods of the Department and the ability to create, obtain, and sustain quality data.

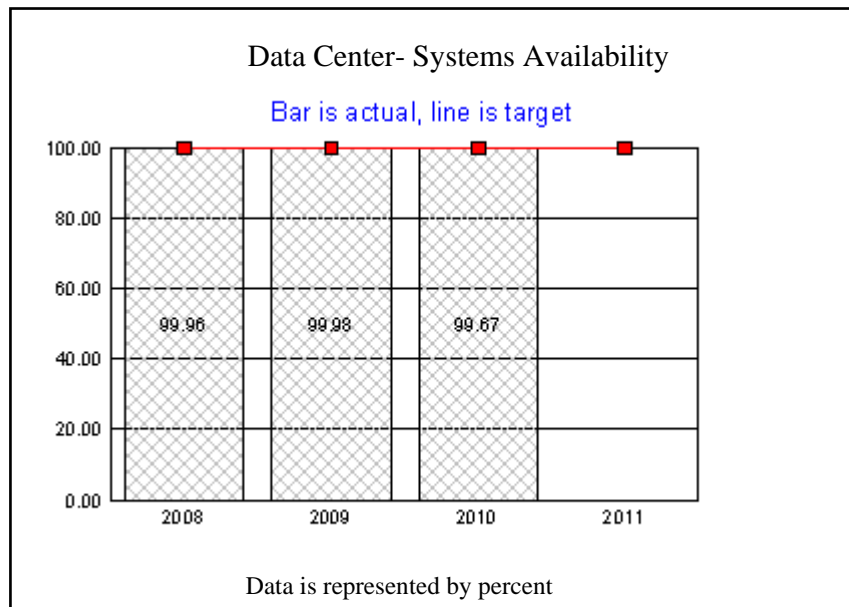
**6. WHAT NEEDS TO BE DONE**

DAS needs identify specific procurement and IT data for measurement and to commit staff time to creation of a database that compiles the data required to track individual goal success. A weighting methodology for producing the overall % KPM measurement needs to be developed.

**7. ABOUT THE DATA**

The greenhouse gas emissions data is collected using the Clean Air, Cool Planet protocol. It uses an established and scientific system of reflecting the various greenhouse emissions contributions and converting it into CO2. While the system allows for more robust tracking definitions, the state agencies chose energy, fuel, and garbage to report.

<b>KPM #16</b>	DATA CENTER - Percentage of time systems are available.	2007
<b>Goal</b>	Efficient and Effective Government Infrastructure	
<b>Oregon Context</b>	Lead the pursuit of excellence in state government	
<b>Data Source</b>	Network and Computing availability monitoring tools	
<b>Owner</b>	Bryan Nealy, State Data Center, 503-373-0224	



**1. OUR STRATEGY**

The measure shows the availability of the State Data Center’s Information Technology environment to support the strategy of optimizing performance to provide efficient and effective government infrastructure.

## 2. ABOUT THE TARGETS

The target of 99.9 percent availability was reached through mutual agreement between the data center and its customers

## 3. HOW WE ARE DOING

The availability of 99.67% for 2010 is below target. Additional detail is provided in section # 7, about the data.

## 4. HOW WE COMPARE

99.9 percent is a common availability goal for the data center industry

## 5. FACTORS AFFECTING RESULTS

The availability data still includes planned outages and false outage reports that cause the availability to be reported at lower value. As data collection is improved, we expect a higher availability will be reported

## 6. WHAT NEEDS TO BE DONE

Refine collection methods and define agreed service hours for each device. In addition, outdated and end-of-life equipment replacements will increase availability. Development of standard processes will ensure changes to systems can occur without causing unscheduled outages.

## 7. ABOUT THE DATA

Some of the availability data was not available for the time period. The availability data contains some duplication of outage reports, and some devices are not included. The SDC is implementing a new availability management process and availability monitoring system. The data will be available for the 2010-11 fiscal year. Availability for each area is calculated using the following formula:  $(AST-DT)/AST=Availability$ .

AST=Agreed Service Time and DT=Down time.

The three area availability numbers are averaged to get the overall availability number.

ADMINISTRATIVE SERVICES, DEPARTMENT of	III. USING PERFORMANCE DATA
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**Agency Mission:** Lead the pursuit of excellence in state government.

<b>Contact:</b> Bret West	<b>Contact Phone:</b> 503-378-2349
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<b>Alternate:</b> Kris Kautz	<b>Alternate Phone:</b> 503-378-4691
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**The following questions indicate how performance measures and data are used for management and accountability purposes.**

<p><b>1. INCLUSIVITY</b></p>	<p>* <b>Staff :</b> For the current strategic plan and KPMs, DAS took steps to align the KPMs to the plan. The strategic plan was developed with input from internal staff and managers, and with feedback from a small group of state agency directors. A draft plan was also shared with a state government strategic planning peer group. Additionally every division within DAS has created a business plan that aligns with the goals of the strategic plan. These plans were developed with input from staff and managers of the respective divisions. Development of the new strategic plan has included staff input through a variety of mechanisms - employee satisfaction surveys, interviews with focus groups, staff meetings, and email distribution of the draft plan to provide all staff members the chance to review and comment.</p> <p>* <b>Elected Officials:</b> High-level elements of the new strategic plan were developed by the HB5002 workgroup, which included members of the Oregon House and Senate. The workgroup was convened in response to a budget note directing the department to review its structure, service delivery and funding mechanisms. The HB5002 workgroup's final report can be found at: <a href="http://oregon.gov/DAS/docs/HB5002/Report.pdf">http://oregon.gov/DAS/docs/HB5002/Report.pdf</a>.</p> <p>* <b>Stakeholders:</b> The HB5002 workgroup included members from the following state agencies: Legislative Fiscal Office, Dept. of Human Services, Teachers' Standards and Practices, Dept. of Revenue, Dept. of Environmental Quality, and the Governor's Office. Many other agencies were provided the opportunity to weigh in on the strategic plan as it was being developed.</p> <p>* <b>Citizens:</b> The HB5002 workgroup included membership from the private sector. Verizon Wireless and PACCESS graciously provided representatives to the workgroup.</p>
<p><b>2 MANAGING FOR RESULTS</b></p>	<p>The department continues to focus on developing the tools and processes necessary to manage for results. A major area of focus in the new strategic plan is performance management. The use of the Plan, Do, Check and Adjust methodology and tool kit is becoming the standard agency-wide. The department's leadership team expects data and performance information to be widely reported and analyzed on a regular basis. Regular</p>

	reporting, standardized tools, and rigorous data analysis will provide useful and actionable management information.
<b>3 STAFF TRAINING</b>	Agency leadership is currently implementing a new set of planning and performance reporting tools, as well as developing an agency-wide culture of performance analysis and reporting. The use of those tools will become the standard for all employees. A training schedule on these tools is expected to be part of the rollout of performance reporting later this year.
<b>4 COMMUNICATING RESULTS</b>	<p>* <b>Staff :</b> The Annual Performance Progress Report is the primary vehicle that DAS uses to communicate performance results. The results are posted on DAS web page, with a contact name and number <a href="http://www.das.state.or.us/DAS/about_us.shtml">http://www.das.state.or.us/DAS/about_us.shtml</a>. Additionally, the results are communicated at executive staff meetings, which in turn are communicated to the individual division management and staff.</p> <p>* <b>Elected Officials:</b> The Annual Performance Progress Report is the primary vehicle that DAS uses to communicate performance results to external stakeholders and is posted online at: <a href="http://www.das.state.or.us/DAS/about_us.shtml">http://www.das.state.or.us/DAS/about_us.shtml</a>.</p> <p>* <b>Stakeholders:</b> The Annual Performance Progress Report is the primary vehicle that DAS uses to communicate performance results to external stakeholders and is posted online at: <a href="http://www.das.state.or.us/DAS/about_us.shtml">http://www.das.state.or.us/DAS/about_us.shtml</a>.</p> <p>* <b>Citizens:</b> The Annual Performance Progress Report is the primary vehicle that DAS uses to communicate performance results to external stakeholders and is posted online at: <a href="http://www.das.state.or.us/DAS/about_us.shtml">http://www.das.state.or.us/DAS/about_us.shtml</a>.</p>