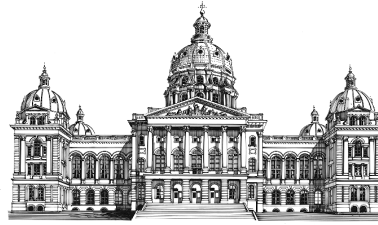

Iowa Legislative Fiscal Bureau

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State Capitol
Des Moines, IA 50319
January 11, 1996

Outcome-Based Performance Budgeting

ISSUE

The General Assembly will be receiving new budget forms for certain Executive Branch programs for review by the respective appropriations subcommittees as part of the Outcome-Based Performance Budgeting Pilot Project. The General Assembly will need to determine if the new format and information provided is useful for budgetary decision-making.

The Council on Human Investment recently recommended that the name of Outcome-Based Performance Budgeting be changed. This *Issue Review*, the attached forms, and all activity of the pilot project have been identified as Outcome-Based Performance Budgeting. Any future reference will be as "Budgeting For Results."

AFFECTED AGENCIES

Departments of Corrections, Economic Development, Education, Employment Services, Public Health, Human Services, and Inspections and Appeals

CODE AUTHORITY

Chapters 8 and 8A, Code Of Iowa

BACKGROUND

During the 1993 Legislative Session the General Assembly adopted SF 268 (Iowa Invests Program) which created the Iowa Council on Human Investment. The charge to the Council included:

- Develop a long-term investment strategy that includes broad measurable policy goals and benchmarks with input from a cross-section of the population.
- Develop an investment budget and accounting model that provides a financial weighing of investments. The model shall be implemented on a pilot basis.
- Study the potential for the State to appropriate funds according to the highest return on investment and make recommendations to the Governor and the General Assembly related to fully implementing the model developed for the pilot project.

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- Develop and apply return on investment accounting standards.
- Advocate for regulatory and legislative initiatives to decategorize funding and deregulate to improve investment.
- Educate the public, community agencies, and the General Assembly concerning investment principles and practices.
- Conduct customer satisfaction surveys of the users of public services to determine the effectiveness of public programs.

As part of the overall effort, the Council established a working group of Executive Branch budget and policy staff to formulate a process to be used in developing an outcome-based performance budget. Staff of the Legislative Fiscal Bureau (LFB) participated in discussions of concepts and procedures as part of the oversight function of the Bureau.

What is Outcome-Based Performance Budgeting?

The goal of outcome-based performance budgeting is to tie the appropriation of resources to the outcomes or results expected from a program. An outcome-based performance budget is developed by defining the desired outcomes or results of a program, establishing the cost of a unit of service or set of services necessary to achieve those outcomes, and determining how many units of the desired outcomes can be achieved with the requested level of funding. Then resources are allocated on the basis of expectation of performance. Performance is then tracked and analyzed to determine progress toward meeting the desired outcomes and department directors are held accountable for the performance.

Outcome-based performance budgeting differs from an incremental line item budgeting approach utilized in some states by attempting to focus the discussions of decision-makers on the expected program outcomes and results. This approach may allow decision-makers to evaluate the impact of various service delivery strategies in Iowa and ultimately to select between packages of services based on outcome/impact and unit cost. A line item approach focuses discussion on line item resources (measures of program inputs) and program activities (measures of program outputs).

Iowa's Current Budgeting System

Supporters of outcome-based performance budgeting state that it maximizes flexibility for executive branch agencies by not restricting the areas of expenditure. The current budgeting system already provides that flexibility in Iowa. Department requests are presented to the General Assembly in a modified base budget approach, not the line item approach used in some other states. Departments determine 75.0% of the previous year's budget and only justify the remaining 25.0%, normally in three decision packages, to return to the current level of funding. New programs or additions to existing programs are normally specified as additional decision packages.

The actual appropriations and full-time equivalent position authorizations made to the departments by the General Assembly are normally single appropriations for each budget unit or program. A budget unit currently may have multiple programs. Once the appropriation is made, department directors have the authority to shift resources between expenditure categories, such as travel and equipment. Additionally, they are allowed to transfer funds between programs or budget units with approval of the Department of Management and prior notification to General Assembly.

The current budget forms utilized by the General Assembly present information on sources and amounts of funds, types and amounts of expenditures, and the number of full time equivalent positions associated with the funding. However, these are for informational purposes, and funds are not appropriated based on those itemized expenditures in Iowa as happens in some other states.

The current information requested for submission of budget requests by the Department of Management (DOM) includes a schedule for reporting performance measures. However, the quality of the measures has been insufficient in the past to provide a foundation for budget decision-making.

CURRENT SITUATION

The working group's discussions and research related to approaches taken in other states resulted in the development of a new budget request process and format. The new format is being used by seven Executive Branch agencies with each selecting a single area or program, except the Department of Economic Development which selected three areas for the pilot. *The DOM agreed that the new request format and process do not replace the current budget request process and format at this time, but are in addition to it.*

The forms developed for the pilot project do provide sources and amounts of funding, but present expenditures only as a cost per unit of service and number of units of service to be provided. No information on full-time equivalent positions associated with the funding requested is presented. Additionally, most departments chose to identify only one performance measure for each program. Normally programs have more than one outcome expected and therefore should have multiple measures. The exception was the Department of Public Health which identified three performance measures relating to different aspects of the Child Immunization Program that could be measured.

The programs chosen for the pilot project by department are:

- Department of Corrections - Correction's Training Center.
- Department of Economic Development - Tourism Advertising, International Trade and Export Trade Assistance Program, and Workforce Investment Program.
- Department of Education - Safe and Drug Free Schools Program.
- Department of Employment Services - Audit and Analysis Reporting Program.
- Department of Public Health - Child Immunization Program.
- Department of Human Services - Job Opportunities and Basic Skills (JOBS) Program.
- Department of Inspections and Appeals - Foster Care Review Board.

The Council on Human Investment and the DOM plan to expand the number of departments and increase the scope of participation in departments currently involved for the FY 1998 budget year requests. They expect to have all agencies and programs utilizing the new process within the next four years. During FY 1997, the DOM is planning to work with the Information Services Division of the Department of General Services to incorporate the new format into the computerized budget request system.

Potential Problems and Concerns

Among the issues surrounding the application of outcome-based performance budgeting are:

- The amount and types of information provided during budget decision-making will be greatly reduced if the new format is adopted in its present form and the current forms are eliminated. (See **Attachment A** for the new format and **Attachment B** for the current budget forms for International Trade and Export Trade Assistance Program. Definitions utilized in developing the information included in the forms can be found in **Attachment C**.)
- The time frame during which policy makers must wait to determine if a program is really achieving the specified outcomes is normally longer than election cycles. Experience in other states has shown that it may take two or three years to collect sufficient information to begin making an assessment of program outcomes and that often the true outcomes of a program are not known until five to ten years after the program activities occur.
- Defining the program. Is the University of Iowa a program, or the College of Liberal Arts, or the Department of History, or the Soviet Studies Program the appropriate level at which to define a program?
- Defining the outcomes. It is possible to have more than one result. When a prisoner has been incarcerated and released is the appropriate outcome the number that are not returned to the system (rehabilitation) or the number of years the criminal has been kept off the streets (punishment)?
- It is often difficult to identify accurate and reliable outcome measures. The current budgeting system has included performance measures for several years. However, departments have not utilized the existing system effectively, nor has the DOM required it.
- Performance measures may need to be revised when it is found that data is unavailable, too expensive to collect, or the measure is not a valid measure of the outcome. As this happens, the length of time between beginning measurement and determining program impacts continues to lengthen.
- Historical data is often not available for outcome measures and therefore must be collected where possible or collection must be started with no comparative historical data expected.
- The cost of developing a new data collection system can be substantial and the benefits, in terms of a better product, to the Executive Branch or Legislative Branch, may not be sufficient to justify those costs.
- It is essential that any system of data collection include storage that allows independent verification of the data used to measure the outcomes.

Can the Budget Format be Changed Without Approval of the General Assembly?

The Director of the DOM has the authority to specify the form of the budget document submitted, if the Legislative Fiscal Bureau receives prior notification of the planned change. However, the LFB can specify the format of the accounting system data to insure appropriate information is provided for tracking expenditures. This allows the LFB to meet the oversight needs of the General Assembly.

As noted above, the format designed for the Pilot Project provides significantly reduced information for review by the appropriations subcommittees during budget decision-making. Utilizing the new information in conjunction with the current budget forms may provide additional information that is

useful. However, the current system can accommodate performance measures and eliminating information that has proven utility for decision-makers until a new approach is fully test would be inappropriate.

ALTERNATIVES

The General Assembly may wish to consider the following alternatives.

- Rather than generating new forms for reporting performance measure information, require the DOM to have departments report the new outcome-based performance measures on the schedule that is currently available. Additionally, outcome-based performance measures should be tied to the decision packages that departments create in requesting funding.
- Require that the current budgeting system be maintained until departments, the Governor, and the General Assembly have had sufficient experience with the new process to insure its adequacy for decision-making.
- Require all departments receiving General Fund appropriations to participate in the next phase of the pilot project and to select a program that is funded by the General Fund rather than only from federal or other funds.
- Identify specific programs and departments of interest to the General Assembly, and require participation of those in the next phase of the pilot project.
- Require that the new budget forms be incorporated into the current set of budget forms as another schedule.
- Require that the General Assembly, or the appropriations subcommittees, review and approve all performance measures.

BUDGET IMPACT

The Department of Management has estimated that through November 1995, approximately \$800,000 has been expended on developing and implementing the Council on Human Investment's efforts. This includes a combination of appropriations to the Council on Human Investment, staff time from other departments, and private sector volunteers involved in developing benchmarks and implementing the pilot project. The Department of Management is requesting \$197,000 for the Council for FY 1997.

Although no specific information is available at this time, the experience from other states indicates that this approach is more expensive and time consuming than initially anticipated, but can provide useful additional information for policy and resource allocation decisions.

Discussions with staff from other states also indicate that this process needs to be tied to strategic planning and continuous improvement efforts within each department. This will make the results more meaningful and allow them to be utilized as a management tool as well as a policy tool.

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Outcome-Based Performance Budgeting

STATE OF IOWA
Department of Management
FY 97 Outcome-Based Performance Budget Request

Dept: Economic Development
 Approp. Name: International Operations & ETAP
 Approp. No.: 96-001-269-e31 & 96-001-269-e37
 Orgn. Name: International Operations & ETAP
 Orgn. No. 7100 & 7125

		<u>CHI Catalog #</u>
Benchmark:	By the year 2000, exports of Iowa products will equal 7% of the gross state product. (Manufactured and Processed goods.)	N/A
Policy Outcome:	By the year 2000, Iowa exports of manufactured and processed goods will exceed \$4.5 billion.	N/A
Program Performance Measure:	More than 50% of the companies participating in state sponsored trade promotions will be either new to export or new to market.	N/A

<u>Performance Measure</u>	<u>Fiscal Year</u>	<u>Cost per unit of service (outcome)</u>	<u>G/F</u>	<u>Appropriated Funds</u>			<u>Totals</u>	<u>Outcomes Budgeted</u>	<u>Actual Outcomes</u>
				<u>Other (1)</u>	<u>Other (2)</u>	<u>Federal(3)</u>			
	FY95 Actual	\$1,613	\$1,057,808	\$0	\$0	\$0	\$1,057,808	658	0
	FY96 Estimated	\$1,561	\$999,000	\$0	\$0	\$0	\$999,000	640	0
	FY97 Request	\$1,611	\$1,159,697	\$0	\$0	\$0	\$1,159,697	720	0

FY97 Governor's Recommendation

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FY97 Legislative Action

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(1) Appropriated other funds:

(2) Non-appropriated funds:

(3) Federal funds:

Comments, Non-controllables, variables:

Weather both here and abroad; foreign currency fluctuations; foreign political transitions.

The International Operations and ETAP programs seek to improve Iowa's foreign trade promotion and investment. NOTE: These are new participants only.

ECONOMIC DEVELOPMENT
SPECIAL DEPARTMENT: ECONOMIC DEVELOPMENT, DEPT. OF
BUDGET UNIT: INTERNATIONAL TRADE

OPERATIONS ANALYSIS - INTERNATIONAL TRADE

BUDGET UNIT'S STATED GOALS:

1. To promote and assist in the marketing and sale of Iowa goods and services to international markets.
2. To promote Iowa as a location for foreign investment.

INTERNATIONAL TRADE:

The International Trade Section staff provides technical export assistance to Iowa businesses to increase the exports of Iowa goods and services; encourages and organizes participation of Iowa businesses in trade shows and trade missions; collects and disseminates trade leads from buyers to Iowa exporters; promotes Iowa's investment opportunities to potential foreign investors by participating and hosting investment seminars, distributing promotional materials, and by maintaining contacts with foreign banks, site selection consultants, and industry associations; organizes and coordinates reverse investment and trade missions to Iowa using senior government officials, and community leaders; promotes community-level leadership in attracting foreign investment.

IOWA INT'L. DEVELOPMENT COMM. :

The purpose of the International Development Foundation is to facilitate cultural, educational and commercial ties primarily between citizens of Iowa and citizens of other nations. Resources of the foundation shall be directed exclusively to Eastern Europe, however the board, may extend service to any area which it deems in the best interest of the citizens of Iowa. Effective with State Fiscal Year 1995 the International Development Foundation was funded through IDED appropriation unit number F71.

SUBUNIT DESCRIPTION:

Funding Summary

	FY 95 ACTUAL	FY 96 ESTIMATED	FY 97 DEPARTMENT REQUEST
RESOURCES			
BALANCE BROUGHT FORWARD	\$ 0	\$ 2,547	\$ 0
APPROP			
INTERNATIONAL TRADE OPERATIONS	740,806	757,500	884,697
RECEIPTS			
FEDERAL SUPPORT	195,632	300,000	0
INTRA STATE RECEIPTS	16,371	0	0
TOTAL	212,003	300,000	0
TOTAL RESOURCES	\$ 952,809	\$ 1,060,047	\$ 884,697
Total FTE	6.68	7.40	7.00

ECONOMIC DEVELOPMENT
SPECIAL DEPARTMENT: ECONOMIC DEVELOPMENT, DEPT. OF
BUDGET UNIT: INTERNATIONAL TRADE
Funding Summary

	FY 95 ACTUAL	FY 96 ESTIMATED	FY 97 DEPARTMENT REQUEST
DISPOSITION OF RESOURCES			
EXPENDITURES			
PERSONAL SERVICES	\$ 378,393	\$ 388,572	\$ 385,269
PERSONAL TRAVEL IN STATE	10,840	11,000	11,000
PERSONAL TRAVEL OUT OF STATE	86,017	90,000	90,000
OFFICE SUPPLIES	22,256	22,000	20,000
OTHER SUPPLIES	3,549	4,000	4,000
PRINTING & BINDING	59,073	15,000	15,000
COMMUNICATIONS	21,322	12,000	12,000
RENTALS	5,343	6,000	6,000
PROF & SCIENTIFIC SERVICES	103,889	144,000	298,000
OUTSIDE SERVICES	12,367	11,000	11,000
ADVERTISING & PUBLICITY	236,537	326,000	26,000
OUTSIDE REPAIRS/SERVICE	633	1,000	1,000
DATA PROCESSING	2,538	3,000	3,000
REIMB. TO OTHER AGENCIES	513	0	0
OFFICE EQUIPMENT	1,977	2,000	2,000
OTHER EXPENSE & OBLIGATIONS	268	428	428
STATE AID	0	24,047	0
TOTAL	945,515	1,060,047	884,697
UNSPENT BALANCE	7,294	0	0
TOTAL DISPOSITION OF RESOURCES	\$ 952,809	\$ 1,060,047	\$ 884,697

Funding Summary

	FY 95 ACTUAL	FY 96 ESTIMATED	FY 97 DEPARTMENT REQUEST
Revenue by Organization			
INTERNATIONAL TRADE			
State	\$ 740,806	\$ 724,000	\$ 884,697
Other	16,371	0	0
Total	\$ 757,177	\$ 724,000	\$ 884,697
FTE-Positions	6.68	7.00	7.00
IOWA INT'L. DEVELOPMENT COMM.			
State	0	33,500	0
Other	0	2,547	0
Total	\$ 0	\$ 36,047	\$ 0
FTE-Positions	.00	.40	.00
EDA INTERNATIONAL			
Federal	195,632	300,000	0

ECONOMIC DEVELOPMENT
SPECIAL DEPARTMENT: ECONOMIC DEVELOPMENT, DEPT. OF
BUDGET UNIT: INTERNATIONAL TRADE
Funding Summary

	FY 95 ACTUAL	FY 96 ESTIMATED	FY 97 DEPARTMENT REQUEST
Revenue by Organization			

Decision Package Detail

Priority	Description		FY 97 DEPARTMENT REQUEST
BASE		STATE	\$ 549,281
		FTE	6.00
* 0001	Restore funding for marketing manager responsible for Southeast Asia and other international operations support.	STATE	\$ 82,006
		FTE	1.00
* 0002	Restore funds for professional services to maintain Iowa's on-site activities in Pacific Rim trade and investment markets.	STATE	\$ 60,000
* 0003	Restore funds for professional services to maintain Iowa's on-site investment attraction activities in Korea.	STATE	\$ 39,410
* 0004	Funding for a cooperative process by which companies can receive direct assistance to help them start or continue in the export business.	STATE	\$ 74,000
* 0005	Provide funding to continue the trend of expanding export sales in the "canal" region of South America.	STATE	\$ 80,000

ECONOMIC DEVELOPMENT
 SPECIAL DEPARTMENT: ECONOMIC DEVELOPMENT, DEPT. OF
 BUDGET UNIT: INTERNATIONAL TRADE

Total Budget Unit Funding

	FY 95 ACTUAL	FY 96 ESTIMATED	FY 97 DEPARTMENT REQUEST
State	\$ 740,806	\$ 757,500	\$ 884,697
Federal	195,632	300,000	0
Other	16,371	2,547	0
Total	\$ 952,809	\$ 1,060,047	\$ 884,697
FTE-Positions	6.68	7.40	7.00

ECONOMIC DEVELOPMENT
SPECIAL DEPARTMENT: ECONOMIC DEVELOPMENT, DEPT. OF
BUDGET UNIT: EXPORT ASSISTANCE PROGRAM

OPERATIONS ANALYSIS - EXPORT ASSISTANCE PROGRAM

BUDGET UNIT'S STATED GOALS:

To encourage and increase participation of Iowa businesses in trade shows and trade missions.

EXPORT ASSISTANCE:

The Export Trade Assistance Program objectives are to; provide financial assistance to businesses for a percentage of their costs of participating in trade shows and trade missions; to lease/sublease showcase space in existing world trade centers; to provide temporary office space for foreign buyers, international prospects, and potential reverse investors; to provide printed brochures and advertising in support of Iowa businesses participating in trade shows and missions.

SUBUNIT DESCRIPTION:

Funding Summary

	FY 95 ACTUAL	FY 96 ESTIMATED	FY 97 DEPARTMENT REQUEST
RESOURCES			
APPROP			
EXPORT ASSISTANCE	\$ 317,000	\$ 275,000	\$ 275,000
TOTAL RESOURCES	\$ 317,000	\$ 275,000	\$ 275,000
Total FTE	.07	.25	.25
DISPOSITION OF RESOURCES			
EXPENDITURES			
PERSONAL SERVICES	\$ 2,769	\$ 3,000	\$ 3,000
PERSONAL TRAVEL IN STATE	0	1,000	1,000
PERSONAL TRAVEL OUT OF STATE	0	500	500
OFFICE SUPPLIES	495	0	0
PRINTING & BINDING	14,123	5,000	5,000
COMMUNICATIONS	13,345	10,000	10,000
OUTSIDE SERVICES	90	0	0
STATE AID	260,332	255,500	255,500
TOTAL	291,154	275,000	275,000
UNSPENT BALANCE	25,846	0	0
TOTAL DISPOSITION OF RESOURCES	\$ 317,000	\$ 275,000	\$ 275,000

Decision Package Detail

Priority	Description		FY 97 DEPARTMENT REQUEST
BASE		STATE	\$ 206,250
		FTE	.25

ECONOMIC DEVELOPMENT
SPECIAL DEPARTMENT: ECONOMIC DEVELOPMENT, DEPT. OF
BUDGET UNIT: EXPORT ASSISTANCE PROGRAM
Decision Package Detail

Priority	Description		FY 97 DEPARTMENT REQUEST
* 0001	To restore funding for state aid to ten Iowa companies to assist them in increasing their export sales.	STATE	\$ 40,000
* 0002	To restore funding for state aid to six Iowa companies to assist them in increasing their export sales.	STATE	\$ 15,000
* 0003	To restore funding for state aid to four Iowa companies to assist them in increasing their export sales.	STATE	\$ 13,750

Total Budget Unit Funding

	FY 95 ACTUAL	FY 96 ESTIMATED	FY 97 DEPARTMENT REQUEST
State	\$ 317,000	\$ 275,000	\$ 275,000
FTE-Positions	.07	.25	.25

Definitions

Policy Areas: Broad category of public policy encompassing multiple long-term goals. Examples: Economic Development, Workforce Development, Strategies for Strong Families, Healthy Iowans, and Strong Communities.

Benchmarks: Long-term measurable goals that speak to changing social or economic conditions. Example: Improve the self-sufficiency of Iowans through increasing the proportion of Iowans living above the poverty level. Benchmarks are established by the Council on Human Investment through public opinion polls. Baseline data will express the current status; numerical targets will be established for five, ten, or twenty years. Data will continue to be collected over the duration of the use of the Benchmark and comparisons will be made to other jurisdictions where best practices occur.

Policy Outcomes: The desired results of coordinated action which will contribute to achieving the benchmarks. Example: A reduction in the average length of time families need welfare benefits. Policy Outcomes are established by the Council on Human Investment and Executive agencies. Baseline data will express the current status; numerical targets will be established for three to five years.

Service Delivery Strategy: Programs or clusters of programs that State government uses to achieve outcomes and which share common objectives or populations. This includes all resources and methods used to implement a program. Example: Job ready, not job ready, or new entrant.

Program Performance Measures: The desired results of a specific program's contribution toward meeting the Policy Outcomes. Program Performance Measures may include outcomes and outputs and are indicators of progress toward achieving Benchmarks and Policy Outcomes. Performance measures are established by managers of specific programs in consultation with appropriate stakeholders. Example: In 1997, the Job Opportunities and Basic Skills (JOBS) programs will place 1,250 welfare recipients in jobs that pay more than \$9.00 per hour.

Outcomes: The impact or result that a program effort has on a social or economic condition affecting Iowans. Example: A reduction in the proportion of families needing welfare benefits.

Outputs: Units of services provided, products provided, or people served by State government programs. Example: Number of Family Investment Program recipients who completed the terms of the Family Investment Agreements.

Inputs: Resources that State government uses to provide services or products. Examples: Dollars, personnel, and physical resources.

Efficiency: Measure of the cost, unit cost, or productivity associated with a given output or outcome. Examples: Average cost per client served, average cost per inspection, and average time to process license applications.

Demand: The total population, need, or request for the service or products by the customer. Examples: Number of clients eligible for services, number of entities subject to inspection/regulation, and number of license applications received.

Proxy: An outcome that is an indicator of progress on a Benchmark but which does not directly measure the Benchmark. Example: A reduction of adolescent births is a proxy for the Benchmark: A reduction of pregnancies among females age 17 and younger.

Descriptive Measure: Provides illustrative information about the Policy Outcome or Benchmark. Example: Number of permits issued by sheriffs and Department of Public Safety to acquire and carry a concealed weapon is a descriptive measure for the Policy Outcome. A reduction in the number of weapon-related crimes.

Line-item Incremental Budgeting: Making resource allocation decisions on the basis of what was done in prior years and according to categories of spending, such as personnel, equipment.

Performance Budgeting: Performance Budgeting defines desired results, the unit costs of achieving a outcome, and how much the State can afford to buy. Performance Budgeting ties the appropriation of resources to the outcomes or results expected from the expenditure. This budgeting model sets the stage to evaluate the impact of various service delivery strategies and to provide services more efficiently and effectively. Implicit in this model is an exchange of greater accountability for greater flexibility in regulatory control.

Investment Budgeting: Investment Budgeting uses a distinct funding source(s) for a given policy area, establishes measurable outcomes, establishes the net present value of desired outcomes, opens bidding for the delivery of those outcomes to create a competitive marketplace, and calculates a return on investment for various service strategies.

Return On Investment (ROI): A primary product from the State's performance management efforts should be the ability to tell taxpayers what they are getting for their money and which service strategies are the most productive in helping to achieve Iowa's Benchmarks.

Three critical steps must be taken for that to be accomplished. First, we must estimate the value of outcomes. Secondly, we must analyze the costs involved in producing the desired outcomes. And, finally, we can then calculate a ROI for various service strategies to determine what service strategies produce the desired outcomes. The formula we anticipate using is as follows: Subtracting the unit cost (C) from the value of an outcome (B), dividing the result by the unit cost, divided by the time period (T) will give us the Return on Investment -
 $ROI = [(B-C)/C]/T$.

In the long term, this effort will allow the State to place our resources on the strategies that are investments in the future.

Unit of Service: Output or outcome adopted as a standard of measurement.

Examples: One Family Investment Agreement developed and One Family Investment Program (FIP) participant leaves assistance due to employment.

Cost Per Unit of Service: The total funds needed to produce a single output or outcome (result). Example: Cost of finding employment at \$9.00 per hour for one FIP participant.

Non-Controllable: Factors which significantly influence or impact a social or economic condition represented in a performance measure. Examples: Economic shifts resulting in severe cost variance, weather and natural or unnatural disasters, shifts in perceived needs by the public, short time orientation of political participants, reorganization and realignment of responsibilities of State agencies due to the changes in federal policy and funding, lack of response by program participants.

Policy Makers: Individuals in the Legislative and Executive Branches who have a significant impact on policy and budgetary decisions.