

Conclusions

The observations included in this section are not presented as final conclusions. Rather, these comments represent a starting point from which additional questions must be asked and analysis conducted.

The data provided was incomplete and has not been independently verified. Consequently, this information may have limited use in informing the Council and other stakeholders about the current state of DOH programs and activities. As noted in the 2005 "Benchmarking in the District of Columbia" Special Studies Report, staff needs to be trained when asked to participate in data collection and benchmarking efforts.

Areas where additional efforts are needed include the following:

- **Employees:** In general, DOH provided the requested information on the distribution of its FTEs across management, direct service, and administrative support. However, it would be useful to ensure that service provider positions do provide direct services to District residents. The administrative support positions were not recorded as administration positions. In addition, for FY 2006, the number of FTEs reported in several instances did not match the Span of Control data reported.
- **Compensation:** Personal Service budgets do not always appear to make sense when compared to changes in FTEs. For example, at times FTEs attributed to a program are decreasing significantly while Personal Services budgets are increasing. Such inconsistencies suggest that FTEs and/or Personal Service expenditures are not accurately attributed to programs and activities.
- **Expenditures:** The allocation of expenditures according to the DOH FY 2006 activity structure should be reviewed for accuracy. In some cases, activities only include personal services expenditures, without corresponding expenditures for supplies and equipment. In the context of performance budgeting, it is important to accurately allocate expenditures to each activity to reflect (as much as practical) the full resource requirements to achieve activity performance targets. Without this information, it is impossible to ensure that budgeted resources are aligned with performance targets.
- **Beneficiaries and Services:** DOH might consider updating performance measures in the Strategic Business Plan since not all activities provided performance measures in the data call. Similarly, those measures that were provided did not reflect the scope of individuals served or the cost to provide those services. When updating performance measures, in the context of

performance based budgeting, it is important to align resources with performance targets.

- **Beneficiaries and Unit Costs:** DOH did not report costs (or expenditures) per beneficiary or service unit (i.e., output). As the District continues to implement performance based budgeting, Efficiency Measures will become increasingly important. To obtain quality Efficiency information, DOH will need to resolve concerns around the allocation of expenditures across activities.
- **Benchmarks:** DOH did not report Benchmark measures by Activity. To improve the utility of its performance measurement, DOH might consider using federally defined measures to track activity Outputs and Results, instead of defining new Output and Result measures. This approach has several advantages: first, DOH is already required to collect and report data on federally defined measures, so using these for performance budgeting may avoid additional measurement and reporting for locally defined measures; second, federally defined measures are collected by all states, providing readily available benchmark data for activity outputs and results; finally, many federally defined measures are used to allocate performance awards to the District and other jurisdictions, so focusing and improving performance on these measures may help the District earn additional federal revenue. Some federal measures may not be appropriate for the District or DOH, and appropriateness needs to be taken into consideration when defining measures that will be useful for the District's performance based budgets.

The agencies should also consider benchmarking with other District agencies on comparable internal data from the Agency Management Program (e.g., personnel management expenditures per FTE, facility maintenance expenditures per square foot, etc.).

It may prove beneficial to obtain assistance with national benchmark research.