



January 13, 2004

To: Jeff Tryens, Oregon Progress Board
From: Sherry Sheng, Oregon Economic & Community Development
Re: Annual Performance Report for 7/1/02-6/30/03

In compliance with Oregon law and Executive Branch practices, I am pleased to submit OECD's 2002-2003 performance report. The Economic and Community Development Commission reviewed, discussed and approved its report at their September 2003 meeting.

The report is organized using templates provided by the Oregon Progress Board. Please note that performance measures are now grouped into two categories—primary and secondary, as directed by the Economic and Community Development Commission. The commission believes this approach may help focus attention on areas of universal interests (primary measures) to policy makers and stakeholders while continuing to provide information on other areas (secondary measures) of our work.

The department exceeded performance targets in six primary measures. They are: Jobs Created/Retained, % Jobs Above County Average Wage, New Sales of Assisted Exporters, % Grants in Distressed Areas, % Grants in Rural Areas and Return on Investment to General Fund.

The department fell short in two primary measures. They are: Number of water/wastewater systems achieving goal and cycle time measured by days from application to commitment.

Commissioners selected these primary measures because they best represent our work in business development, international trade, community and infrastructure development, and overall management effectiveness. Recent refocus of the department requires a realignment of performance measures to the mission of "Sustained, Quality Jobs for All Oregonians at Least Cost." OECD is currently developing a new framework for performance measures to reflect this refocus for review and approval by the Joint Legislative Audit Committee before July 2004. We anticipate applying the new framework toward the 2003-2004 annual report.

Detailed discussions of each measure follow.

2002-2003 PERFORMANCE MEASURE DATA & LINKS TO OREGON BENCHMARKS

APPENDIX A

Related Oregon Benchmarks (with numbers) or other high-level outcomes:						
Goal “Create Economic Opportunities” links to Oregon Benchmarks numbers 1,2,3,4,5,6,7,8,11,12,14,15,16,29,53						
Goal “Build Quality Communities” links to Oregon Benchmarks numbers 1,11, 28, 30, 36, 53, 69						
Goal “Manage for Results” links to Oregon Benchmarks numbers 4, 37						
Agency Goal	Key Performance Measure	PM #	PM since	02-03 Value	02-03 Target	Lead Teams
Create Economic Opportunities	JOBS—Total jobs created/retained	1	6/2000	4710	3750	Regional, Finance, Business & Industry
	JOBS—% of jobs created/retained above county average wage	2	6/2000	83%	50%	Regional, Finance, Business & Industry
	TRADE—New sales of assisted exporters	3	6/2000	\$25 million	\$9 million	International
	SMALL BUSINESS ASSISTANCE—% business assisted that are small business	25	6/2000	92%	95%	Business & Industry, Regional, Finance
	SMALL BUSINESS ASSISTANCE—% businesses assisted that are owned by women and minority	26	6/2000	27% women; 11% minority	35% women; 10% minority	Business & Industry, Regional, Finance
	OREGON COMPANY ASSISTANCE—% businesses assisted that are Oregon companies	27	6/2000	95%	90%	Regional, Finance, Business & Industry
	INDUSTRY CAPACITY—Number/% of industry capacity projects meeting objective	5	6/2000	66%	90%	Business & Industry
	INVESTMENT IN DISTRESSED AREAS—% of department investment in distressed areas	22	6/2000	Grants – 68%	Grants—60%	Regional, Finance
	INVESTMENT IN RURAL AREAS—% of department investment in rural areas	24	6/2000	Grants – 71%	Grants – 65%	Regional, Finance

Build Quality Communities	INFRASTRUCTURE—Number of communities aided	6	6/2000	127	80	Regional, Finance
	INFRASTRUCTURE—Number of water/wastewater systems achieving goal	7	6/2000	Construct –23; Non – con–24	C – 37; Non–22	Regional
	INFRASTRUCTURE—Number of communities improving their telecommunications connectivity	8	6/2000	Direct – 61; Indirect – 62	Direct – 35; Indirect – 33	Telecommunications
	INFRASTRUCTURE—% of cities desiring industrial development that have marketable industrial sites	9	6/2000	74.6% wants development; 48.8% have marketable land	No target	Business & Industry, Regional
	COMMUNITY FACILITIES—Investment in community facilities	10	6/2000	39	33	Regional, Finance
	LEADERSHIP CAPACITY—Number/% of funded leadership & organizational capacity projects meeting objectives	11	6/2000	48/100%	90%	Regional
Manage for Results	CUSTOMER SATASFACTION—Customer survey on performance	14	6/2000	4.1	4.2	Management
	PRODUCTIVITY – Jobs created/retained per FTE	15	6/2000	43.2	27.8	Management
	PRODUCTIVITY – Number of commitments by FTE	16	6/2000	5.35	4.75	Management
	CYCLE TIME – Average number of days from application to commitment	17	6/2000	Infrastructure – 88 days; Non-infrastruc - 15 days	Infrastructure - 80 days; Non-infrastruc – 36 days	Management
	RETURN ON INVESTMENT – Return to General Fund	19	6/2000	\$1.90 per \$1 state funds	\$1.17 per \$1 state funds	Management
	RETURN ON INVESTMENT – Public dollars saved through Oregon Bond Bank	20	6/2000	\$0.11 saved per \$1 bond sale	\$0.60 saved per \$1 bond sale	Finance, Regional
	RETURN ON INVESTMENT – Partner investment	21	6/2000	\$20.67 per \$1 state funds	\$1.80 per \$1 state funds	Regional, Finance

Part I, Managing for Results

The following questions shed light on how well performance measures and performance data are leveraged within your agency for process improvement and results-based management	
1 How were staff and stakeholders involved in the development of the agency's performance measures?	An interim performance task force, composed of legislators and partners, developed twenty-seven performance measures that were adopted by the Economic and Community Development Commission in June 2000. Since then, staff has been involved in the collection and reporting of performance data.
2 How are performance measures used for management of the agency?	Director's office developed report templates for those measures for which data exist. Team managers use these reports to monitor team progress. The Leadership Team reviews performance data every quarter, discusses results and determines changes needed.
3 What training has staff had in the use of performance measurement?	Since June 2000, staff has received training in the department's performance measurement system, periodic training on how to improve data quality, the review and interpretation of performance data. New staff receives additional training on performance measurements as part of new employee orientation.
4 How does the agency communicate performance results and for what purpose?	Every three months, the Leadership Team reviews performance data and discusses changes needed. Every six months, the Economic and Community Development Commission reviews the department's performance report as part of a commission meeting. These reviews provide commissioners with the opportunity to provide direction.
5 What important changes have occurred in the past year?	Measurements and reporting has led to greater understanding of program outcome. Focused attention has resulted in improved data quality and data verification methods. The Leadership Team is more proficient with use of performance results to assess work priorities and to determine changes needed.

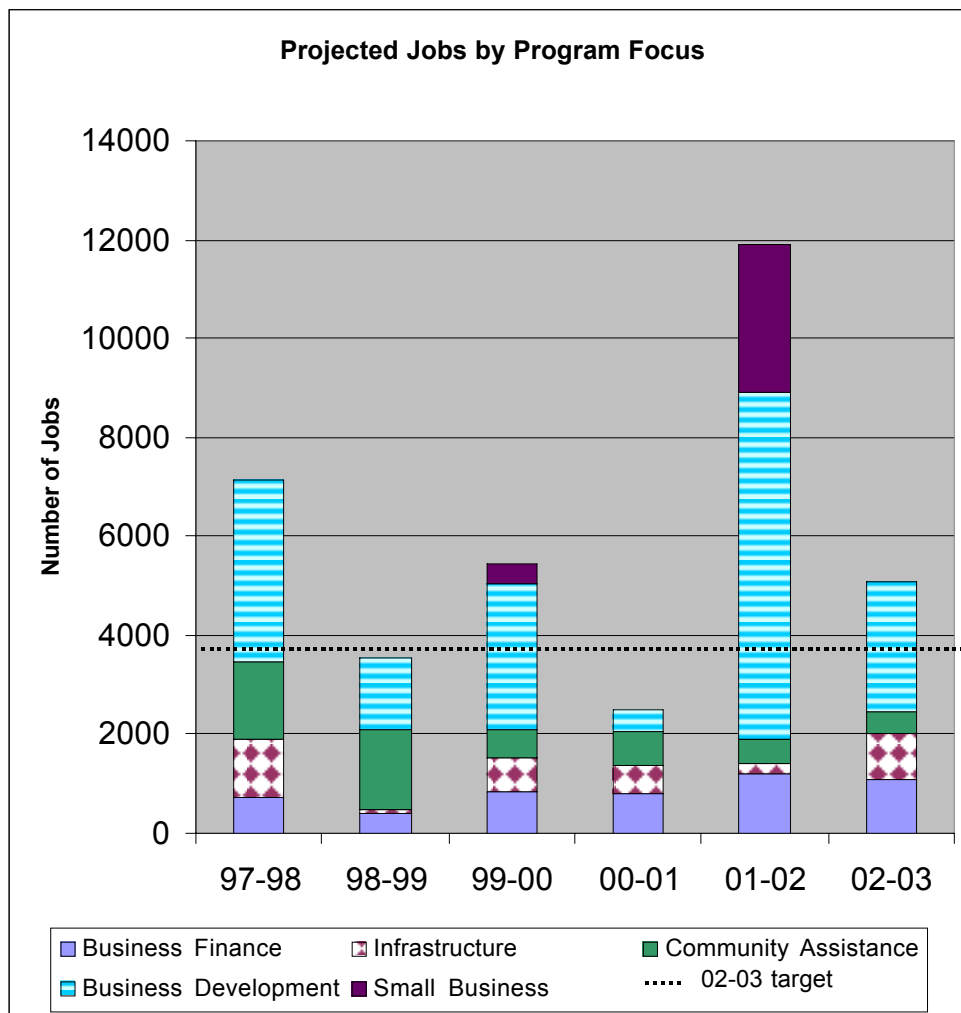
Part II, Primary Measures

Primary measures: Jobs Created/Retained, % Jobs Above County Average Wage, New Sales of Assisted Exporters, # of Water/Wastewater Systems Completed, % Grants in Distressed Areas, % Grants in Rural Areas, Cycle Time, Return to General Fund.

#1—Jobs Created/Retained

To what goal is this performance measure linked?

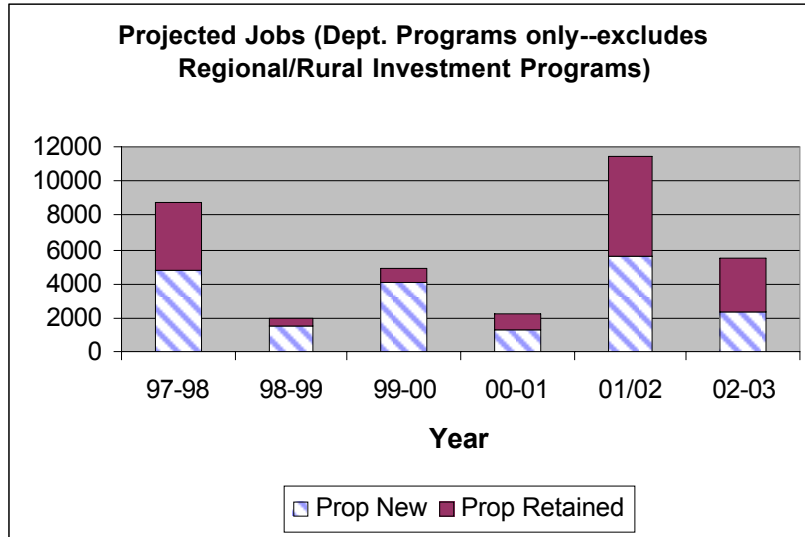
Goal: Create Economic Opportunity



What can we tell from the data?

4710 projected jobs created/retained exceeded the 02–03 target of 3750. Analysis shows:

- During 2002–2003, the department’s efforts continued to shift from job creation (41%) to job retention (59%). This was expected given the state of the economy. In contrast, job creation accounted for 55% of the total result during 1995–2002.



- Programs performing 20% or above than their 1995–2002 annual averages were: Credit Enhancement Fund, Entrepreneurial Development Loan Fund, Oregon Business Development Fund, Port Revolving Loan Fund and Special Public Works Fund.
- Programs performing 20% or below their 1995–2002 annual averages were: Expansion and Recruitment Technical Assistance, Special Public Works Community Facility, Industrial Development Revenue Bond and Strategic Reserve Fund.
- Programs contributing no job creation or retention during 2002–2003 included Community Development Block Grant, Safe Drinking Water Revolving Loan, Water/Wastewater Fund and Brownfield Redevelopment Fund.
- Job results from Small Business Services were not available.
- 67% of the projected job results were in distressed areas; 72% of the projected job results were in rural areas.

What needs to be done as a result of your analysis?

Respective program managers need to include in 2003–2005 work plans actions to maintain strong results or to turn around weak performance. The Leadership Team will review overall performance every three months to assess if changes are needed.

64.5 % of projected job results came from 10 projects. To improve performance, the staff must step up efforts to increase the number of business deals. Calling on Oregon companies and recruiting out-of-state companies are two main avenues.

2002–2003 projects with 100+ jobs are listed below.

Project	Projected New/Retained Jobs	County	Rural/Urban/Mixed	Distr./Not/Mixed
Pacific Chemical Corp	150/0	Morrow	R	D
Blue Mt. Lumber	100/570	Umatilla	R	D
American Bridge Co.	109/0	Douglas	R	D
Freightliner Mfg.	0/600	Multnomah	M	M
Coos Bay RR Bridge	0/405	Coos	R	D
Madras Airport Indus Park	10/170	Jefferson	R	D

Brentwood Corp.	70/200	Clackamas	R	D
Wauna Mill Expansion	100/0	Clatsop	R	D
Master Brand's Schrock Cabinet	350/0	Josephine	R	D
Microchip Tech. Inc.	204/0	Multnomah	M	M
Totals	1,093/1,945			

81.2% of the 1,093 projected new jobs were in rural areas, 63.6% of the 1,945 projected retained jobs were in distressed areas.

What is the data source?

Business Development, Business Finance, Infrastructure programs: Data came from businesses receiving loans or grants from the department. They estimated job creation and retention as a result of the project. Upon completion of the project, businesses are required to report the actual results.

Community Assistance programs: Data come from Regional Boards, Regional Partnerships, and other entities receiving funds.

Small Business: Data come from independent survey of businesses using services contracted by the department.

#2—% of Jobs Created above County Average Wage

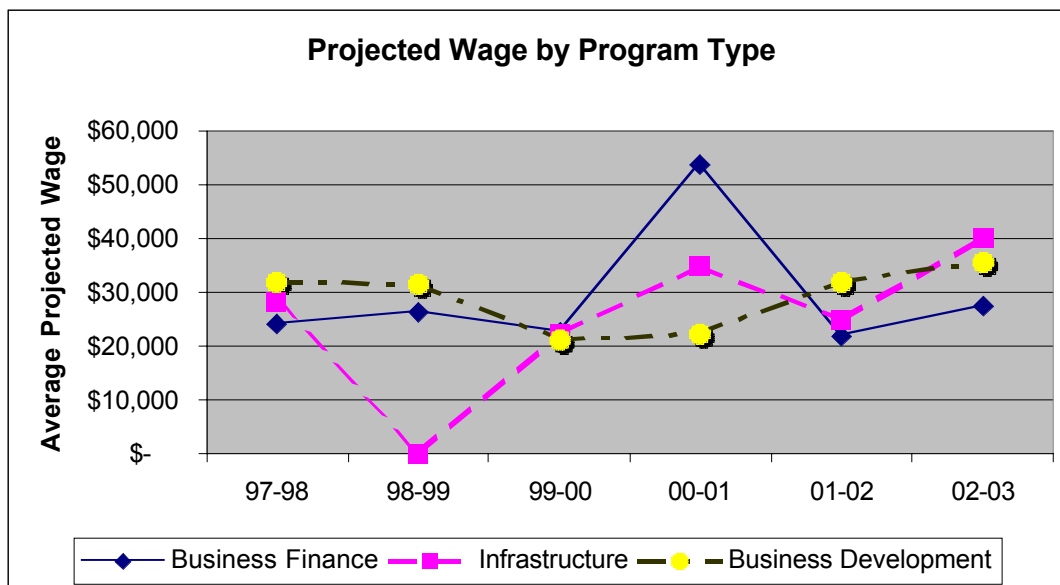
To what goal is this performance measure linked?

Goal: Create Economic Opportunity

What can we tell from the data?

Approximately 83% of the projected jobs created or retained in 2002–03 exceeded county average wage. Target is 50%.

- Projected wages vary by program, as seen in the graph below.



What needs to be done as a result of your analysis?

We are improving due diligence for approval of grant funding toward projects that have 10 or more projected jobs with below county average wages.

What is the data source?

Business Development, Business Finance, Infrastructure programs: Data came from businesses receiving loans or grants from the department. They estimated job creation and retention as a result of the project. Upon completion of the project, businesses are required to report the actual result and average wage for those jobs. 93% of projected jobs showed projected average wage.

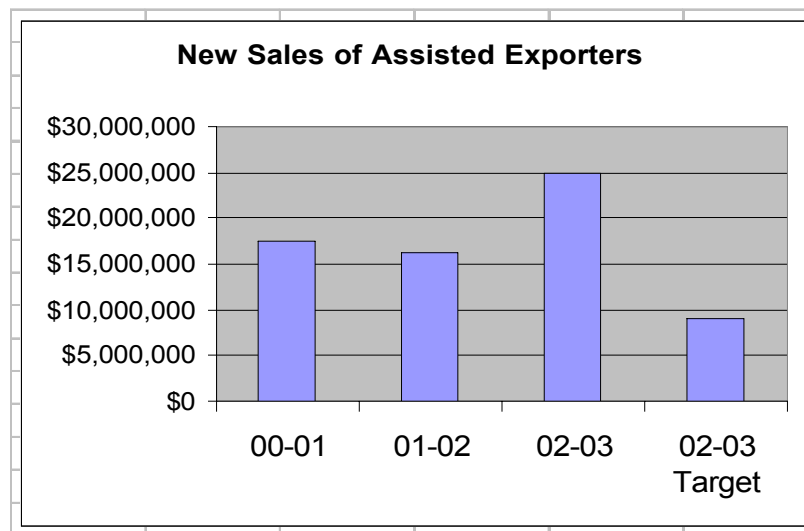
Community Assistance programs: Data come from Regional Boards, Regional Partnerships and other entities receiving funds.

Small Business: Data come from independent survey of businesses using services contracted by the department.

#3 – New Sales of Assisted Exporters

To what goal is this performance measure linked?

Goal: Create Economic Opportunity



What can we tell from the data?

- Assisted sales of \$25 million exceeded 2002–2003 target of \$9 million. Below is a comparison of recent performance:

<u>Year</u>	<u># of Sales</u>	<u>\$ Value of Sales (million)</u>
2000–2001	10	17.1
2001–2002	69	16.5
2002–2003	101	25.0

In addition to the consummated sales, client companies reported 129 additional sales under negotiation, valued at \$45.8 million, during the 2001–2003 biennium.

- Regional breakdowns for both sales and sales under negotiation are:

<u>Region</u>	<u>2001–2002</u>	<u>2002–2003</u>
Europe	\$15,066,100.	\$28,748,800
Asia	\$10,281,000.	\$28,170,600
The Americas	\$2,590,500.	\$1,866,700
Other	\$394,500.	\$182,100
Total	\$28,332,100.	\$58,968,200

- We saw significant growth over the last year as both the European and Asian (outside of Japan) markets continued to show slow, but stable, growth. Europe continued to be an across-the-board success, primarily for experienced exporters, not only in high tech, but also in a broad variety of other sectors. Most of these companies targeted Europe for near term emphasis as they continued to tread water in Asia. The Oregon Trade Promotion Program contributed greatly to company network establishment.
- In Asia, significant growth in the ASEAN coupled with greater spending in Taiwan seemed to be triggering the sales growth. USAEP grants for the ASEAN helped several companies expand their networks in the region. In Taiwan, government spending on infrastructure development aided several companies to consummate sales that were in a holding pattern. Programmatic activity in China continued at a high level, but sales were leveling off due to a relative slowing in the Chinese economy.
- Americas programs were slow as Mexico and Canada both struggled along with the U.S. economy. The financial and political uncertainty in MERCOSUR also slowed sales into the South American market. That being said, company interest in Mexico picked up in recent months.

What needs to be done as a result of your analysis?

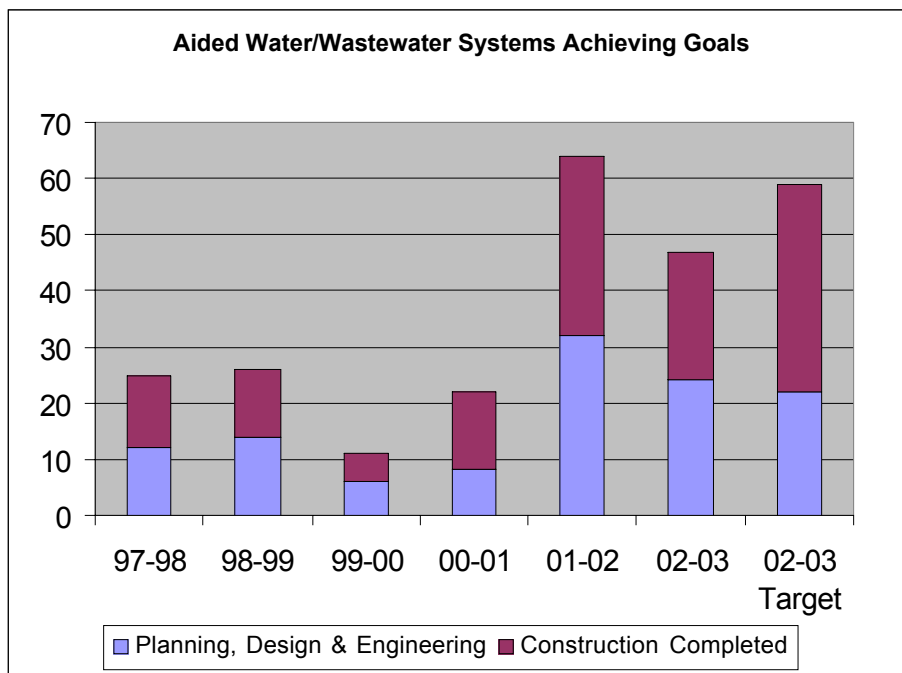
Continue to increase the number of companies receiving assistance from the division.

What is the data source?

Companies receiving division assistance report sales data in writing and in verbal communications with staff.

#7 – Number of Aided Water/Wastewater Systems Achieving Completion**To what goal is this performance measure linked?**

Goal: Build Quality Communities

**What can we tell from the data?**

The 2002–2003 results are on par with 2001–2002 performance. 24 planning/design/engineering projects were completed, beating the target of 22. 23 construction projects were completed, falling short of target of 37.

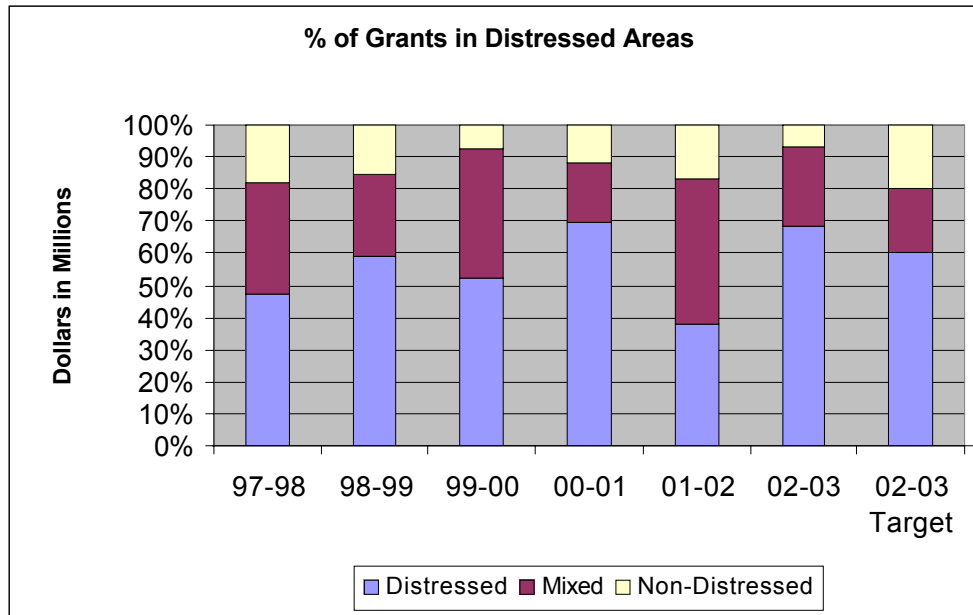
For 2001–2003, we projected completion of 75 construction projects and 45 planning/design/engineering projects. 54 construction projects and 56 planning/design/engineering projects actually were completed. Recent updates show 6 projects have been completed since July 1, 1993, and 13 projects are delayed due to problems with water quality or financing.

What needs to be done as a result of your analysis?

- Review status of projects that are delayed and reasons for such delay; act on what the department can affect.
- Improve tracking system to capture project completion in a timely manner.
- Consider experience with delays in setting 2003–2005 targets.

What is the data source?

Department project database. Projects enter the database upon funding commitment. Regional Coordinators conduct final monitoring when projects are complete and note so in the database.



#22—% of Department Investment in Distressed Areas

To what goal is this performance measure linked?

Goal: Create Economic Opportunity

What can we tell from the data?

- 68% of grants were directed to distressed areas, exceeding the target of 60%.
- A more detailed analysis of the total grant of nearly \$23.8 million showed that
 - 1) Community Development Block Grant directed 92% of total \$12.3 million grants to distressed areas;
 - 2) Infrastructure funds (Special Public Works and Water/Wastewater) directed 98% of total \$4.1 million of grants to distressed areas;
 - 3) Strategic Reserve Fund directed 19% of total of \$2 million to distressed areas; and
 - 4) \$3.1 million for statewide tourism marketing were counted as investment in mixed area; and
 - 5) \$1 million for arts commission programs were used mostly in non-distressed areas; distressed areas received 7% of total.

What needs to be done as a result of your analysis?

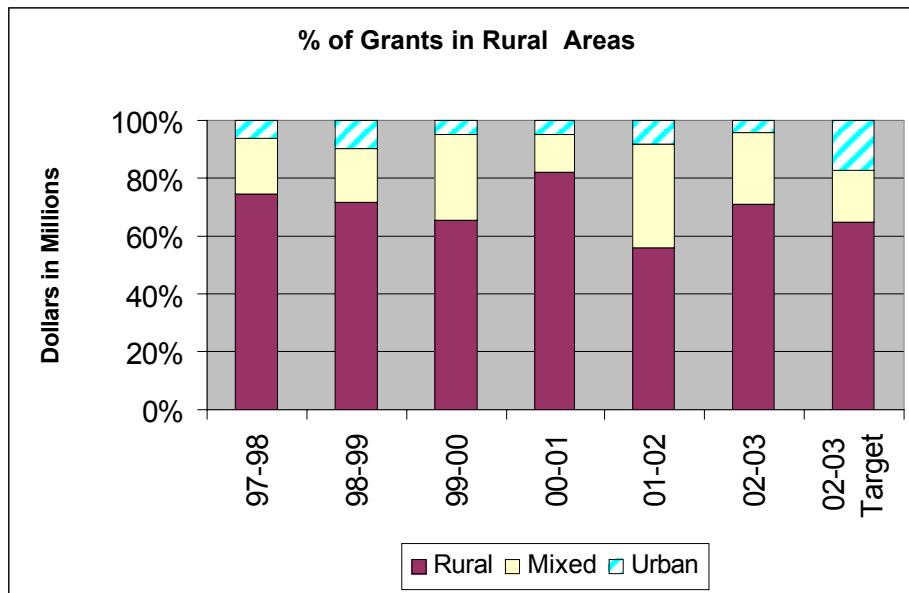
Remain vigilant in monitoring the use of grants.

What is the data source?

Department database of funded projects.

#24—% Investment in Rural Areas**To what goal is this performance measure linked?**

Goal: Create Economic Opportunity

**What can we tell from the data?**

- 71% of grants were directed to rural areas, exceeding the 65% target.
- Analysis of programs with significant grant investments showed the following:
 - 1) Community Development Block Grant directed 95% of total of \$12.3 million grants to rural areas;
 - 2) Infrastructure programs (Special Public Works Fund and Water/Wastewater) directed 99% of a total of \$4.1 million of grants to rural areas;
 - 3) Strategic Reserve Funds directed 19% of a total of \$2 million to rural areas; and
 - 4) Tourism marketing directed all \$3.2 million toward mixed areas, with none dedicated for rural areas.
 - 5) Arts commission directed 25% of a total of \$1 million toward rural areas.

What needs to be done as a result of your analysis?

- Continue to monitor distribution of resources.
- Consider basis for future targets.

What is the data source?

The department's database of funded projects.

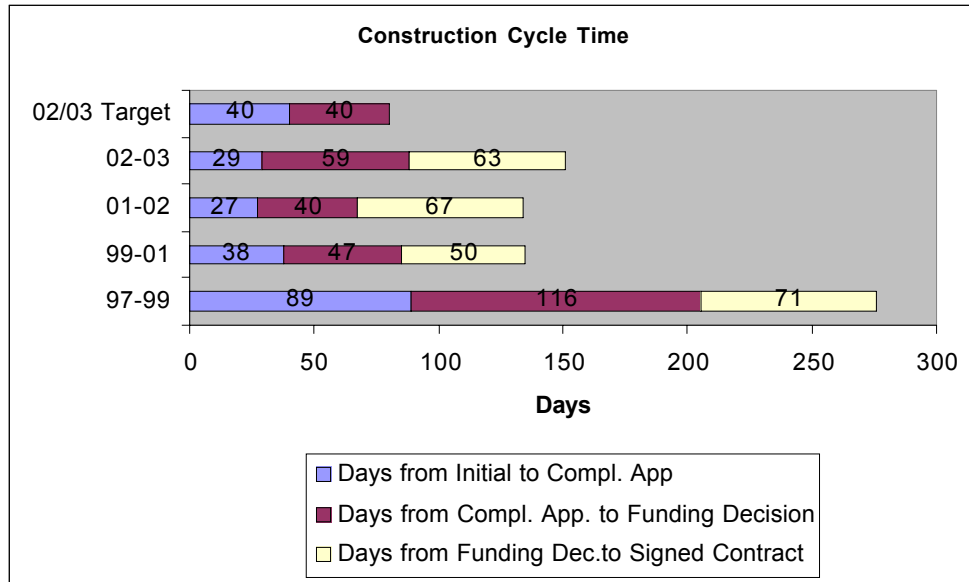
#17 – Average Days from Application to Commitment by Category of Projects

To what goal is this performance measure linked?

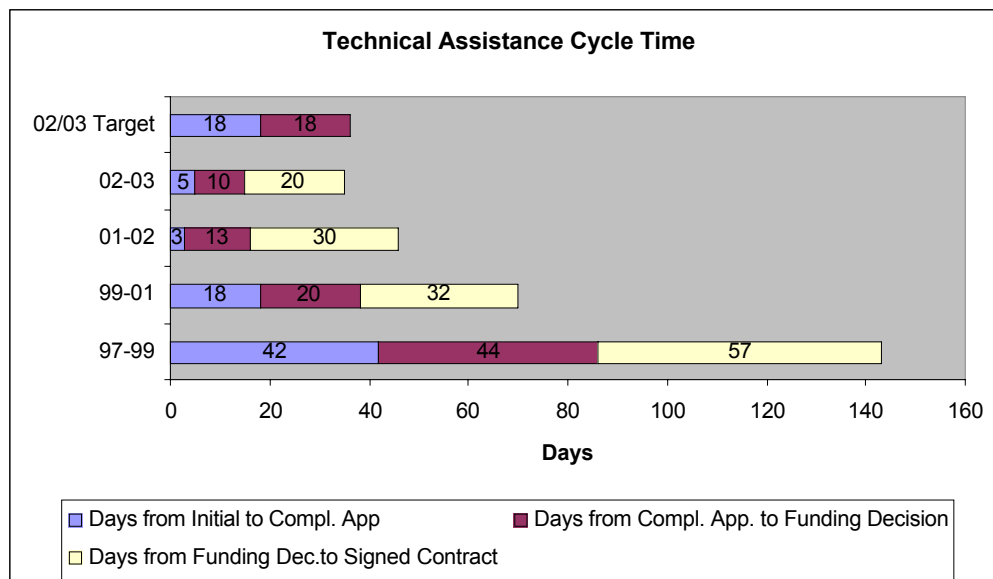
Goal: Manage for Results

What does the performance measure demonstrate about the goal?

How quickly department staff reaches a funding decision on projects once applications are complete. Cycle time is tracked separately for construction projects including those funded with Community Development Block Grant, Special Public Works Fund, Water/Wastewater, Safe Drinking Water, Port Revolving Loan Fund and Marine Navigation Improvement Fund.



We also calculate cycle time for technical assistance projects funded through Industry Sector Outreach, Old Growth Diversification, Community Assistance, Business Retention, Port Planning and Marketing, Special Public Works technical assistance, Strategic Reserve Fund and Water/Wastewater technical assistance.



What can we tell from the data?

- For construction projects, the cycle time was 88 days, longer than the target of 80 days.
- For non-construction projects, the cycle time was 15 days, beating the target of 36 days.

What needs to be done as a result of your analysis?

- Continue to streamline processes.
- Get very good at handling routine applications so that they move through quickly and smoothly. Monitor those projects that require significantly longer time frame than target and seek ways to improve the cycle time for these types of projects.

What is the data source?

Department project database which tracks milestones associated with each project. Cycle time data are calculated based on such data.

#19 – Return to General Fund

To what goal is this performance measure linked?

Goal: Manage for Results

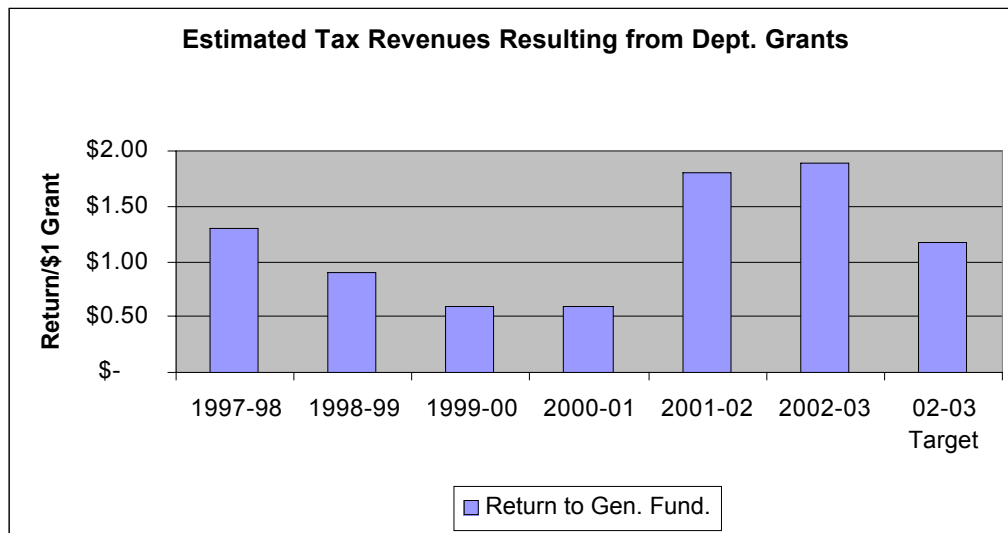
What does the performance measure demonstrate about the goal?

The amount of personal and corporate income tax that comes back to the state as a result of department investment provides a way to understand the relative contribution of each program and the overall contribution of the department.

What can we tell from the data?

For every dollar of state grant, an estimated \$1.90 will come back into the state General Fund in the form of personal and corporate income tax. This result exceeds the target of \$1.17.

The department economist uses a model to calculate return on investment. The model was reviewed by a panel of economists and approved by the commission.



What needs to be done as a result of your analysis?

Please see discussions for jobs and wage because Return on Investment is calculated based on these values.

What is the data source?

At the onset of a project, businesses receiving grants or loans from the department forecast likely job and wage results. Upon project completion, the department requires the business to provide actual job and wage data.

Part III – Other Measures

#5 – Number/% of Industry Capacity Projects Meeting Objectives**To what goal is this performance measure linked?**

Goal: Create Economic Opportunity

What can we tell from the data?

The department funded 59 projects, 39 were complete and all of them reached stated objectives. The remainder was expected to complete in the coming months.

What needs to be done as a result of your analysis?

Continue to monitor funded projects to ensure timely completion. Review projects that did not meet stated objectives and assess if this affect criteria for future decisions.

What is the data source?

Funded projects are in the department's database of Industry Sector Outreach funds.

#6 – Number of Communities Aided**To what goal is this performance measure linked?**

Goal: Build Quality Communities

What can we tell from the data?

127 communities received assistance, exceeding the target of 80. This is comparable to numbers served in previous years. For the 01–03 biennium, 177 communities received services, exceeding target of 160.

What needs to be done as a result of your analysis?

Stay the course.

What is the data source?

Funded project are tracked in the department's database; recipient cities or businesses are recorded and tracked accordingly.

**#8 – Number of Aided Communities Improving Their Telecommunications Connectivity
To what goal is this performance measure linked?**

Goal: Build Quality Communities

What does the performance measure demonstrate about the goal?

How the department helps communities improve telecommunications infrastructure and connectivity needed for business formation, location and expansion, especially those that use high capacity digital network services and the Internet for transactions or for e-commerce.

What can we tell from the data?

- Commission-directed investments improved connectivity for 123 communities. 61 received direct benefit by being on new fiber routes or by getting broadband services. 62 additional communities indirectly benefited through improved route diversity in the backbone network.
- Target for the 2001–2003 biennium is for 136 communities to improve connectivity. Actual biennial result is 135 cities plus one unincorporated areas (Bly). We fell slightly behind targeted completion date for all projects. Based on current schedule, remaining projects are due to complete by December 2003.

What needs to be done as a result of your analysis?

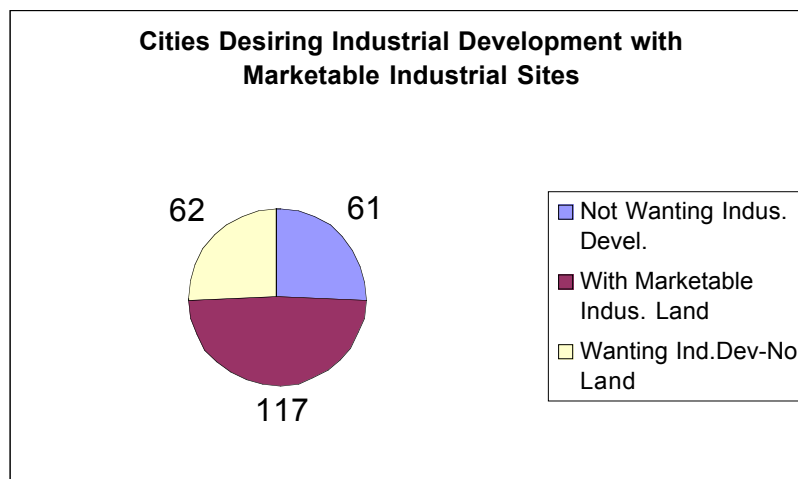
- Continue to update the database as new deployments take place.
- Shift focus to encouraging use of broadband assets now available across Oregon.

What is the data source?

The Telecommunications Team tracks progress of funded projects and notes the impact of each on communities.

**#9 – % of Cities Desiring Industrial Development that Have Marketable Industrial Land
To what goal is this performance measure linked?**

Goal: Build Quality Communities



What does the performance measure demonstrate about the goal?

The capacity for cities to locate manufacturing and other industries as a means to create jobs.

What can we tell from the data?

The pie chart shows that seventy-five percent of Oregon cities want industrial development, but fewer than half of Oregon's 240 cities have marketable industrial land.

This leaves 62 cities desiring industrial development but lacking marketable land. Some of the cities have contaminated land that require cleanup, some need to plan for rezoning.

What needs to be done as a result of your analysis?

Inventory industrial sites;

Assess each site for readiness for development;

Invest in needed improvements such as wetland mitigation, water and sewer hookup, so that the site is ready for business siting.

Department 2003–2005 budget contains authority to issue lottery bonds to finance new industrial sites.

What is the data source?

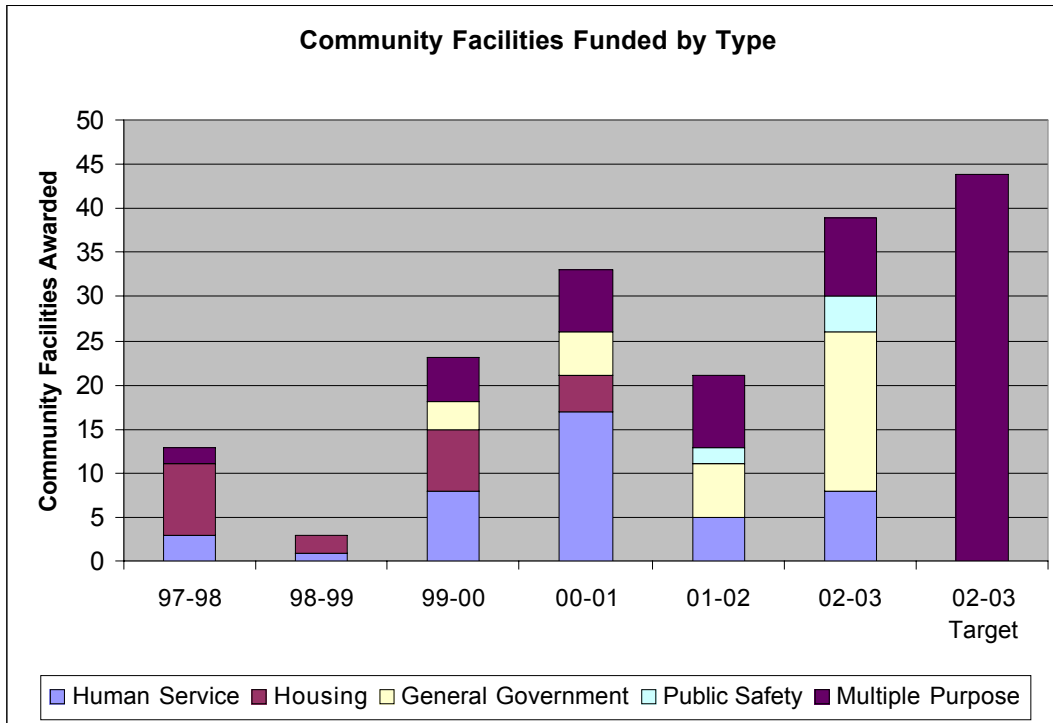
Survey of 240 cities in Oregon.

#10 – Community Facilities Funded**To what goal is this performance measure linked?**

Goal: Build Quality Communities

What does the performance measure demonstrate about the goal?

Community facilities such as senior centers, health clinics, libraries, reflect the quality of life in that community.



What can we tell from the data?

- The department funded 39 community facilities during 2002–2003. Of these, 9 were multiple purpose buildings, 18 were general government facilities, 8 were human service facilities, and 4 were public safety buildings.
- About 47% of these projects were funded with Community Development Block Grant funds, a limited resource appropriated annually from the Federal Government. Remaining projects were financed with loans through the Special Public Works Fund.

What needs to be done as a result of your analysis?

If a community has the ability to repay a loan, work with them on ways to finance their community facility through the Special Public Works funds. If a community wants to build a facility only with grants, there is little we can do except keeping the project in queue for future funding.

What is the data source?

Funded project database.

#11 – Number/% of Leadership or Organizational Capacity Projects Meeting Objectives To what goal is this performance measure linked?

Goal: Build Quality Communities

What can we tell from the data?

The department contracts with the Rural Development Initiatives (RDI) and the Oregon Downtown Development Association (ODDA) to help build capacity in Oregon communities.

- During the 2002–2003 period, RDI completed 24 projects including leadership training, strategic planning and capacity readiness assessment.
- In the same period, ODDA completed 24 projects, including downtown planning and designs.
- All 48 projects met objectives.

What needs to be done as a result of your analysis?

Continue to work closely with contractors to ensure that communities needing assistance receive the benefit.

What is the data source?

Funded project database.

#15 – Jobs per FTE

To what goal is this performance measure linked?

Goal: Manage for Results

What does the performance measure demonstrate about the goal?

Staff productivity and effectiveness of department programs

What can we tell from the data?

- The result for 2002–2003 was 43.2 projected jobs created or retained per FTE, exceeding target of 27.8. Performance for the period far exceeded the target due to higher numbers of jobs.
- Result for this measure mirrors the result for Measure #1. Please see discussion under #1.

What needs to be done as a result of your analysis?

Please see discussion under #1.

What is the data source?

Businesses receiving loans or grants estimate job creation and retention for the project. Upon completion of the project, businesses are required to report the actual result.

#16 – Funding Commitments per FTE

To what goal is this performance measure linked?

Goal: Manage for Results

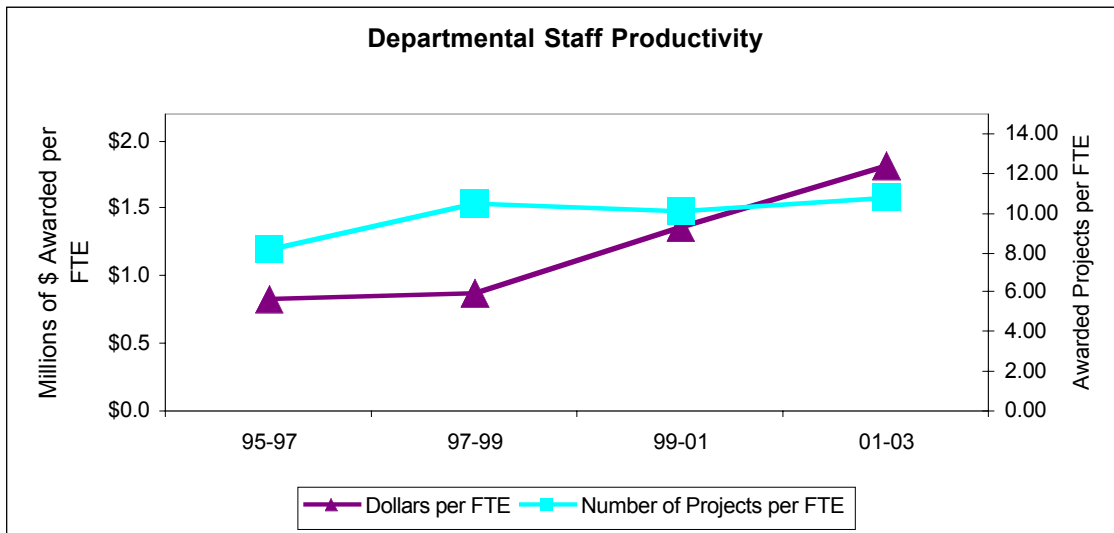
What does the performance measure demonstrate about the goal?

This is a measure of staff productivity because much of the department’s work is in providing communities with financing to improve infrastructure and in providing businesses with loans for job creation and retention.

Some staff work directly with businesses and communities to help with project development, applications, and analysis and funding decisions. Other staff support the project staff with financial records, loan servicing, program/rule interpretation.

What can we tell from the data?

- Productivity was on track at 5.35 commitments and projects per FTE for 2002–2003, exceeding the annual target of 4.75.



What needs to be done as a result of your analysis?

Continue to monitor project load to maintain and improve this level of productivity.

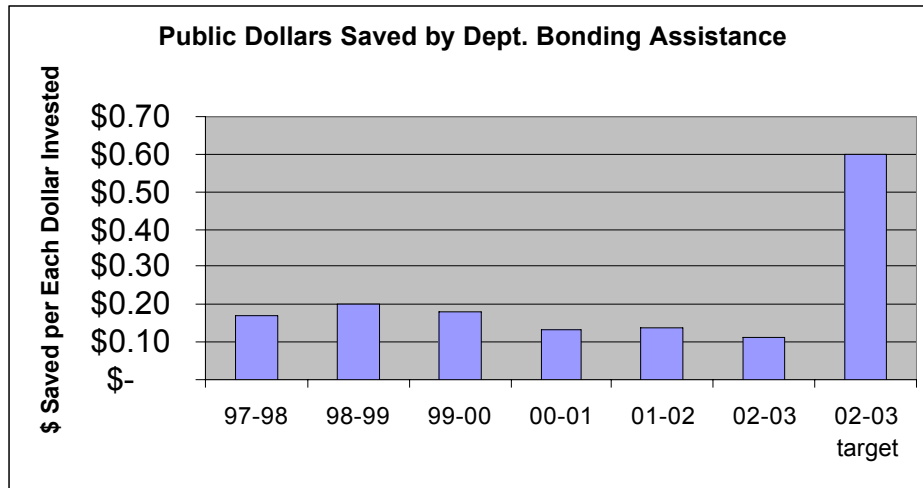
What is the data source?

Funded project list in the department’s database.

#20 – Public Dollars Saved by Department Bonding Assistance

To what goal is this performance measure linked?

Goal: Manage for Results



What can we tell from the data?

- During the 2002–2003, the department conducted one Oregon Bond Bank sale. Total savings for participating jurisdictions was \$0.11 saved for every \$1 of bond sale.
- Bond bank target of \$0.60 was set using a different methodology to calculate savings. We need to revise future targets for this measure.

What needs to be done as a result of your analysis?

Revise performance target for 2003–2005.

What is the data source?

The department’s database of funded projects.

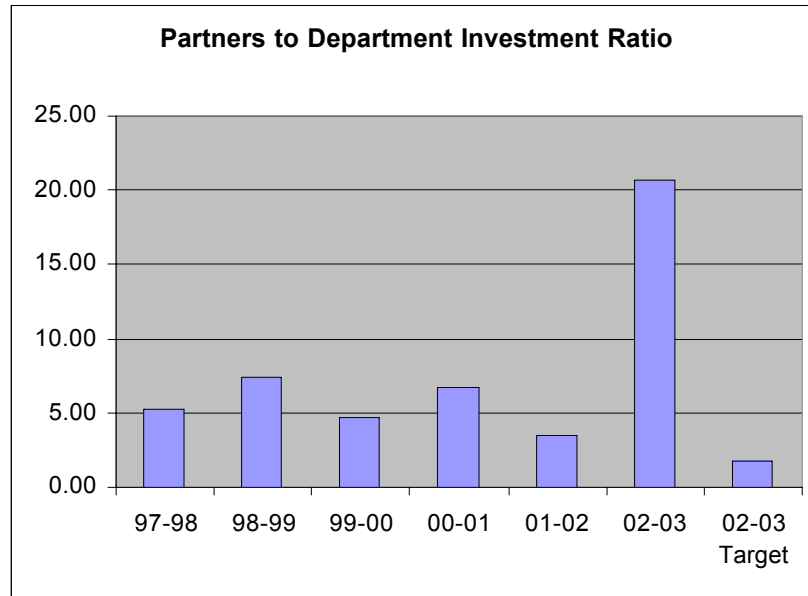
#21 – Partner Investment by Funding Source

To what goal is this performance measure linked?

Goal: Manage for Results

What does the performance measure demonstrate about the goal?

The department’s effectiveness in leveraging state funds



What can we tell from the data?

- Partners put \$20.67 into funded projects for every dollar of the department's grants. Target was \$1.80. Several capital projects funded with Strategic Reserve Fund and through the Industrial Development Revenue Bond significantly increased the result.

What needs to be done as a result of your analysis?

- Continue to closely review each project so that the mixture of grant, loan and bond funds are appropriate to the financial capability of the applicant and effective leveraging of state resources.

What is the data source?

The department's database of funded projects.

#25 – % of Companies Assisted that are Small Businesses

To what goal is this performance measure linked?

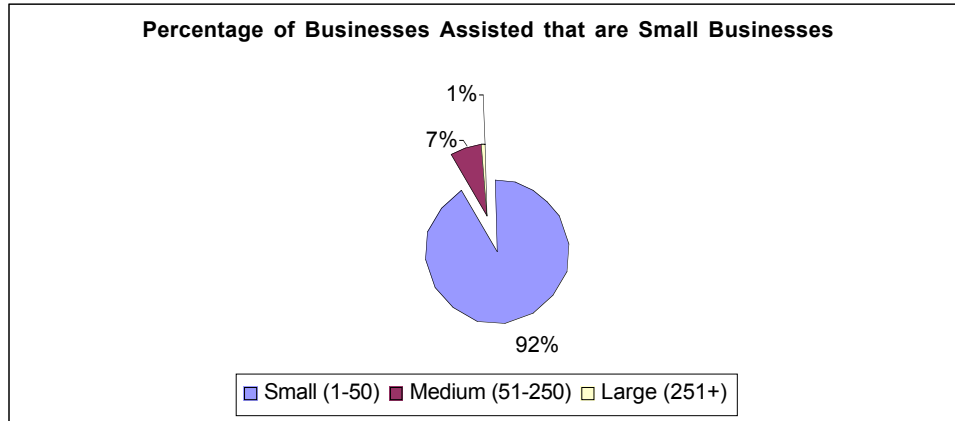
Goal: Create Economic Opportunities

What does the performance measure demonstrate about the goal?

To what extent does the department focus its resources in assisting small businesses. For this measure, a small business is a company employing fewer than 50 people or manufacturers employing fewer than 200.

What can we tell from the data?

- 92% of companies receiving service from the department were small businesses with 50 or fewer employees.
- 7% of the companies served were medium-sized (51–250 employees) and
- 1% of the companies served were large companies with 250 or more employees.

**What needs to be done as a result of your analysis?**

On the surface, it appears that the result fell short of target of 95%. However, this is the result of changing definitions of small business. Under the old definition, more than 95% of the companies served were small businesses.

What is the data source?

Department project database.

#26 – % of Companies Assisted that are Owned by Women or Minorities

To what goal is this performance measure linked?

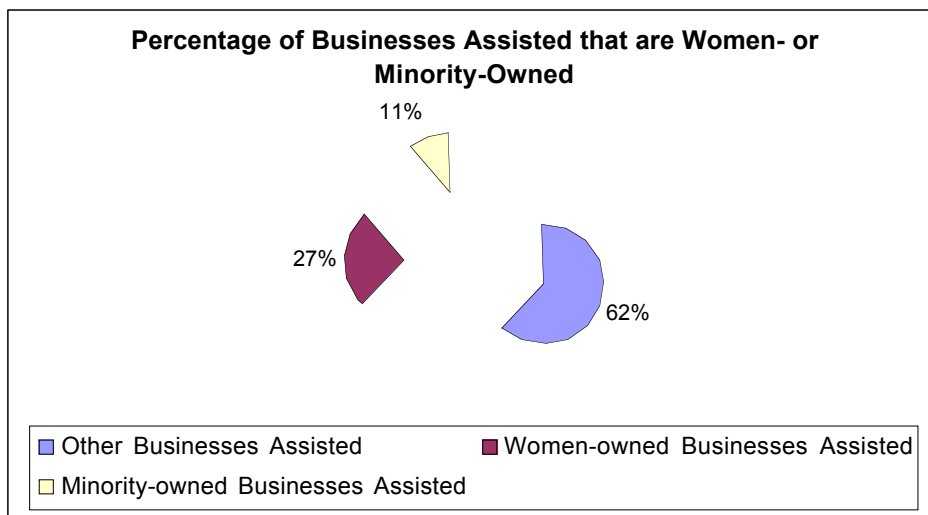
Goal: Create Economic Opportunities

What does the performance measure demonstrate about the goal?

To what extent does the department focus its resources in assisting Oregon companies that are owned by women or minorities.

What can we tell from the data?

- 27% of companies receiving assistance from the department are Oregon companies owned by women, falling short of the target of 35%.
- 11% of companies receiving assistance from the department are Oregon companies owned by minorities, exceeding the target of 10%.



What needs to be done as a result of your analysis?

Contractors such as the Small Business Development Centers served the majority of companies. We need to work with these contractors to improve their targeting of service delivery.

What is the data source?

Department project database.

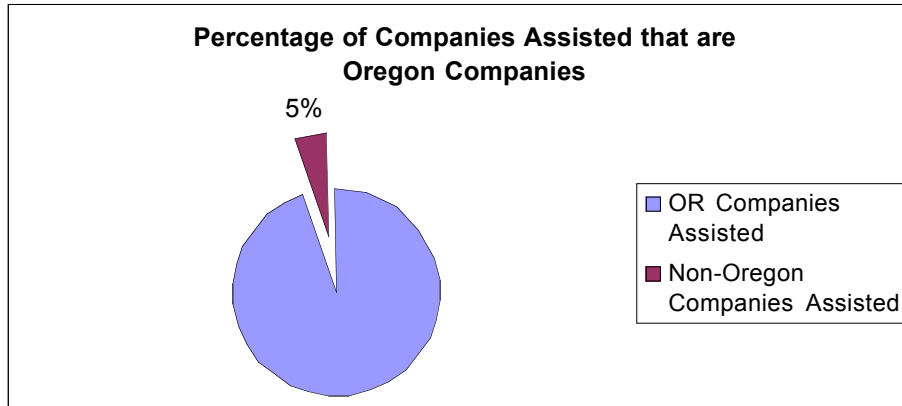
#27 – % of Companies Assisted that are Oregon Companies

To what goal is this performance measure linked?

Goal: Create Economic Opportunities

What does the performance measure demonstrate about the goal?

To what extent does the department focus its resources in assisting Oregon companies.



What can we tell from the data?

- 95% of companies receiving assistance from the department were Oregon companies.
- The department did serve over 700 out-of-state companies, primarily in responding to inquiries about site location.

What needs to be done as a result of your analysis?

Stay the course and continue to monitor result.

What is the data source?

Department project database.

LINKS TO OREGON BENCHMARKS

Agency Name: Economic and Community Development Department						Last Revised: 11/22/02		
Contact Person: Y. Sherry Sheng						Phone: 503-986-0109		
Alternate Contact: Mary Russell						Phone: 503-986-0099		
<p>Related Oregon Benchmarks (OBMs) or High-Level Outcomes (HLOs): Mission "To assist Oregon businesses and governments to create economic opportunities and build quality communities throughout Oregon"</p> <p>Oregon Benchmarks:</p> <ul style="list-style-type: none"> 1 Percent of Oregonians employed outside the Willamette Valley and the Portland tri-county area 2 Oregon's national rank in traded sector strength 3 Oregon's national rank in new companies 4 Net job growth 11 Per capita personal income as a percent of the US per capita income (US = 100%) 16 Exports to non-primary partners as a percentage of total exports 28 Percent of Oregonians who use a computer or related electronic device to access the Internet 69 Percent of Oregonians served by public drinking water systems that meet health-based standards Devel. BM 2002 Percent of cities desiring industrial development that have marketable industrial sites 								
	OBM# HLO#	Key Performance Measure	PM #	PM Since	New or Mod.?	01-02 Value	04-05 Target	Lead Division or Unit (Optional)
Goal 1: Create Economic Opportunities	4	JOBS - Total jobs created/retained as a result of department activities	12300-1	6/2000		8284	5070	Regional, Finance, Business & Industry
	11	JOBS - % of jobs created/retained above county average wage as a result of department activities	12300-2	6/2000		85%	60%	Regional, Finance, Business & Industry
	2, 16	TRADE - New sales of exporters assisted by the department	12300-3	6/2000		\$ 16.2 million	\$24 M	International
	1, 3, 4	SMALL BUSINESS ASSISTANCE - % of businesses assisted that are small businesses	12300-4	6/2000		100%	95%	Business & Industry, Regional, Finance

	1, 3, 4	SMALL BUSINESS ASSISTANCE - % of businesses assisted that are owned by women or minorities	12300-5	6/2000		48% women; 13% minority	45% women/20% minority	Business & Industry, Regional, Finance
		OREGON COMPANY ASSISTANCE - % of businesses assisted that are Oregon companies	12300-6	6/2000		100%	90%	Regional, Finance, Business & Industry
	2	INDUSTRY CAPACITY - Number/% of industry capacity projects meeting objective	12300-7	6/2000		9 / 100%	No target #/ 90%	Business & Industry
	1, 4, 11	INVESTMENT IN DISTRESSED AREAS - % of department grants invested in distressed areas	12300-8	6/2000		38%	60%	Regional, Finance
	1, 4, 11	INVESTMENT IN RURAL AREAS - % of department grants invested in rural areas (Grants)	12300-9	6/2000		56%	65%	Regional, Finance
Goal 2: Build Quality Communities		INFRASTRUCTURE - Number of communities aided	12300-10	6/2000		139	131	Regional, Finance
	69	INFRASTRUCTURE - Number of water/wastewater systems achieving completion	12300-11	6/2000		Constr. -32; Non - con - 32	Constr. - 40; Non-con - 44	Regional
	28	INFRASTRUCTURE - Number of communities improving their telecommunications connectivity	12300-12	6/2000		Direct assist- 12; Indirect assist - 0	Direct - 0; Indirect - 0	Telecommunications
	Devel BM 2002	INFRASTRUCTURE - % of cities desiring industrial development that have marketable industrial sites	12300-13	6/2000		65% (117/179)	65%	Business & Industry, Regional
		COMMUNITY FACILITIES - # of investments in community facilities	12300-14	6/2000		21	35	Regional, Finance
		LEADERSHIP CAPACITY - Number/% of funded leadership & organizational capacity projects meeting objectives	12300-15	6/2000		33/100%	No target #/ 90%	Regional

Goal 3: Manage for Results		CUSTOMER SATISFACTION – Overall department rank for performance on customer survey (5 point scale)	12300-16	6/2000		No new data	4.2	Management
	4	PRODUCTIVITY – Jobs created/retained per FTE	12300-17	6/2000		62.3	41.6	Management
		PRODUCTIVITY – Number of projects per FTE	12300-18	6/2000		4.9	5.0	Management
		CYCLE TIME – Average number of days from application to commitment for: a. infrastructure projects b. technical assistance projects	12300-19	6/2000		a. 67 days; b. 16 days	a. 60 days; b. 16 days	Management
		RETURN ON INVESTMENT – Return to General Fund per dollar of state grant invested	12300-20	6/2000		\$1.80	\$2.77	Management
	11	RETURN ON INVESTMENT – Public dollars saved through Oregon Bond Bank per dollar of bond issued	12300-21	6/2000		\$0.44	\$0.34	Finance, Regional
	11	RETURN ON INVESTMENT – Partner investment per dollar of state grant	12300-22	6/2000		\$3.53	\$4.99	Regional, Finance

PERFORMANCE MEASURE DATA SUMMARY

Agency Name: Economic and Community Development Department									
Contact Person: Y. Sherry Sheng							Phone: 503-986-0109		
Alternate Contact: Mary Russell							Phone: 503-986-0099		
Performance Measure				Data				Targets	
	97-98	98-99	99-00	00-01	01-02	02-03	02-03	03-04	04-05
CREATE ECONOMIC OPPORTUNITIES									
#1 - Total Jobs Created/Retained	8892 (projected)	2021 (projected)	4936 (projected)	1989 (projected)	8284 (projected)	4710 (projected)	3750	5070	5070
#2 - % of Jobs Created/Retained Above County Average Wage	56%	62%	12%	74%	85%	83%	50%	60%	60%
#3 - New Sales of Assisted Exporters	ND	ND	ND	\$17.6 M	\$16.2 M	\$25 M	\$9 M	\$24 M	\$24 M
#4 - % of All Businesses Assisted that are Small Business	ND	ND	100% (Dept data only)	100% (Dept data only)	100% (Dept and contractor data)	92%	95%	95%	95%
#5 - % of All Businesses Assisted that are Women and Minority -Owned	29%/7% (Dept data only)	26%/6% (Dept data only)	25%/12% (Dept data only)	26%/7% (Dept data only)	48% Women /13% Min (Dept & contractor data)	27% Women/11% Min (Dept & contractor data)	35% Women /10% Min.	45% Women /20 % Min.	45% Women / 20% Min
#6 - % of Companies Assisted that are Oregon Companies	92%	92%	95.5%	95.5%	100% (Dept & contractor data)	95% (Dept. & contractor data only)	90%	90%	90%

#7 - Number/% of Industry Capacity Projects meeting Objectives	100%	100%	85%	87%	100%	66%	No target # / 90%	No target # / 90%	No target # / 90%
#8 - % of Department Investment in Distressed Areas (Grants)	47%	59%	52%	69%	38%	68%	60%	60%	60%
#9 - % of Department Investment in Rural Communities (Grants)	75%	71%	65%	82%	56%	71%	65%	65%	65%
BUILD QUALITY COMMUNITIES									
#10 - Number of Communities Aided	152	124	134	127	139	127	80	131	131
#11- Aided Water/Wastewater Systems Achieving Goals	13 Constr./ 12 Non-constr	12 Constr/ 14 Non-constr	5 Constr./ 6 Non-Constr	14 Constr./ 8 Non-constr	32 Constr/ 32 Non-constr	23 Constr./ 24 Non-constr.	38 Constr./ 23 Non-constr	39 Constr / 40 Non-constr	40 Constr / 44 Non-constr
#12 - # of Aided Communities Improving Telecommunications Connectivity	NA	NA	NA	NA	12 direct	61 direct /62 indirect	35 direct /33 indirect	0/0	0/0
#13 - % of Cities Desiring Indus. Devel. W/ Marketable Indus. Sites	ND	ND	ND	ND	65% (117/179)	65% (117/179)	No target	65%	65%
#14 – Investment in Community Facilities by Type of Facility	9	1	18	29	21	39	32	35	35

#15- Number/% of Leadership/Org. Capacity Projects Meeting Objectives	ND	ND	71/100%	72/100%	33/100%	48/100%	No target # /90%	No target # / 90%	No target # / 90%
MANAGE FOR RESULTS									
#16 - Customer Survey on Performance (rating on 1-5 scale)	NA	4.3	NA	4.2	NA	4.1	4.2	NA	4.2
# 17 - Jobs Created/Retained per FTE	75.4	17.1	39.3	15.8	62.3	43.2	27.8	41.6	41.6
# 18 - Number of Projects per FTE	5.7	4.8	5.4	4.7	4.9	5.4	4.75	5.0	5.0
#19 - Average Days from Application to Commitment by Fund Category	205 days Infra. / 86 days TA	205 days Infra /86 days TA	149 days Infra. /58 days TA	71 days Infra /26 days TA	67 days Infra. /16 days TA	88 days Infra./15 days TA	80days-Infra /36 days TA	60 days Infra /16 days TA	60 days Infra /16 days TA
#20 - Est. Return to General Fund (tax revenues resulting from dept. investments)	\$1.30 for \$1 grants	\$0.90 for \$1 grants	\$0.60 for \$1 grants	\$0.60 for \$1 grants	\$1.80 for \$1 grants	\$1.90 for \$1 grants	\$1.17 for \$1 grants	\$2.77 for \$1 grants	\$2.77 for \$1 grants
#21 - Public Dollars Saved by Dept. Bonding Assistance	\$0.17 saved for \$1 invest	\$0.19 saved for \$1 invest	\$0.13 saved for \$1 invest	\$0.14 saved for \$1 invest	NA	\$0.11 saved for \$1 invest	\$.60 saved for every \$1 invested	\$0.34 saved for every \$1 invested	\$0.34 saved for every \$1 invested
#22 - Partners Investment by Funding Source/Aggregate	\$5.20:\$1	\$7.40:\$1	\$4.69:\$1	\$6.69:\$1	\$3.53:\$1	\$20.67:\$1	\$1.80 for \$1 state	\$4.99 for \$1 state	\$4.99 for \$1 state

NA – Not applicable

ND – No data

DATA SOURCES – ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT

Key Performance Measure	PM #	Data Sources
JOBS – Total jobs created/retained as a result of department activities	12300-1	Funded project database. Businesses estimate job creation and retention at project outset. Upon completion, businesses report actual result.
JOBS - % of jobs created/retained above county average wage as a result of department activities	12300-2	Funded project database. Companies estimate wage data up front. When project is complete, dept. requires employers report actual wages of jobs created/retained.
TRADE - New sales of exporters assisted by the department	12300-3	Companies report sales data in writing and in verbal conversations with staff
SMALL BUSINESS ASSISTANCE - % of businesses assisted that are small businesses	12300-4	Funded project database
SMALL BUSINESS ASSISTANCE - % of businesses assisted that are owned by women or minorities	12300-5	Funded project database. Companies self-identify in terms of ownership.
OREGON COMPANY ASSISTANCE - % of businesses assisted that are Oregon companies	12300-6	Funded project database
INDUSTRY CAPACITY - Number/% of industry capacity projects meeting objective	12300-7	Funded project database
INVESTMENT IN DISTRESSED AREAS - % of department grants invested in distressed areas	12300-8	Funded project database. Distressed areas are determined annually by department, based on index of 8 economic factors.
INVESTMENT IN RURAL AREAS - % of department grants invested in rural areas	12300-9	Funded project database. Rural definition in statute - (ORS 285A.010 (7))
INFRASTRUCTURE - Number of communities aided	12300-10	Funded project database
INFRASTRUCTURE - Number of water/wastewater systems completing design or construction	12300-11	Department staff conducts final monitoring and closeout reports when water and wastewater projects are complete.
INFRASTRUCTURE - Number of communities improving their telecommunications connectivity	12300-12	Department staff tracks progress of funded projects and notes impact on each community.
INFRASTRUCTURE - % of cities desiring industrial development that have marketable industrial sites	12300-13	2002 survey of 240 incorporated cities in Oregon

Key Performance Measure	PM #	Data Sources
COMMUNITY FACILITIES - # of investments in community facilities	12300-14	Funded project database
LEADERSHIP CAPACITY - Number/% of funded leadership & organizational capacity projects meeting objectives	12300-15	Funded project database
CUSTOMER SATISFACTION – Overall department rank for performance on customer survey (5 point scale)	12300-16	Independent survey conducted every two years; 2002 survey results available January 2003.
PRODUCTIVITY – Jobs created/retained per FTE	12300-17	Funded project database. Businesses estimate job creation and retention at project outset. Upon completion, businesses report actual result.
PRODUCTIVITY – Number of projects per FTE	12300-18	Funded project database
CYCLE TIME – Average number of days from application to commitment for: <ul style="list-style-type: none"> a. infrastructure grants b. technical assistance 	12300-19	Department concept and funded project databases.
RETURN ON INVESTMENT – Return to General Fund per dollar of state grant invested	12300-20	Funded project database. Businesses estimate job creation and retention and average wage at project outset. Upon completion, businesses report actual result.
RETURN ON INVESTMENT – Public dollars saved through Oregon Bond Bank per dollar of bond issued	12300-21	Funded project database
RETURN ON INVESTMENT – Partner investment per dollar of state grant	12300-22	Funded project database

Performance Measures Review

FINAL

Agency:	Economic and Community Development Department
Date:	November 22, 2002
Lead Reviewer:	Jeff Tryens
Approved:	George Dunford

Mission: To assist Oregon businesses and governments to create economic opportunities and build quality communities throughout Oregon

Summary

The performance measures meet the criteria set out in the guidelines. The agency has 22 performance measures linked to three goals and eight Oregon Benchmarks. The agency has reported 2000 values for all performance measures. The department has no new or modified measures for 2003-05. Targets are included for all 22 measures.

Comments and recommendations specific to basic criteria

1. Gauge progress towards goals and pertinent benchmarks

The agency has links to eight Oregon Benchmarks (#1, #2, #3, #4, #11, #16, #28, and #69) plus development benchmark 2002. Two of the three goals are taken directly from the agency's mission. The third is a general statement of good management practice. The 22 measures do a good job of gauging progress toward goals and benchmarks.

2. A few key measures

The agency has 22 measures to represent its scope of responsibility to external reviewers. Given the agency's broad scope, this number appears reasonable. The measures are a good mix of intermediate outcomes, outputs and efficiency measures.

3. Conforms to standard concepts and definitions

The agency language adheres to the state definitions.

4. Targets

The agency has identified targets for all its proposed measures.

5. Accurate and reliable data

The agency has multiple data points for every measure. The data sources appear to be reliable.