SUCCESS
FRAMEWORK

Guide to Measurement

Governor's Office of Management and Budget

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MEASUREMENT

How do the leaders of government services really know if government is performing well? The impact of answering this question correctly should not be underestimated. Discovering the correct answer allows leaders to uncover hidden potential, to determine where to focus scarce resources, and to create transparency into how taxpayer dollars are being used. Measures drive organizational and individual employee behavior; thus the compelling observation from Dr. Eli Goldratt - "Tell me how you are going to measure me and I will tell you how I am going to behave."
Due to the significant impact measures have on outcomes, the Governor's Office of Management and Budget (GOMB) has developed a comprehensive, and yet relatively simple, approach to measuring performance. This guide provides a comprehensive description of this approach. It is unique for government and it will simultaneously drive and harmonize improvement efforts.

Performance Measures and Operational Indicators: Definitions and Differences

Sometimes it can be difficult to distinguish the difference between a performance measure and an operational indicator. For the purposes of this guide, these two terms will be defined as follows:

Performance measures comprehend the broad scope of an agency's labor and have a clear and direct connection to a system's goal or purpose. Because of that direct connection, performance measures are effective in helping leaders discern progress towards the stated goal or purpose. For many government services, performance measures will help leaders understand how effective and efficient they are at meeting the demand for service.

Operational indicators are smaller scoped measures that help management understand how their system is functioning and where leaders may need to focus to improve system performance. Operational indicators support system performance measures and indicate if the system is on track to achieve the desired goals.

Understanding the distinction between performance measures and operational indicators is significant. If management does not differentiate between the two, it is possible that a system's measurement profile may lead managers into believing that their operational indicators are their performance measures. This can result in a view that the organization is effective and producing results when workers are actually just very busy and engaged in a lot of activity. Even in the event that the "activity" measures are configured well, busyness does not necessarily equate to realizing the desired results.

The ideal measurement approach includes a profile that contains both performance measures and operational indicators. Ultimately, measurement profiles should inform leaders how they are performing, what creates change, and how to focus their scarce resources to improve the system.

To illustrate the difference between performance measures and operational indicators, consider how

they function as it relates to a road trip. Suppose the goal is to drive to Boston in three days with a set budget. Performance measures would then focus on the arrival to the correct destination according to time and cost. Strategic decisions for this goal would include what type of car to rent, what time is available for sightseeing along the way, and where to book hotel reservations.

There are several key operational indicators to track while on the road trip. The driver may monitor the odometer, watch the gas tank, make sure the oil levels are checked, and track daily expenditures. All of these indicators tell the driver if the vehicle is functioning properly and within budget. It is plain to see the importance of operational indicators and how they help the driver meet the target. However, having multiple operational indicators without an awareness of the progress to the desired result would be like a driver so preoccupied with gas levels and speed that they neglect to check progress to the final destination. In such a case, the driver could be engaged in a number of relevant activities and be driving in circles - or miss important signs / exits resulting in arriving in Baton Rouge for a conference in Boston.

In government settings, desired results should define and be the basis of performance measurement—targeting government that is better, faster, and cheaper. When clearly defined, performance measures drive strategy and decision-making.

Government tends to spend a lot of time tracking activities, caseloads, wait times, change orders, and a multitude of other issues. Sophisticated analytics are used to monitor web site utilization and business intelligence software is used to run complicated reports. However, all of these operational tools and indicators are only useful if they provide regular feedback to help determine if systems are resulting in desired outcomes. In other words, operational indicators can help monitor work and keep organizations on track while performance measures tell if they are making tangible improvements in program quality, in capacity, and in cost.

It becomes obvious, in the example, that the driver must consult a map and check road signs along the way. In a similar fashion, measurement profiles in government services must enable leaders to evaluate overall performance of their systems.

Challenges with Traditional Performance Measures

Traditional performance measures often fall short of telling the full story and driving the right behaviors. One primary reason for this is the fact that most government performance measures are one-dimensional. That is, measures generally assess one element of an organization's performance without understanding how the measure relates to or impacts other critical performance elements.

For example, if an organization's timeliness (flow time) improves but there are significant decreases in volume, the system may not actually be performing better—it may simply be responding to decreased demand. On the other hand, if both volume and timeliness increase but quality decreases, or costs go up enough to offset the benefit of volume or timeliness, then the system is forgoing one critical

deliverable for another. In this instance, no one can claim victory.

Considering measures around quality, throughput, or cost in isolation from one another simply does not tell the entire story. It would be like deciding to buy a home using only one criteria - such as price, or only the square footage, or only on the quality of the materials and design. A buyer considers all three factors before a decision can be made as to whether the house is a good buy or not.

Measuring quality, throughput/volume, and cost in a single ratio allows organizations to determine if there is an improvement to the system as a whole. Unlike a balloon where one side is squeezed and causes another side to expand, GOMB uses a measurement ratio that allows leaders to contain unintended consequences and to ensure that one part of the system is not sacrificed for another. Ideally, all of the critical performance elements work in harmony by improving together.

Other Challenges Inherent in Traditional Measurement Systems

Too Many Measures: Organizations that track a multitude of measures often discover measures that conflict with one another and result in mixed messages for workers. While they may need to track multiple operational indicators, performance measures should be clear, simple, and few—sending a clear message to the organization about the results to be achieved and where to focus scarce resources.

Typically, when managers try to focus on every task in the organization, they undermine their ability to do the critical things (those things that really make a difference) extremely well. Creating fewer measures is often more difficult than creating multiple measures because management teams are forced to prioritize, create clarity, and insist on simplicity by thinking through the perceived complexity.

Local Optimization: Measuring sub-processes and parts of a system in isolation from the entire system's performance can often promote behavior that improves one part of the system at the expense of the system as a whole. This "local optimization" happens when dividing systems and measurements into sub-processes before first clarifying the overall system goal and measures. This sometimes occurs when attempting to manage perceived complexity by breaking things down into smaller bite sizes. However, this tendency can actually make things worse and prevent management from viewing the forest through the trees. Consequently, some may think they are making progress when in reality they may be cutting out a path in the wrong direction.

Poor Alignment: Lack of clarity at the high level translates into ineffectiveness at every other level of an organization. Clear and integrated performance measures should translate into the day-to-day measures for employees, managers, and operational reports. Performance measures should signal to the entire organization what should be done today and what should be planned for in the future. Clear and integrated measures should translate mission statements and goals into actions at every level of the organization.

Lack of Baseline Measures: Without clearly knowing where an organization has been, it is impossible to determine if progress is being made. Terms like "streamlining," "coordination," "alignment," and "reducing duplication of effort" are rampant in government. While these and other improvement concepts are important, it is seldom known if any of them are making a difference. This is usually because there is not a clear and measurable starting point. Most people do not start a diet and exercise program to lose weight without knowing their weight at the starting point. Likewise, an organization must start with baseline performance measures in order to determine if improvement efforts are making a difference, and if so, by how much. The value of hard work, strategic planning, and great ideas is directly connected to their impact on the desired measurable results.

Confusion between Performance Measures and Operational Indicators: As outlined earlier, performance measures clarify the results organizations ultimately want to achieve while operational indicators help management know if they are on the right track to get there. Organizations that are unable to differentiate between the two will find that workers may be extremely busy without moving the needle. Managers must take an active role in both creating and implementing a performance management system that ensures a clear direction is established and that there is a differentiation between performance and operational metrics.

PERFORMANCE MEASUREMENT in GOVERNMENT: The GOMB Approach

The ***SUCCESS Framework*** has been developed to assist cabinet agencies in gaining greater value for every taxpayer dollar invested. This framework will help agencies improve quality, reduce costs, and create the capacity to do more with the same or fewer resources (improved throughput). The specific charge from the Governor is to realize a 25 percent improvement in state government operations by January 2017. Fundamental to this framework is a measurement approach that attempts to address all of the challenges inherent in the existing measurement systems. The ***SUCCESS Framework*** approach includes an effective performance measurement system that:

- Ties performance measures to the system's goal;
- Defines a system's quality, throughput, and cost;
- Integrates these three critical performance elements (quality, throughput, and cost) into one ratio that captures the relational nature of each element;
- Establishes baselines;
- Focuses on results rather than activities;
- Observes and quantifies the data at regular and frequent intervals;
- Computes the same answer every time given the same data—providing an auditable and consistent methodology and calculation;
- Drives decision-making, operations, and strategy;
- Uses fewer measures; and
- Incentivizes the right behavior

Technical Description: QT/OE

For government services, performance measures should capture both efficiency and effectiveness. Inasmuch as there may be many interpretations of these terms, the following will be used for the purposes of this guide:

> Efficiency is "the ability to do something or produce something without wasting materials, time or energy."[1] Thus, efficiency in government services is a comparison of the output derived from a system to the resources invested to achieve such. The basic efficiency formula is output divided by input.
>
> Effectiveness is "producing a result that is wanted."[2] Thus, effectiveness describes achieving a desired level of value or excellence as attributes of output. Output that is not useful such as products with defects or ineffective services is not included in the numerator. Quality (Q) and units of productivity called throughput (T) define output.

Effectiveness and efficiency is a product of "output" divided by "input." This percentage measures the quantity of services rendered (or units produced) per unit of input. Output is defined by both the quality (Q) and quantity (or throughput) of productivity (T). Operating expenses (OE) describe input. In terms of the Governor's challenge to improve state operations by 25 percent, the goal is to increase quality (Q) and throughput (T) per dollar expended (OE).

Accordingly, the GOMB performance equation is:

Effectiveness and efficiency = QT / OE

All three efficiency variables must have quantifiable measures that directly gauge system performance.

GOMB acknowledges that all funds belong to taxpayers and that agencies have a fiduciary duty to spend wisely; therefore, excess operating expenses should be returned to the general fund and/or reinvested to further improve quality. As additional OE is justified, the SUCCESS Framework seeks to ensure that quality throughput increases at a greater rate than administrative costs.

Quality

Quality (Q) verifies whether or not throughput is beneficial. For example, accuracy, speed, and program effectiveness are dimensions of quality.

Different systems tend to focus on different dimensions of quality. For example, mechanical and production systems may focus on compliance with specifications, accuracy, and flow rates as quality measures. Other systems that provide social support services (such as child welfare or job training

[1] http://www.merriam-webster.com/dictionary/efficiency
[2] http://www.merriam-webster.com/dictionary/effectiveness

programs) may focus on program effectiveness, or the specific outcomes they want to help their customers achieve. For example, job-training programs could focus on successful completion of training and program closures with new job placements.

Service delivery systems most often allow for computable quality measures; however, some dimensions of quality require some detailed consideration if they are to be used in a system's performance measure.

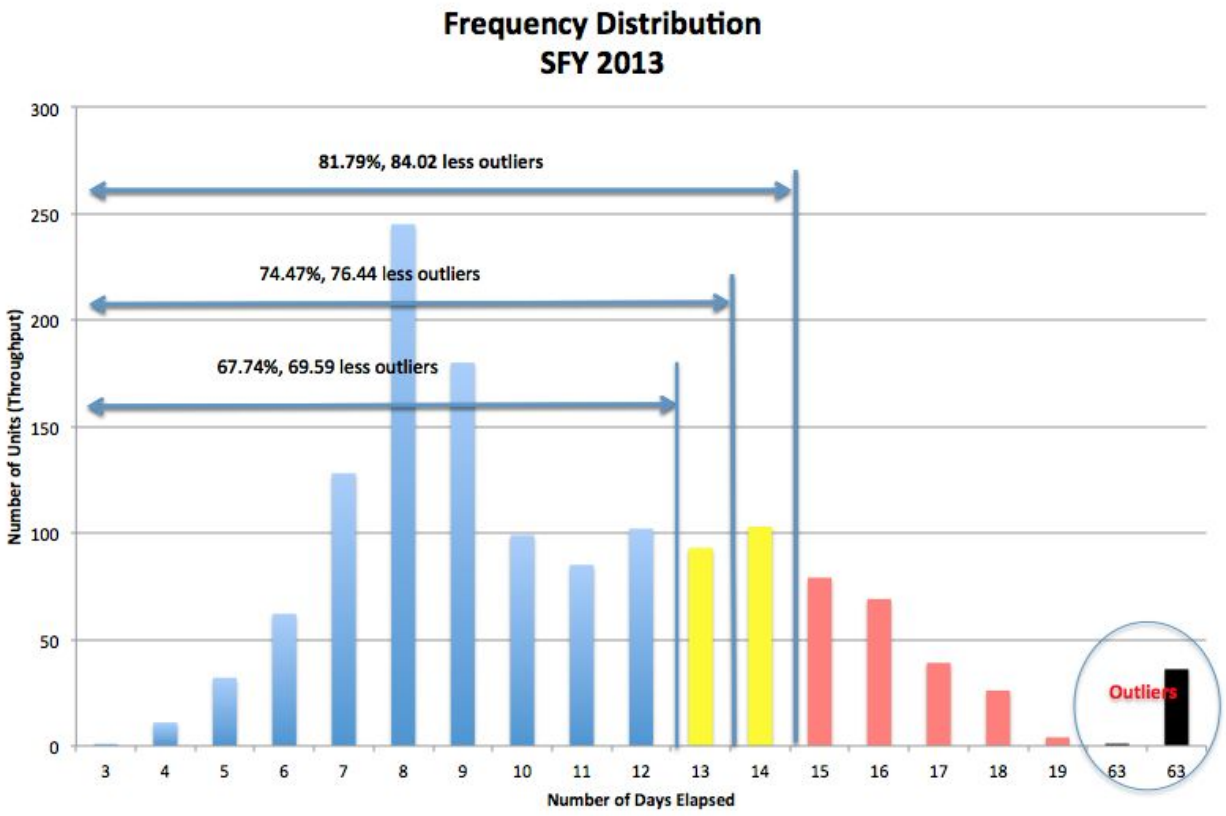
Reliability Standards as the Quality Dimension for Timeliness

It is common for government systems to identify cycle time or other indicators of timeliness as primary measures of quality (Q). Shorter processing times and faster service delivery have value to customers; therefore, measures of timeliness may describe attributes of quality.

There are mathematical difficulties in simply using timeliness measures, such as a turnround time, as a dimension of quality. Raw changes in timeliness measures of Q (such as a reduction in average cycle time from 60 days to 10 days) have an unintended and undesired multiplying effect on the equation QT/OE since the configuration of the speed measure accounts for volume in both Q and T.

When timeliness is a legitimate dimension of quality for a system, GOMB will work with agencies to define **reliability standards.** Similar to accuracy measures, these metrics evaluate each unit of throughput against established standards of performance. With respect to timeliness, reliability standards are generally expressed in units of time such as days or hours. The process of using reliability standards in quality (Q) of QT/OE is defined as follows:

1. Examine baseline data to identify the amount of time taken for units of throughput to complete the process. How many days or hours does it take for 75 percent of all throughput units to finish? Also, calculate the number of days or hours for 65 percent and 50 percent of all units. This is illustrated by the example provided below.



2. Consider the data from step one and establish a reliability standard (also called a service level agreement, or SLA). Then recalculate the baseline. What percentage of units processed in the baseline period met the SLA?

3. Example: After examination of baseline data, a system sets a standard (SLA) to process throughput in not more than 13 days and 1,038 of 1,395 units meet the SLA. The baseline Q is 75 percent.

4. Monitor progress toward the goal. As additional units meet the SLA, future measurements are reported. In the example above, assume the system improves and 1,256/1,395 future units meet the SLA (90 percent). The improvement in Q is 20.8 percent [(90.0-74.5)/74.5]. This value is multiplied by any change in throughput.

5. Reset the standard periodically. Continuous improvement is realized as the system sets a new SLA once it has sustained high levels of performance (e.g., 90 percent) for a designated period (such as three months). Regardless of new standards, the future measures of QT/OE will be compared with the original baseline. The process is repeated continuously until improvements level off.

Reliability standards provide an appropriately configured measure of timeliness that meets the needs of the citizens and is mathematically salient for a system's performance measure. As the reliability

standard contracts - meaning, doing a high percentage of throughput in a shorter time span - then the enhanced capacity of a system should eventually realize a greater volume of throughput (see Interdependence Between Measures).

Dimensions of Quality for Social Services, Evidence Based Practices, and Logic Models

Some government services focus their resources on important challenges that are multidimensional or have a longitudinal target. In many cases, these services or programs build their operations upon evidence based practices that link certain actions / strategies to the desired outcomes. In these circumstances, some careful consideration should be given as to how those variables are defined. The agreed upon configuration of quality throughput divided by operating expense should drive the right behavior and be appropriately scoped. While achieving a desirable QT/OE configuration may not be as direct as it is in a more linear service environment, it nevertheless remains a valuable and appropriate tool for these services to improve performance.

Some examples of items that should be considered in systems that are based upon evidence based practice or logic models include the following:

- The targeted outcome (or quality) is beyond the legitimate control of the system.
- The system is anchored in a longitudinal focus that may require an extended period of time to get a sufficient sense of quality.
- The target of the system has an assumed multidimensional causality for quality and may represent a portion of what ultimately produces quality.
- The degree to which a system has an influence on the volume of service or demand.

The leaders of systems to which some of these considerations apply typically focus on measure of program effectiveness. Each system should have program effectiveness measures that align with their configuration of accountability. Some systems are legitimately operationalized to longitudinal measures. In other cases, systems may be operationalized to a smaller scope of influence but pay careful attention to longitudinal measures.

In any event, program effectiveness as a dimension of quality is likely best captured using a combination of a few measurement scopes. The following measurement strategies may be considered:

System Results

System results is the effectiveness within the scope of labor of a system. For example, suppose a child is referred to a given service, assessed, services provided, monitored for status, then moved out of the system services at a certain threshold or milestone. A system result measure is the impact achieved from the time a child is entered into a system to the point of exit from the system.

It may be the intent of the system to reach longer term objectives - such as reduced recidivism - but a system result measure focuses on the impact within proximity of the close of the scope of labor.

Systems will typically have a greater degree of influence over system results than they will other measures that are closer to ultimate objective.

It is suggested that system results be included as a measure of quality for program effectiveness in most social services. A system can strengthen the configuration of system results measures by identifying clear milestones that are responsive to expert evaluation.

Intermediate Measures or Milestones

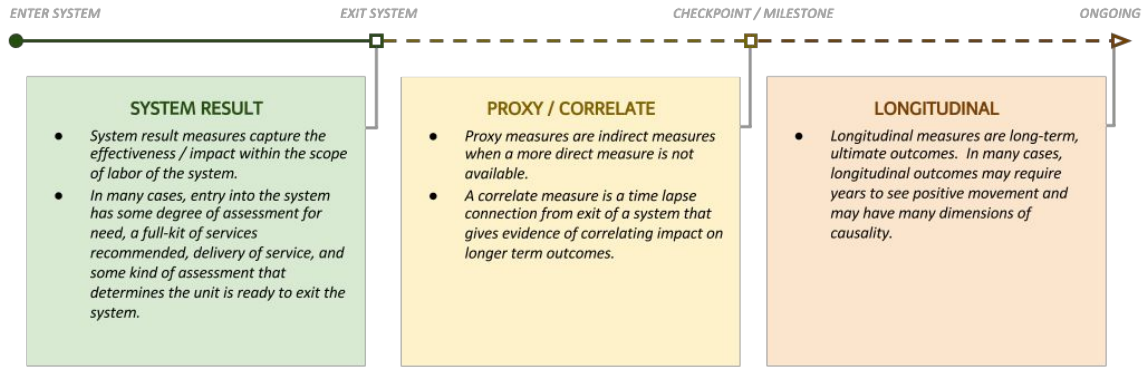
Intermediate measures are checkpoint measures that are directly associated with a system's intervention or throughput. These measures strive to find a correlating link between an intervention or evidence-based practice and the targeted population. Correlation is particularly useful when some targets have multiple dimensions of causality.

For example, a correlate measure could be the number of people who have received a cancer screening within six months after coming in contact with an awareness campaign effort. Another example could be a one year checkpoint of offenders after their receipt of full services (system result) to determine their status and risk of recidivism.

The underlying principle of intermediate measures is the need for management to achieve more frequent and proximate feedback to ensure that current efforts are aligned with realizing the ultimate objective. Intermediate measures should demonstrate through clear evidence that as an intermediate measure is improved, it will impact the ultimate quality measure as applied to the target population. The evidence gained from these measures should help refine the strategies and tactics used by a system - a key practice in a fully mature evidence-based practice.

Longitudinal

Longitudinal measures represent the ultimate ends of some systems' labor that may be well beyond their control or require years to realize. Examples may include public health indicators or recidivism rates of former inmates. A system should automatically include the longitudinal measure if it will be held fully accountable for the longitudinal outcome.



Throughput

Throughput (T) is the measure of volume produced by the system or the number of people served. Units of production should focus on the end product and not on component parts. In construction or maintenance systems, throughput is better defined by the whole project. In service-based systems, customers served or significant service milestones such as applications processed are better measures of throughput than the counts of customer visits or the number of service transactions.

Operating Expense

Operating Expenses (OE) describe all direct and indirect administrative costs associated with the system, funded by all revenue sources (General Fund, Education Fund, federal funds, restricted funds, dedicated credits, etc.). Because almost all operating costs are variable in the medium to long run, OE should include both fixed and variable costs.

Direct costs are those costs that are directly attributable to the system. Direct costs typically include personnel services, travel, costs of goods sold, and certain current expenses, data processing, and capital expenditures. For example, in a laboratory system, direct costs might include lab employee wages and benefits, travel for training purposes, lab supplies, and IT projects that directly support lab operations. Direct pass-through expenditures and benefit payments over which an agency has discretion, in amount and/or duration, should also be included in OE.

Indirect costs are generally incurred centrally and benefit multiple systems. Indirect costs may include personnel service expenditures in administrative or executive directors' offices, centralized capital, and "overhead" current expense and data processing expenditures. Agencies should determine a method to allocate indirect costs to specific systems that reflects system usage and can be consistently applied through time. Allocating indirect costs based on full-time-equivalent employees in a system is an acceptable method for systems without a federal cost allocation plan.

In some cases, direct costs may be charged centrally. It is important that such costs are fully allocated to the appropriate system. For example, organizations often invest in IT projects that automate specific system processes. If these processes are charged centrally and then costs are allocated inconsistent with usage, it is difficult to determine the impacts of the investment on efficiency and capacity.

GOMB will work with agencies to validate that OE measures are comprehensive and replicable. In order to facilitate this validation, agencies should:

- Document the time period for the measure.
- Provide the source of information (FINET reports or specific internal reports).
- Include categories or objects of expenditure.
- Provide justification for any excluded expenditures.
- Include relevant budget classifications (line items, appropriations codes, and/or units).
- Specify which expenditures are cost-allocated.

- Include the method for cost allocation.

IMPROVEMENTS IN PERFORMANCE

System measures of efficiency are compared over time with results for a baseline period. Baseline quotients of QT/OE are established for each system. For example, annualized baseline variables for one system show quality at 87.5 percent, throughput at 52,512, and costs of $1,192,680. The resulting baseline quotient is:

(.875)(52,512) / 1,192,680 = 0.0385

The agency expects quality to improve significantly by applying the principles of the SUCCESS Framework. During the next few years, the system anticipates considerable growth in throughput. The objective of the division is to accommodate increased volume and to improve quality while maintaining current operating expenses. (The agency understands that operating expenses will vary somewhat given changes in salaries and other overhead expenses; however, the agency is holding OE constant to calculate the gains in efficiency realized exclusively from changes in quality and throughput.) Expected quality should improve to 97.9 percent and throughput should grow to 59,000 per year. If realized, the future quotient will be:

(.979)(59,000) / 1,192,680 = 0.0484

The change in performance is calculated using the formula: Change in Performance =

$$\Delta\, Effectiveness\ and\ Efficiency = \frac{Q_f T_f / OE_f}{Q_b T_b / OE_b} - 1$$

where subscripts *b* and *f* represent "baseline" and "future" periods respectively.

(0.0484 / 0.0385) - 1 = 0.257

The improvement is 25.7 percent.

What does the improvement represent?

The cost per quality unit may be calculated using the same variables by inverting the efficiency equation.

Cost per Unit = OE / QT

In the example baseline period, quality units cost $25.96 each.

$1,192,680 / (.875)(52,512) = $25.96

In the example future period, quality throughput should be 57,771 (.979 * 59,000). In the baseline period, it would have cost $1,499,567 to produce 57,771 quality units (57,771 * $25.96). But it is anticipated that OE remains constant at $1,192,680; therefore, the value of a 25.7 percent gain in efficiency is worth $306,887 ($1,499,567 - $1,192,680) in this example.

This illustration shows the potential for cost avoidance where the system can realize an increase in QT for the same or less cost.

There is one supplemental measure to QT / OE. As defined earlier, OE is a subset of total costs. Monitoring the change in total cost per quality throughput unit informs the Governor and Legislature about needed allocations and budgets. It's possible that a system may become more efficient and effective, yet experience an increase in demand for services such that overall costs are greater. QT / OE allows GOMB to observe the relationship in operating costs to quality throughput. The following supplemental measure helps describe the need for all funding.

Total Costs per Unit = TC / QT

where, TC is total costs (OE plus program and/or pass-through costs) and QT is quality throughput as previously defined. Changes in TC / QT will be calculated in the same way as changes in QT / OE.

INTERDEPENDENCE BETWEEN MEASURES

The interdependence between quality, throughput, and cost measures is highlighted with an illustration where quality throughput for one agency is accurate and timely determinations of claims for benefits. Assume accuracy is 99 percent and average process time is 21 calendar days; throughput is 50,000 claims; and costs are $500,000. If process time is reduced to 10 days while maintaining accuracy, operational indicators of timeliness (and possibly customer satisfaction) show great improvement. However, if throughput and costs remain unchanged given faster processing time, is the system more efficient? No, the system shows greater capacity but it is not more efficient unless increased productivity is realized by more throughput or fewer costs. Where quality is based on an attribute that enables the system to increase capacity, then corresponding improvements in throughput and/or reductions in operating expenses are expected.

Where cycle time, compliance with time standards, or other indicators of timeliness are the only measure of quality for a given system, consideration must be given to the potential compounding effect on the mathematical calculation of QT/OE. Faster processing increases capacity and may enhance customer satisfaction; however, improved efficiency is only realized if throughput increases and/or costs are reduced. Multiplying larger percentages of timeliness with increased throughput that resulted from greater capacity caused by faster processing is redundant. Therefore, GOMB will encourage agencies to identify reliability standards in lieu of other timeliness measures. Giving some credit for improvements in timeliness is rationalized to encourage agencies to increase capacity and to

acknowledge the value gained by the public for obtaining services faster. It is expected that throughput and costs should improve eventually.

REINVESTMENT IN CAPACITY

As agencies increase throughput without corresponding changes in operating costs, they create excess capacity in the organization. To illustrate, assume that a system baseline shows that it appropriately serves 400 people per month with 8 FTEs (50 people per FTE) and future throughput is 480 people per month with the same 8 FTEs (60 units per FTE). Assume also that after the system works its backlog (people waiting) the ongoing demand for service levels off at 420 appropriately served people per month (52.5 people per FTE per month). Since FTEs have the capacity to serve 60 people each, there is demand for just 7 FTEs. The remaining FTE is excess capacity – especially if the system has a vacancy. Agencies may choose to reinvest the excess capacity into areas that improve performance or the work environment—perhaps retaining the FTE. In addition, they may be hesitant to relinquish reserves back to the general fund for fear that funding may not be available in the future if needed. This fear causes many agencies to create a budget cushion so there is an assurance that they will be able to meet obligations and invest in agency priorities.

At the same time, there may be other critical needs in the state that could be addressed if excess capacity in one agency were redirected to another agency. Both the Governor and legislators may have additional priorities that could be addressed if agencies were able and willing to release excess capacity. The opportunity costs for holding funds in one agency and not diverting dollars to a critical need is sometimes significant. However, without providing the appropriate assurances and incentives, agencies will continue to hold on to more capacity than may actually be needed.

Strategy

Define a solution that incentivizes agencies to release excess capacity while allowing them to reinvest some of the savings into internal priorities and projects that enhance performance.

Tactics

- GOMB will monitor QT/OE and work with agencies to determine if excess capacity exists. GOMB will monitor changes in quality and throughput in relation to OE to determine if a system has excess capacity. Operational indicators will also be reviewed to either validate or better understand changes in capacity.
    - For example, GOMB will engage in capacity discussions when T declines and OE remains the same or increases. This change does not necessarily mean that excess capacity should be diverted outside of the system. Q may be insufficient—requiring the agency to divert excess capacity to measures and strategies to improve Q.
- GOMB will work with agency leaders to identify internal needs that may merit reinvestment.

Reinvestment options could include anything from an increase in salaries to new technology. Reinvestment plans must address a clearly defined need and plan for how the reinvestment will support overall performance.

- All reinvestment strategies will be shared with the legislative body to ensure transparency. Individual agencies will be primarily responsible for sharing such plans with their respective legislative committees. GOMB will facilitate discussions as needed and share reinvestment opportunities with the Executive Appropriations Committee and legislative leadership.

- GOMB acknowledges that all funds belong to taxpayers and that agencies have a fiduciary duty to spend wisely; therefore, excess operating expenses beyond those reinvested should be returned to the general fund.

- Over time, agencies would be expected to relinquish at least 50 percent of eligible excess capacity to the general fund. If internal investments are unnecessary, the percentage would be even higher.

- In those instances when excess capacity necessitates a reduction in FTEs, the reduction will occur through attrition and not a reduction in force.

- GOMB will provide optional training to cabinet members and their leadership teams on the budget drivers and the multiple demands being placed on the state's limited resources. The more individuals understand the bigger picture, the more they may be willing to reduce costs and proactively relinquish funds.

- GOMB will obtain final approval on the reinvestment approach from the Governor.

- GOMB will meet with appropriation subcommittee chairs and legislative leadership to share the approach and to solicit feedback.

- Documentation on reinvestment strategies should not be burdensome. However, there should be a process in place to ensure a shared understanding of the need and strategy.

Questions and comments regarding this document should be submitted to Rick Little at the Utah Governor's Office of Management and Budget, (801) 538-1516 or ricklittle@utah.gov .