



PB² Performance Report

No. 98-60

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FDOT Met Most of Its Performance Standards; PB² Accountability System Needs Strengthening

This report summarizes the Florida Department of Transportation's programs' performance for Fiscal Year 1997-98 and proposed performance-based program budgeting (PB²) measures for 1999-2000. Individual programs are assessed in separate OPPAGA reports.

Summary

- In Fiscal Year 1997-98, the department met essentially all of its work program commitments, maintaining over 80% of the pavement and 90% of bridges on the state highway system at department standards. Highway maintenance standards were met; transit ridership was up; toll collection activities appear efficient; and the statewide accident fatality rate declined slightly. While still a problem, cost and time overruns on construction projects appear to have leveled off.
- Although the department is generally meeting production goals, it is not able to measure how successfully these activities contribute to its mission to enhance safety, mobility, economic development, and maintain the environment. In addition, the measures do not work together to give an overall picture of department performance and whether the public is satisfied with its performance.
- One difficulty in assessing cost effectiveness of Florida Department of Transportation programs is that the department does not budget by PB² program. This funding structure hinders accountability of program managers and reduces the facility with which the Legislature may assess program efficiency.
- Decision-makers can generally rely on the department's performance information. The department's reporting and use of performance information and the reliability of data met OPPAGA expectations. However, all six programs need improved performance measures.
- We provided a draft copy of our six reports to the Secretary of the Florida Department of Transportation, who concurred with some exceptions. In some cases we made changes to address the department's concerns. (See Appendix A.)

Background

The Florida Department of Transportation's mission is to provide a safe, interconnected statewide transportation system that ensures the mobility of people and goods while enhancing economic prosperity and sustaining the quality of our environment.

The major elements of Florida's transportation system include the 12,000 center line mile state highway system with over 6,000 bridges (maintained by FDOT); more than 100,000 miles of local roads and nearly 4,000 bridges (maintained by local governments); 2,888 miles of main route rail lines; rail passenger services in north, central and southeast Florida; commuter rail in southeast Florida; 18 local and regional transit systems operating about 10,000 route miles; 22 commercial airports; 14 seaports; and 48 specialized systems serving the transportation disadvantaged. The statewide portion of this transportation system includes three major components: the Florida Intrastate Highway System; statewide rail lines; and the state's intermodal transportation facilities. The Florida Intrastate Highway System is a 4,118-mile system designated by Florida law that includes the interstate highways, the Florida turnpike, and other limited and controlled access highways that serve high-speed and long-distance travel. The Florida Intrastate Highway System carries approximately 31% of the total traffic while it comprises only 3% of Florida's roads.

The Florida Department of Transportation is a decentralized agency. The central office in Tallahassee is responsible for policy, procedure, and quality assurance. The department's eight district offices build and maintain the roads and bridges on the State Highway System and assist local entities in developing airport, rail, seaport, and transit facilities. Through regular meetings, district offices allow local governments and planning organizations direct input into agency operations. District headquarters are located in Broward, Columbia, Dade, Hillsborough, Leon, Polk, Volusia, and Washington counties.

The Legislature appropriated the Florida Department of Transportation \$3.8 billion and authorized 10,333 positions for Fiscal Year 1998-99. The department is a trust-funded agency. Funds for department operations are provided primarily from state fuel taxes, motor vehicle fees, and federal apportionments/grants that are deposited into the State Transportation Trust Fund. No general revenue is used to fund the department or any of its transportation projects. Turnpike projects are funded by toll collections, concession revenues, and bond revenue proceeds.

The Legislature appropriated Fiscal Year 1998-99 funds to the department's five budget entities: Finance and Administration, Planning and Engineering, Turnpike Operations, District Administration, and District Operations. However, for performance-based budget reporting purposes, the department is organized into six PB² programs: Toll Operations, Motor Carrier Compliance, Highway Construction and Engineering, Right-of-Way Acquisition, Public Transportation, and Transportation System

Maintenance.¹ Funding by budget entity and not by PB² program hinders accountability of program managers and reduces the ability of the Legislature to assess program efficiency.

Florida Department of Transportation Budget Entity Appropriations and Estimated PB² Program Allocations, Fiscal Year 1998-99

Budget Entity	Appropriation ¹	FTEs	PB ² Program	Estimated Allocations	FTEs
Finance and Administration	\$ 205,525,727	1,762	Support Services	\$ 134,031,039	1,160
Planning and Engineering	188,480,218	1,209	Right-of-Way Acquisition	543,148,426	522
Turnpike Operations	370,520,360	174	Highway Construction and Engineering	2,257,271,912	3,754
District Administration	34,202,734	484	Transportation System Maintenance	362,720,350	3,228
District Operations	2,999,939,291	6,704	Motor Carrier Compliance	20,799,071	385
Total	\$3,798,668,330	10,333	Public Transportation	319,801,554	139
			Toll Operations	102,079,250	1,145
			Fixed Capital Outlay	55,616,628	
			Total	\$3,795,468,230	10,333

¹ Figures do not include Governor's vetoes.

Source: Conference Report on House Bill 4201 and FDOT Budget Office

¹ Performance measures for the Support Services Program were not included in the 1998 General Appropriations Act.

The department's performance is monitored through various reporting requirements. The Florida Transportation Commission, an independent commission composed of private business people, evaluates the department's performance quarterly and reports to the Legislature annually. The department reports annually to the Governor on its progress in achieving program objectives in its agency strategic plan. The department also reports annually to the Legislature on its progress in achieving program objectives defined in law. Some of the measures reported in the commission's performance and production review and in the department's strategic plan and program objectives and accomplishment report are also used for performance-based program budgeting.

Performance

In Fiscal Year 1997-98, the Florida Department of Transportation met 70% (23 of 33) of its performance standards. Two of the six programs, Transportation System Maintenance and Toll Operations, met all their standards. The remaining programs did not meet 10 standards. Under-performance was minor for 5 of these standards. For example, the Right-of-Way Acquisition Program did not certify as ready for construction 4 of 105 projects that it planned. However, under-performance was significant for the remaining 5 unmet standards, and affected all four programs. (See OPPAGA's PB² performance reports on the individual programs for further explanation. These reports are available on our website at <http://www.oppaga.state.fl.us>.)

Program	Performance Standards Met	Performance Standards Not Met
Highway Construction and Engineering	9	3
Right-of-Way Acquisition	0	2
Public Transportation	8	3
Transportation System Maintenance	1	0
Motor Carrier Compliance	3	2
Toll Operations	2	0
Total	23	10
Percent	70%	30%

Source: OPPAGA analysis of performance indicators listed for the Department of Transportation in the department's Fiscal Year 1999-2000 legislative budget request.

Performance Measures Need Improvement

Although the department is generally meeting production goals, it is not able to measure how successfully these activities contribute to its mission, describe their unit cost, or how satisfied the public is with its services. The department met essentially all of its work program commitments, maintaining over 80% of the pavement and 90% of bridges on the state highway system at department standards. Transit ridership was up. Toll collection activities appear efficient, and the statewide accident fatality rate declined slightly. While still a problem, cost and time overruns on construction projects appear to have leveled off.

The Department should create performance measures that address a number of concerns discussed below.

- The measures do not evaluate how successfully the production activities contributed to the department's mission to enhance safety, mobility, and economic development and maintain the environment. For example, commercial motor vehicle regulation enforcement measures do not address the number of crashes caused by commercial vehicles.
- There are no measures indicating how effective the department is in maintaining traffic flow or reducing congestion where gridlock routinely occurs.
- It is unclear how economically the department performed because current measures do not show the relationship between funding and production. To improve budgeting, the department needs to develop unit cost measures to describe cost per output. For example, the maintenance program collects data on maintenance cost per road mile that could be used to develop unit costs for the program.
- There are no measures that indicate how well the department's programs are meeting public satisfaction with its services. The department anticipates including a customer satisfaction survey as part of its Sterling Quality Challenge efforts.²

These links between products, their effectiveness, their costs, and public satisfaction are essential for providing an accurate overall picture of department performance.

Proposed Performance Measures

The Florida Department of Transportation proposes to continue its current 33 measures for Fiscal Year 1999-2000. OPPAGA recommends continuing 26 of these measures and also adding 36 new measures to provide greater accountability for the use of department resources and to address major areas of the department's mission. To avoid burdening decision-makers with unnecessary details, some of these additional measures could be

² The Sterling Quality Challenge is a management system specifically designed to promote excellence in leadership, employment improvement, customer satisfaction, and continuous improvement by setting high standards for developing organizations.

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maintained in the performance ledger or by the department and made available for legislative review, rather than placed in the General Appropriations Act.³ Performance information maintained internally by the department should be held to the same quality standards as other information reported by the department. OPPAGA will continue to assist the department in developing and refining performance measures.

The department currently maintains the data for some of these proposed measures, while other data would have to be developed to improve current measures. For example, although there are no measures to assess the Toll Operations Program's success in providing adequate funding for debt repayment and facility maintenance, the program maintains data that showed it retained 80 cents for each dollar of toll revenue collected to cover debt service payment and maintenance costs in Fiscal Year 1997-98. There are also no measures to assess the Motor Carrier Compliance Program's success in preventing overweight trucks from operating in Florida. The program could obtain the necessary data from one of two sources: weigh-in-motion sensors or samples of randomly selected vehicles weighed. Each method has advantages and disadvantages. In either case, the department will need to collect and analyze baseline data for this measure before a standard could be established.

Program	Department Proposed Measures	OPPAGA Proposed Measures	Total Net
Highway Construction and Engineering	12	Continue	11
		Add	7
		Discontinue	1
Right-of-Way Acquisition	2	Continue	2
		Add	6
		Discontinue	0
Public Transportation	11	Continue	5
		Add	10
		Discontinue	6
Transportation System Maintenance	1	Continue	1
		Add	4
		Discontinue	0
Motor Carrier Compliance	5	Continue	5
		Add	5
		Discontinue	0
Toll Operations	2	Continue	2
		Add	4
		Discontinue	0
Total	33	Continue	26
		Add	36
		Discontinue	7

Source: OPPAGA analysis of performance indicators listed for the Department of Transportation in the department's Fiscal Year 1999-2000 legislative budget request

³ The *Official Performance Ledger*, which is maintained by the Executive Office of the Governor, is a compilation of information about state agency performance-based programs and measures.

Rating of Program Accountability

A key factor in PB² is that agencies need to develop strong accountability systems that enable the Legislature and the public to assess program performance. An *accountability system* consists of these key elements: program purpose or goals, performance measures, a process for valid and reliable data, and credible reports of performance that can be used to manage the program. Our rating tells decision-makers whether they can rely on the program's performance information. We compared the components of the department's accountability system against our established criteria to determine the rating for each program.

Program	Purpose or Goal	Performance measures	Data Reliability	Reporting Performance
Highway Construction and Engineering	Needs Some Modification	Needs Some Modification	Meets Expectations	Meets Expectations
Right-of-Way Acquisition	Needs Some Modification	Needs Some Modification	Meets Expectations	Meets Expectations
Public Transportation	Meets Expectations	Needs Some Modification	Meets Expectations	Meets Expectations
Transportation System Maintenance	Meets Expectations	Needs Some Modification	Meets Expectations	Meets Expectations
Motor Carrier Compliance	Meets Expectations	Needs Some Modification	Meets Expectations	Meets Expectations
Toll Operations	Meets Expectations	Needs Some Modification	Meets Expectations	Meets Expectations

Source: OPPAGA analysis

The Florida Department of Transportation meets OPPAGA's expectations for an adequate accountability system across all of its PB² programs in two of the four elements specified in the table above.

- *Program purpose or goals.* All but two programs have adequate purpose or goal statements. The Right-of-Way Acquisition and Highway Construction and Engineering Programs do not have clear and comprehensive purpose or goal statements. The purpose statement in the construction program's Fiscal Year 1998-99 and 1999-2000 Legislative Budget Request (i.e., to develop and implement the state highway system) is not clear and comprehensive and the objectives therein are not specific, measurable, or comprehensive.
- *Performance measures.* Performance measures generally relate to the program's purpose or goals and objectives. However, the performance measures for all FDOT

programs are incomplete and do not cover all major aspects of each program. For example, in the aggregate, congestion mitigation measures are not sufficient to indicate effectiveness of program activities.

- *Data reliability.* All department programs meet OPPAGA's expectations for data reliability. The program has internal control procedures that appear adequate for ensuring data reliability and program staff take steps to correct data reliability problems. The agency inspector general also takes steps to assess performance data to ensure data integrity. Yet, the inspector general and OPPAGA recognize that the potential exists for errors in the data to occur.
- *Reporting information and its use by management.* All department programs meet OPPAGA's expectations for reporting information and its use by management. As reported in several documents, performance information is clear and understandable, is readily available to program managers, is routinely used by program managers to improve performance, and is available to the public.

For More Information

Additional information about the Department of Transportation is available on the Internet. The program profile is in OPPAGA's Florida Government Accountability Report (FGAR) at <http://www.oppaga.state.fl.us/profiles/6103/>. OPPAGA's staff contact for this program is Douglas Isabelle (850) 487-9253. Also through the Internet, you may access the Department of Transportation at <http://www.dot.state.fl.us> or by calling (850) 414-5250.

Appendix A

Response from the Florida Department of Transportation

February 3, 1999

Mr. John W. Turcotte, Director
Office of Program Policy Analysis and Government Accountability
111 West Madison Street, Room 312
Tallahassee, Florida 32301

Dear Mr. Turcotte:

Thank you for the opportunity to comment on the Draft Performance-Based Program Budgeting (PB²) Performance Reports recently submitted by the Office of Program Policy Analysis and Government Accountability. Our detailed comments for each draft report are attached.

We are pleased that OPPAGA has concluded that:

“All department programs meet OPPAGA 's expectations for reporting information and its use by management. As reported in several documents, performance information is clear and understandable, is readily available to program managers, is routinely used by program managers to improve performance, and is readily available to the public.”

We have a few general concerns about OPPAGA's recommendations.

We are concerned about the recommendation that the performance ledger be used as an option for adoption of new performance measures rather than the General Appropriations Act. This option could result in numerous additional measures being imposed on the Department. We understood that the purpose of performance-based program budgeting was to have a few, high level strategic measures that would be of use to policy makers.

The reports also seem to equate our accountability under PB² as an “accountability system” for the Department as a whole. This does not recognize the importance of our Agency Strategic Plan, Annual Performance Report, Program Objectives and Accomplishments Report, and the Transportation Commission's Performance and Production Review of the Department. We suggest that the report use “accountability under PB²” as a more accurate term.

Sincerely,

/s/ Thomas F. Barry, Jr., P.E.
Secretary

TFB/cb
Enclosures

General Comments - Applicable to all reports

Each of the reports offers the Performance Ledger as an option where additional measures could be included by the Legislature. There is a significant amount of work associated with each performance measure identified. The same amount of work is required of the Department whether the measure is included in the General Appropriations Act (GAA) or the Performance Ledger. If the measure is not important enough to be included in the GAA, it shouldn't be important enough to require the agency to perform all the work required to include the measure in the Ledger. There is also a cost associated with each measure. Cost effectiveness needs to be a consideration in the measures which are being selected.

OPPAGA Director's Comments

We believe that the purpose of PB² is to establish a comprehensive accountability system for state government. While only a few performance measures may be included in the budget, the accountability system should provide performance data on all major agency functions. We believe there are significant gaps in the department's current accountability systems. The number of PB² measures needed in the budget and to adequately inform the Legislature that department funds are spent efficiently and effectively depend on the complexity of the program and the sophistication of the program's measurement system. For some programs, a few measures may suffice while others may need many measures.

As the department's measurement systems are developed, individual measures can be weighted to form indices (a single measure made up of several measures) of program performance thereby reducing the number of measures that would appear in the budget. For example, the Transportation System Maintenance Program already uses an index to report program performance (i.e., the maintenance rating). This index too could be weighted and added to other measures to provide a more comprehensive indicator of program performance.

As we pointed out, the current set of measures should be more comprehensive and better link the department's mission with its activities. Lack of comprehensive measures limits accountability because important state functions are not subject to performance monitoring. We described a three-tier approach in OPPAGA's 1999 *PB² Status Report*.⁴ This approach to PB² recognizes that performance measures need to meet a variety of information needs. The Legislature should make decisions on how many and which measures to include in the budget for each program. The number of measures to be included in the budget could change over time depending on program goals and objectives, and the use of indices. However, as the department receives over \$3.79 billion in public funds, we believe that it needs more than a few measures in the General Appropriations Act.

The need to develop a strong "accountability system" is discussed in each of the reports. Such accountability systems are viewed as important to enable the Legislature and the public to assess performance. A table is provided in each report which assesses the four key elements for each of

⁴ [*PB² Status Report, OPPAGA Report No. 98-45*](#), January 1999 for Fiscal Year 1998-99

the performance-based program budget (PB²) programs. We are concerned with the use of the term "accountability system." The paragraph seems to imply that the Office of Program Policy Analysis and Government Accountability (OPPAGA) is evaluating the Department's overall accountability to the public. This is simply not the case. The term as used in the OPPAGA report refers to only accountability under PB². In addition to the requirements for performance-based program budgeting, Florida Statutes establish an accountability system which the Department uses to monitor its performance. While the reports produced by the Department are acknowledged, the reports do not seem to carry this acknowledgment over to the discussion on the Department's accountability system. More detailed information on the Department's accountability system is provided below. We suggest that either more information be provided in the report about the Department's "accountability system" to include all the reports discussed below or simply refer to it as "Accountability under PB²." The rating of accountability certainly does not take into consideration all of the reports which show accountability of the Department to the public.

Pursuant to section 339.155, Florida Statutes, the Department produces the Florida Transportation Plan which establishes the long-range goals of the Department to be accomplished over a period of at least 20 years. The Florida Transportation Plan includes a long- and short-range component. The long-range component provides an examination of transportation issues likely to arise during at least a 20-year period. It is updated at least every 5 years. The short-range component documents the short-term objectives and strategies necessary to implement the long-term objectives. The short-range component also serves as the Department's annual Agency Strategic Plan required under section 186.022, Florida Statutes. The Florida Transportation Plan provides a policy framework within which the Department's legislative budget request, the strategic information resource management plan, and the work program are developed. Progress toward the goals, objectives, and strategies established in the short range component is evaluated in the Annual Performance Report.

Pursuant to section 334.046, Florida Statutes, the Department produces an annual Program Objectives and Accomplishments Report. The report shows how commitments from the prior fiscal year, estimates of the current fiscal year, and projections for the first year of the tentative work program comply with the program objectives established in section 334.046, Florida Statutes. Each year the Executive Committee reviews the Department's performance related to the policies which have been established. Adjustments are then made to work program instructions to ensure the Department is able to achieve the results which were intended.

In addition, the Transportation Commission, an independent commission made up of people from private business, is established pursuant to section 20.23, Florida Statutes. Among other responsibilities, the Commission is charged with monitoring, on at least a quarterly basis, the efficiency, productivity, and management of the Department. Results are published at the end of the fiscal year in the Performance and Production Review of the Department. The Department of Transportation is the only State agency which has its performance measured by such a commission.

OPPAGA Director's Comments

We recognize that the department provides the Legislature with information on its programs' goals and objectives, input, output, and outcome measures, and data results in its annual budget request. However, our analysis of the department's accountability systems was not limited to PB² information contained in the budget document.

To assess the department's accountability system, we analyzed the department's major data tracking systems, including the 2020 Florida Transportation Plan, Agency Strategic Plan, Annual Performance Report, Florida Transportation Commission Performance and Production Review, Program Objectives and Accomplishments Report, Program and Resource Plan, production management meeting reports, executive committee workshop work program development reports, the Florida Intrastate Highway System status report, Highway Planning and Research report, Highway Safety Improvement Program Annual report, inspector general annual report, daily activity reports, and interviews with management.

Summary Report

Page 1, paragraph 3 and Page 3, top of page - A statement is made that the Department currently does not budget according by (sic) PB².

The Department submitted its budget in two consecutive years in a program structure as required by law and by proviso language in the appropriations bills. In both instances, the Legislature appropriated the Department's budget in the traditional, non-program budget entities. The primary reason for this decision, as discussed by the members of the Senate General Government Appropriations Subcommittee, is the Department's decentralized organization and management structure. Unlike many other agencies, the Legislature recognized that there is not one manager responsible for managing the total budget for one program but each district secretary is responsible for managing their district's portion of the program's budget. Further, it was concerned, particularly when they discussed the decentralized nature of the Department of Environmental Protection (DEP) budget prior to taking up the FDOT budget, that a change in budget structure to a program budget may impact the decentralized decision making that takes place in both DEP and FDOT. Consequently, the Legislature decided not to change the budget structure of either department.

Page 4, paragraph 2 - "Although the department is generally meeting production goals, it is not able to measure how successfully these activities contribute to its mission, describe their unit cost, or how satisfied the public is with its service."

This sentence gives the impression that Department does not know whether it is making progress toward its mission. In fact, the Department does know how it is performing in relation to its mission. The plan for accomplishing the mission of the Department is clearly stated in the Agency Strategic Plan. Annually, a Performance Report is produced which assesses progress in accomplishing the goals, objectives, and strategies which enable the Department to make progress toward its mission.

OPPAGA Director's Comments

While we agree that the department knows whether it is meeting its production targets, its current performance measurement system does not report other important information to the Legislature. For example, the department is not able to successfully demonstrate how efficient and/or economical it is in developing transportation systems, whether it is effective in achieving key goals such as safety and economic development, or how satisfied the public is with its services.

Page 5, second full paragraph - "In addition, it is unclear how economically the department performed because current measures do not show the relationship between funding and production. To improve budgeting, the department needs to develop unit cost measures to describe cost per output. For example, the maintenance program collects data on maintenance cost per road mile that could be used to develop unit costs for the program."

The Department has been opposed to using unit cost information to evaluate the effectiveness of the Department at the broad level of the budget, Agency Strategic Plan, and Annual Performance Report. Unit cost information at these levels would be difficult to obtain and even more difficult to interpret.

The Department does use unit cost information at an operational level for some programs to select cost-effective methods of providing certain products and services. It is important to recognize that the Department constantly makes judgments in its day-to-day operations. Evaluating the Department on unit costs would not provide a valid indicator of program effectiveness. When the Department resurfaces a road, it will work with local governments to accomplish a number of other improvements at the same time. The Department may add turn lanes, curb and gutter systems, or upgrade traffic signals. This results in the citizens being disrupted once instead of three or four times, thereby, reducing user time lost to travel delays. This type of information is not captured with unit cost measures.

Another reason it is inappropriate to evaluate the Department on unit costs is that it could result in shortsighted decisions. The Department's Materials Testing Lab is one example of how life cycle cost information is used to evaluate options. For example, roads which cost less per mile but do not last as long or include important safety features would have a lower unit cost but a higher life cycle cost. While such a decision would make the Department's performance appear to look good in the short run, it would not be acting in the best interest of the taxpayer.

Furthermore, the Department employs a value engineering process which uses independent multifunctional teams (design engineer, construction engineer, maintenance engineer, right-of-way agent, etc.) to take a fresh look at complex projects during preliminary engineering and design to determine if improvements can be made which enhance the quality of transportation facilities at a cost savings. Where possible, improvements made as a result of value engineering reviews are incorporated as standard business practice and may involve permanent revisions to the Department's standard specifications and design standards.

In addition, we strongly disagree with the reference to the Maintenance program in this paragraph. OPPAGA has agreed that the zero-based performance budget for the statewide maintenance program is exceptional, and unique in State government. The maintenance budget

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request identifies the funding needed to perform maintenance to a specific production/performance level. This funding need is based upon a complete inventory of roadway/roadside features statewide, the calculation of workloads against this inventory, an analysis of the most recent year of reported unit cost information by both in-house and contract forces and the application of weighted unit costs for each maintenance activity to an annual workload quantity and consideration of the level of resources required to achieve and maintain a maintenance rating (MRP) of 80 statewide. The FDOT maintenance budget has accomplished a direct relationship between work needs, desired performance level, and funding requirements. The first sentence in this paragraph specifically identifies the need to develop a relationship between funding and production. The Maintenance program has already done that.

In addition, OPPAGA mentions the need to improve budgeting. It is extremely inappropriate to mention the Maintenance program in terms of an OPPAGA-identified need to improve budgeting.

In previous discussions, OPPAGA has mentioned the use of cost per lane mile for comparison of the Maintenance program from one year to the next. The Department has consistently raised concerns about the fact that the Maintenance program scope frequently changes as we take on additional responsibilities resulting from new regulatory requirements including the federally mandated National Pollutant Discharge Elimination System and the regional and state requirements for storm water management, new systems that come into maintenance and operation such as Intelligent Transportation Systems, and in response to public expectations including additional mowing cycles in certain areas. Because the program scope will change, a comparison of costs per lane mile from year to year will not provide a useful or meaningful comparison of program efficiencies or effectiveness and for that reason should not be included as proposed. In addition, because the Florida Maintenance program is unique, the reader should also be cautioned that a cost per lane mile presented by OPPAGA for the FDOT could not accurately be compared to other states' maintenance programs.

OPPAGA Director's Comments

While the department uses unit cost information at an operational level for some programs, we believe this cost information should be reported to the Legislature. Unit costs identify the resources needed to produce outputs, such as providing a single unit of service or providing a set of services to a single individual. The Legislature could use unit cost information to assess the relative efficiency of program operations or to determine the relationship between changes in the cost of program services and the outcomes obtained from these services.

Page 6, chart: Four additional measures are proposed by OPPAGA for the Transportation System Maintenance Program.

We suggest that any proposed measures be as carefully developed and contain as much clear and unmistakable meaning as our current measure, and that the information be able to be consistently and appropriately understood by the reader. If the measure or the means of presentation cannot be consistently and clearly understood by all readers, the measure should be further refined to ensure the meaning is as intended. Unless the proposed measures add meaningful and unmistakable content about the program, they should not be added.

On November 24, 1998, OPPAGA met with senior Department managers. As a part of that discussion, OPPAGA described the ideal as being a singular performance measure that could be representative of a program's overall effectiveness. This ideal was further described by OPPAGA as being situated at the top of a pyramid and based upon a series of internal agency building blocks. The Department concurred with this objective and specifically mentioned the Sterling Criteria which promoted the idea of, "the fewer the better," when referring to the number of performance measures. Caution was also expressed about measuring something that would cause bad policy decisions, by encouraging through a lower level performance measure action by an employee to make decisions with respect to a specific measure rather than an overall program objective. The Department stated in this meeting that the MRP 80 objective met the OPPAGA defined ideal for a singular and comprehensive performance measure for the routine maintenance program. The Department is convinced that this measure is significantly more meaningful than the addition of ill-defined and non meaningful secondary measures being proposed for the Maintenance program. In addition, the creation of measures subordinate to the MRP 80 measure seems to be in conflict with the ideal stated by OPPAGA during the November 24th meeting.

It should be noted that the Department is actively involved in the Sterling Quality Challenge. It is expected that this effort will result in a comprehensive review and redevelopment of performance measures agency wide. It is our intention to actively consider the Maintenance program and the need for refined and additional performance measures as a part of this process. The Department acknowledges and accepts its responsibility to continue to strive for complete, descriptive, and meaningful performance measures and intends to provide additional measures after undergoing this formal, well defined organizational effort. We respectfully request the measures resulting from the Sterling effort be used to further describe our Maintenance program as they become available, rather than circumventing the Sterling effort with informally developed measures.

OPPAGA Director's Comments

As we stated previously (page 10), we believe that the purpose of PB² is to establish a comprehensive accountability system for state government. The number of PB² measures needed in the budget to adequately inform the Legislature that department funds are spent efficiently and effectively depends on the complexity of the program and the sophistication of the program's measurement system. The maintenance program has developed one outcome measure, the maintenance rating or 80 score, which program staff contend adequately informs the Legislature about the effectiveness of their road maintenance activities. The measure is the result of averaging the rating or score of five major road maintenance activities that include routine "pot-hole" patching and mowing. The measure, however, does not provide performance linkages with outputs or unit costs of maintaining the roads. For example, what percentage of the state roads meet the 80 score, and what is the cost of maintaining a mile of road. Thus, the outcome measure is not useful to measure accountability for specific functional activities. As the department pursues the Sterling Quality Challenge, it should work to develop more complete, descriptive, and meaningful performance measures for the maintenance program.

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This concludes the department's response to this report. The department's response also included comments regarding OPPAGA's reports on six Florida Department of Transportation programs:

Motor Carrier Compliance Program
Public Transportation Program
Right-of-Way Program
Toll Operations Program
Highway Construction and Engineering Program
Transportation Maintenance Program

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[Report No. 98-56](#)
[Report No. 98-57](#)
[Report No. 98-58](#)
[Report No. 98-59](#)

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