

LBA Performance Audit Report Summary:

Department Of Transportation, Bureau Of Turnpikes, Performance-Based Budgeting Performance Audit - April 2001

This audit provides an assessment of the Bureau of Turnpikes' (the bureau) performance-based budgeting efforts. Specifically, the audit reviews the bureau's achievement towards its performance-based budgeting goals, objectives, and outcomes, as well as the appropriateness of its performance measures for fiscal year 2000.

Chapter 222, Laws of 1998, authorized the use of performance-based budgeting by State agencies. At the time of our audit, only the bureau and several programs located within the Department of Environmental Services have piloted performance-based budgeting in New Hampshire.

The bureau is organizationally located within the Department of Transportation's Division of Operations. The bureau has 240 permanent employees and approximately 200 part-time employees. It is responsible for operating and maintaining approximately 93 miles of turnpike system in New Hampshire. The turnpike system consists of two travel corridors, the Central Turnpike, also known as the F.E. Everett Turnpike and the Eastern Turnpike, which includes the Blue Star Turnpike and the Spaulding Turnpike. The turnpike system includes ten toll plazas, five maintenance facilities, four rest areas, and one administrative office.

Centralized Approach To Performance-Based Budgeting Needed

We found performance-based budgeting in New Hampshire is being piloted without implementing any formal written plan. We found a lack of detailed policies and procedures, limited training for personnel, and no planned method to evaluate and assess the piloting of performance-based budgeting. Lack of clear direction regarding the implementation and use of performance-based budgeting has resulted in confusion and frustration for the bureau and the Department of Transportation.

Achievement Of Goals, Objectives, And Measures Unclear

We found the bureau reported on only 19 of the 24 measures it originally identified and that the bureau either met or exceeded its performance projection for 11 of the 19 reported measures. However, due to the lack of correlation between the goals and measures, we could not accurately determine success or failure for most goals. We also found the bureau should make more timely reports of its measures and improve the quality review of its quarterly reports so they provide accurate and reliable information. Not submitting the quarterly reports in a timely manner, as well as errors contained in the quarterly reports, could adversely impact any assessments completed on the use of performance-based budgeting by the bureau.

Goals, Objectives, And Measures Need Reviewing To Assess Appropriateness

While many of the goals and measures appear to be appropriate, we found the bureau should review its performance-based budget goals and measures to ensure they meet the needs of the bureau, as well as those outside the bureau who rely on this information for decision-making. The bureau originally identified several goals for which there were no measures, while some measures were not included in the quarterly reports. In addition, the bureau should evaluate the data used for the measures to determine if changes should be made to improve the reliability and accuracy of performance information.

Observations

The report contains a total of nine observations with recommendations as a result of our findings. The Governor's Budget Office received one observation recommending improvements to the planning and training related to performance-based budgeting in New Hampshire. The Governor's Budget Office concurred in part with this observation.

The bureau received a total of eight observations with recommendations, to which they concurred with five and concurred in part with three. Two observations addressed the lack of quality review of the quarterly performance reports and the untimely submission of the reports. Five observations addressed the need for goals and measures to be reviewed, and revised, to better relate to one another as well as to the bureau's mission statement. The remaining observation addressed the lack of customer satisfaction measures in the bureau's performance-based budgeting efforts.

Conclusion

The current performance-based budgeting pilot program in New Hampshire should be reviewed and evaluated to determine what is working, what changes need to be made, and if the information provided to the Fiscal Committee and Governor and Council meet their needs. Training and education should be provided centrally so all agencies and programs implementing performance-based budgeting will have the same initial training. Training should focus on expectations, methods to meet expectations, as well as developing a common understanding of performance-based budgeting in New Hampshire government. As part of this training, detailed policies and procedures for implementing and maintaining a performance-based budgeted system should be provided to agencies and programs. The Governor's Budget Office should consider developing, creating, and organizing training and policies and procedures, or designate a department or agency with this responsibility.

If changes are not made to the process for implementing a performance-based budgeting system, successful implementation throughout all of New Hampshire state government will be difficult. The Legislative and Executive branches may want to consider what goals are to be achieved using performance-based budgeting and work toward implementing a system that meets the needs of both branches.