

Budget Development: Program and Performance Measurement

Introduction – Updating Durham’s Performance Reporting Process

Durham County currently finds itself facing new financial, economic, legal, and policy challenges that are creating strains on the County’s resources and taxing our ability to meet all of our community’s needs. To meet these challenges and their impacts, the County must be better equipped to understand the results of our current work and the degree to which we are addressing the identified needs of individual programs and activities. Recognizing the urgent need for County leadership and the Board of County Commissioners to have access to ample timely, high-quality performance information to make informed decisions on County programs and operations, the County Manager tasked the Organizational Effectiveness (OE) department with strengthening the County’s performance measurement and performance reporting framework.

The fundamental goal of this effort is to increase both the quality and quantity of performance information available to County leadership. The OE team is utilizing a structured, multistage process to :

- Rebuild the fundamental inventory of the County’s full range of programming, ensuring we have an accurate picture of the full scope of programming across the enterprise;
- Evaluate and strengthen performance measurement across the enterprise to ensure that we have strong, valid, and up-to-date performance measurements of all County programs; and
- Redesign the performance reporting process and materials to increase the amount of high-quality performance data available to leadership and the public.

Program Identification and Assessment – Updating and Refining Durham County’s Program Inventory

The first stage of OE’s performance management improvement activities began in December when OE and Budget began working with departments to identify the full scope of programs administered by each department. The OE and Budget teams used a set of defined evaluative criteria to revise existing program categories and develop new categories where appropriate. The result of this process was the development of a new comprehensive program listing for the entire County that will serve as the organizational foundation for performance measurement and reporting moving forward. These updated program listings for each department (with updated descriptions) will be included in the upcoming FY 2027 Budget Book and will be reflected in additional performance reporting and department-level planning materials.

Once the programs were identified, OE staff began meeting with departments to further explore the identified programs and document important information regarding each program. This information includes a brief description of the program and details on the purpose of the program, service population, activities conducted, key partners and stakeholders, targeted results, and other information. Once these assessments were completed for each department, OE began developing “profiles” of each program that will serve as the foundation for subsequent analyses of performance measures and to support department-level planning efforts.

Key Performance Indicators – Analyzing and Refining Program Performance Measures

Currently, OE staff are working with partners to analyze existing performance measures for each program. This analysis includes all documented performance measures, not just those previously reported in the Budget Book. For each measure, OE is evaluating the measure's alignment with program objectives, the degree to which the measure effectively captures program outcomes, whether the measure utilizes measurement best practices, and the quality of the data utilized for reporting on the measure. As existing measures are mapped against the newly defined program listings, new measures are being designed to fill identified gaps. For new measures with currently available data, OE is supporting departments in preparing those measures for inclusion in current performance reporting materials. However, some measures will take time to develop for reporting as new data collections are established and implemented. Once the full range of measures have been identified, OE will be collaborating with department to refine and update measures for inclusion in the FY 2027 Budget Book.

Updating Durham County's Performance Reporting Structure

While the program identification, program assessment, measure analysis, and measure refinement processes have been ongoing, OE has been working with leadership to evaluate potential changes to the County's performance reporting structure. Through this process, OE has been benchmarking our Budget Book performance information presentation against other models to identify potential shifts in how we are presenting information. This has included comparisons with our local and regional peers, as well as examinations of approaches utilized by other jurisdictions nationwide. Our goal through these efforts has been to ensure that the presentation of performance information in the Budget Book provides both meaningful and digestible information for both County leadership and the public.

OE and Executive Leadership are still discussing and finalizing revisions to the performance data structure within the Budget Book. However, there is a high likelihood that FY 2027 materials will:

- Organize performance information by program rather than department-level reporting;
- Utilize a tabular approach to increase overall number of included measures;
- Continue utilizing targets for measures and multi-year data (where available);
- Include multiple measure types, while emphasizing outcome measures.

Additional Performance Management Improvement Efforts

Recognizing that these potential changes to the Budget Book performance data structure will involve certain trade-offs, OE is also working to develop a companion performance report that will include more detailed performance information, department-level performance information, important data visualizations, and narrative content to establish context around individual measures. To expand this effort to a more continuous performance management cycle, OE will be working with County leadership to develop an annual performance reporting process with periodic meetings to discuss work plan progress and interim data on performance measures. While the design process for this cycle is still in its early stages, the intent is to have the process ready for piloting in FY 2027.