

HOW WE MEASURE PERFORMANCE

VA uses performance measures, a group of evaluation criteria, to assess progress in areas emphasized in our strategic plan. Identification of what to measure begins with an understanding of VA's mission, strategic goals, and objectives. Senior leadership, in conjunction with the Office of Management and Budget and our constituents, annually identifies measures that can help us assess key performance aspects of the Department's desired outcomes. We set realistic goals consistent with our budget that reflect the expected performance for each measure through the fiscal year. We establish the strategic target when the performance measure is first identified. This strategic target will tell us when we have reached the expected outcome in that area of emphasis. These measures are then communicated throughout the organization and included in our senior leadership performance evaluations.

In selecting the measures that will best help us achieve our strategic goals, we work to balance output and outcome measures that will aid senior leadership in making management decisions on how best to effectively and efficiently carry out our mission and ultimate goal – to improve the lives of our veterans and their dependents. Output measures track the products of our activities, such as the number of days to process claims for compensation or pension benefits. Outcome measures, such as the Chronic Disease Care Index and the Prevention Index, are excellent measures that indicate how well VA is doing in improving the health of veterans in important

areas. In 2002, almost 50 percent of our key performance measures were outcome-related.

This information is tracked at the highest levels of VA through monthly performance review meetings. Instituted in December 2001, administration and staff office heads report once a month to the Deputy Secretary and outline the general conduct and specific performance of their organizations. They discuss adherence to budget, staffing, major projects, and key performance elements. By doing this, we are linking performance directly to our budget plan on a month-by-month basis. Our intent is to ensure that our programs produce the intended results of the legislation that created them and that the outcomes for veterans are those intended by Congress and the American people. The output measures help us monitor the efficiency and effectiveness of our programs and their management.

Data collection and analysis for performance measures are defined to establish a common understanding for the measure, to describe how and when the data will be collected and interpreted, and to ensure the quality and integrity of the data.

In 2002, we had 124 performance measures, of which 23 were designated as 'key.' Key measures represent those few, high-level measures that link directly to Departmental objectives and ultimately to our mission. These 23 key measures provide a balanced view of the overall performance of the Department. The scorecard shown on page 4 summarizes how well we did.