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Department of Finance**

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November 1, 1993

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The Department of Finance is pleased to transmit the first Draft Annual Performance Report prepared by certain state agencies in conformance with Laws of 1993, Chapter 192, section 40.

The enclosed Draft Report continues Governor Carlson's commitment to improving state government effectiveness through the development of outcome-based program measurement and reporting. This commitment was first conveyed in the Governor's 1994-95 budget, and strengthened by adoption of a statutory "statement of expectations" by the 1993 Legislature.

Several general observations concerning the Draft Report are possible. The quality of the agency reports is directly related to whether an agency had previously undertaken strategic planning and developed outcome-based measures. Agency efforts in these areas invariably improve over time. It is clear in the reports that agencies are at different stages of development, and have different improvement plans over the next year.

We were pleased with the agencies' focus in the Draft Report on defining and measuring "customer service." Both staff and line agencies have made significant progress in designing customer/client input/survey methods. The departments of Finance and Administration will assist in streamlining and identifying opportunities for joint efforts.

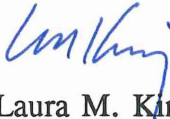
The departments of Finance and Administration, as well as all the participating agencies, look forward to working with the Office of the Legislative Auditor over the next year. It is expected that the Final Report, when submitted September 1, 1994, will have benefitted from several reviews as well as internal agency improvement efforts.

By that time, agencies will also have convened their Worker Participation Committees to involve them with the development and refinement of objectives and outcome measures. Union leadership was consulted in mid-summer in order to solicit recommendations for how to best integrate the committees into the process. It was agreed that the statutory timeline for preparation and submission of the initial Draft Report did not allow for their meaningful involvement. Emphasis will shift to development of their role now that the Draft Report is completed.

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It is our goal to produce meaningful outcome information that is broadly available to legislative leadership as well as the state's citizens and consumers. We are confident that you will find the Draft Annual Performance Report and the subsequent Final Report very informative and useful in your policy discussions.

Sincerely,



Laura M. King
Assistant Commissioner

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cc: Governor Arne H. Carlson
Senator Allan Spear
Speaker Irv Anderson
James Nobles, Legislative Auditor
Legislative Commission on Planning & Fiscal Policy

DRAFT ANNUAL PERFORMANCE REPORTS
Cabinet Level Agencies

Included This Year
Required in Law

Administration
Agriculture
Commerce
Corrections
Education
Employee Relations
Finance
Health
Human Rights
Human Services
Jobs and Training
Labor and Industry
Military Affairs
Natural Resources
Public Safety
Public Service
Revenue
Trade and Economic Development
Transportation
Veterans Affairs
Veterans Home Board

Excluded this Year
Will be Added in 1994

Higher Education
Housing Finance Agency
IRRRB
Mediation Services
Met. Airports Commission
Metropolitan Council
Met. Waste Control Cmsn.
Mental Hlth & Retardation
Pollution Control Agency
Public Utilities
State Planning Agency
Waste Management