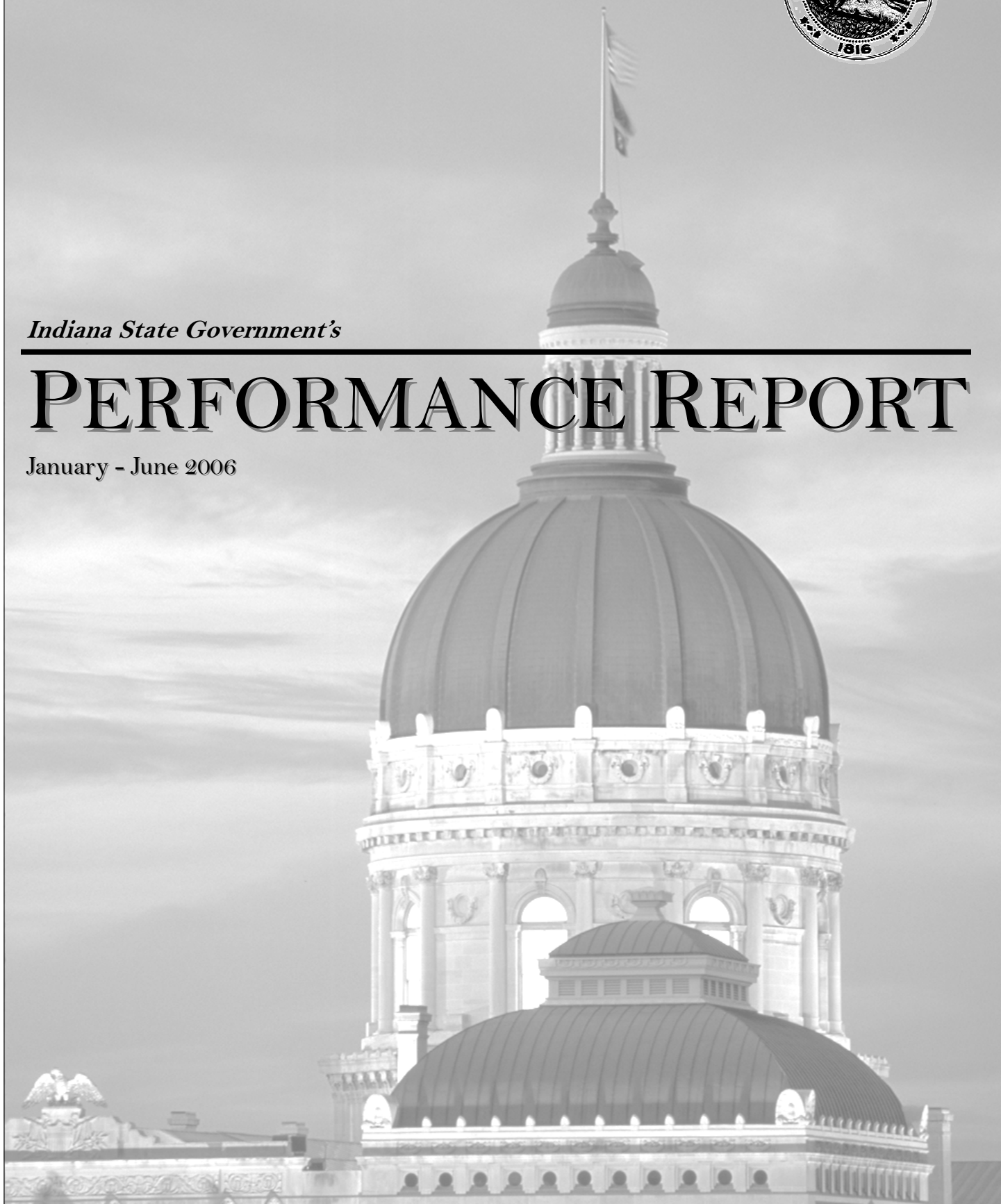


Indiana State Government's

PERFORMANCE REPORT

January - June 2006





PERFORMANCE REPORT

January - June 2006

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STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Mitchell E. Daniels, Jr.
Governor

Memorandum

To: Governor Daniels
From: Betsy Burdick, Director of Cabinet & Agency Affairs
Date: September 6, 2006
Re: Indiana State Government Performance Report for January through June 2006

Attached is the third six-month Indiana State Government Performance Report, for January through June 2006. An updated and improved look at how agencies are measuring up to their established performance metrics is also included.

The first six months of 2006 included many contributions toward your priorities of increased jobs and income growth, and this report focuses upon those initiatives and programs that helped make this happen. Four major areas are highlighted:

- 1) *Strengthening Indiana's Economy* reviews the economic hot streak that has occurred under your leadership, highlighted by Honda's decision in June to locate in Greensburg.
- 2) *Improving Indiana's Infrastructure* provides an overview of the Telecommunications Deregulation Act as well as Major Moves, the most significant infrastructure investment and jobs creation initiative in the State's history.
- 3) *Balancing the Budget* documents how the state's fiscal situation is in the black for the first time in 8 years, a full year ahead of schedule, due to the General Assembly passing the tightest budget in 55 years and the disciplined financial management of state agencies. Specific initiatives to be discussed are:
 - a. The repayment of debt to schools, universities, and local government, and
 - b. The OneIndiana initiative.
- 4) *Reforming State Government* covers several programs, including the following:
 - a. New initiatives and cost-savings measures,
 - b. Energy-saving initiatives,
 - c. Key legislation, and
 - d. Rewarding performance and valuing public service.

The format of the section on performance metrics has changed from previous editions. Now that many state agencies have accumulated over a year's worth of data, we are able to observe trends over time as opposed to merely performance as of a particular quarter. Secondly, the Office of Management and Budget's "dashboard" software (developed by an Indiana company) allows graphical presentation of this information.

Four additional agencies have developed performance measures during the first half of 2006, bringing the total to 36 agencies which have established performance measures with targets that are linked to their core mission and are formally reporting results. The remaining state agencies will be targeted for the creation of formal performance metrics during the budget development process this fall.

Targets for performance measures have been set at red, yellow and green levels, with green representing superior performance. Roughly 64% of reported measures have red or yellow results indicating further improvement over the previous six months when 73% of reported measures fell into these two categories. You will recall that 87% of reported measures fell into these two categories one year ago. There is still significant opportunity for improvement, but the results are quantifiable and the improvement undeniable. In some cases, it may take years of unrelenting focus to "get to green" but what is most critical is the year to year improvement in achieving results with the investment of Hoosier tax dollars.

On behalf of your Cabinet and other leaders in state government, we look forward to making this periodic report useful to you, the hard-working people of state government, and the public.



Strengthening Indiana's Economy

Under Governor Daniels' leadership, Indiana is on an economic hot streak. The Indiana Economic Development Corporation (IEDC) is breaking new records every day as it works to increase Hoosier incomes and attract new investment to our state.

The first six months of 2006 encompassed many great economic successes for Indiana. Our state became the only state in the nation with two Toyota assembly plants, when the automaker announced plans to build its top-selling Camry model at the Subaru plant in Lafayette. The highly publicized decision by Honda to build its new assembly facility in Greensburg will create thousands of jobs directly and thousands more at supply and support companies throughout the state.

Indiana's economic success extends beyond the automotive industry. Recent successes also include: FedEx's announcement of a major expansion, creating 800 jobs in Indianapolis; American Commercial Lines' decision to double its workforce and create 1,100 new jobs in Jeffersonville; Pfizer's plan to produce inhaled insulin and create 450 high-tech jobs in Terre Haute; Sallie Mae's plan to add 700 jobs by opening a new operation in Muncie; and Sysco Corp's decision to build a new, \$80 million Midwest redistribution center in Hamlet, 30 miles southwest of South Bend, creating 500 new jobs. This list names just a few of the new investments and jobs headed to Indiana.

One area of Indiana's greatest economic success is in the agricultural community. The explosion of Indiana's biofuel industry is much greater than anticipated. In January 2005, only one biofuel plant called Indiana home. Today, 15 plants are operating or under construction including the world's largest biodiesel plant and two of the largest ethanol plants east of the Mississippi River. The growth of this industry will pay enormous dividends beyond job creation. These facilities will invest millions of dollars into Indiana's rural communities and raise income levels in the state's agriculture sectors.

In 2005, the IEDC closed more competitive deals than in the previous two years combined. During the first half of this year, the IEDC nearly equaled the number of job commitments in Indiana that it recorded in all of the previous year. In July, Barron's wrote, "If Indiana were a publicly traded company, its share price would be soaring." There is no greater compliment for our state.

IEDC 2006 Closed Competitive Deals

Company	County	New Jobs	Company	County	New Jobs
Aprimo, Inc.	Hamilton	296	Arrow Container, LLC	Marion	35
QuadraSpec, Inc.	Tippecanoe	47	Farbest Foods	Dubois	222
Alcoa	Warrick	56	Sysco	Starke	566
Klaisler Mfg. Corp.	Johnson	51	SWS - Trimac	Allen	14
Walker Information	Marion	38	Hoosier Gasket	Marion	100
Red Gold	Madison	37	Diamond Mfc	LaPorte	76
Smith Brothers	Adams	209	JSG Processing, Inc.	Grant	57
Valbruna Slater	Allen	20	Mogul Enterprises	Allen	343
Allen Foods, Inc.	Elkhart	128	Continental Design Co	Madison	68
Lauth Group	Hamilton	100	Int. Manufacturing	Whitley	261
ConAgra Foods	Marion	35	Michigan Biodiesel	Steuben	40
Staples	Vigo	80	Louis Dreyfus Ag	Kosciusko	85
JDC Veneers Inc.	Clark	42	Shoe Carnival	Vanderburgh	278
Interactions Corp.	Marion	390	Kokosing Construction	Knox	45
Illiana Block & Brick	Lake	30	Pfizer	Vigo	443
MACSTEEL	Huntington	8	Toyota	Tippecanoe	1,000
Vista Packaging	Marion	60	Kokam America, Inc.	Daviess	108
PSW, LLC	Lake	16	Bomar Industries, Inc.	Marion	16
Revere Industries, LLC	Marion	98	Wirco	Noble	27
SDI Steel Dynamics	Clark	37	Archer Land Title	Marion	75



IEDC 2006 Closed Competitive Deals Continued

Company	County	New Jobs
Keihin	Hancock	70
MTC	Allen	60
AccuTech	Delaware	25
Princeton Search	Marion	244
Hartland Distillations	Vanderburgh	20
Midwest ISO	Hamilton	95
Ellison Bakery	Allen	21
RCS Management	Hamilton	50
Heckman / ICI	Wabash	70
BAE Systems	Allen	36
CertainTeed	Vigo	145
SDI Steel Dynamics	Whitley	147
Applied Composites	Marion	20
Madison Precision	Jefferson	66
Var Industries, LLC	Elkhart	36
National Graphics	Marion	98
First Advantage	Marion	150
Vantage Industries	Steuben	50
Guitar Center, Inc.	Hendricks	192
Cardinal Ethanol, LLC	Randolph	45
Keystone RV Co.	LaGrange	277
PEI-Genesis	St. Joseph	160
Dynamic Composites	Whitley	36
ProTrans International	Marion	122
Accubuilt, Inc.	Elkhart	33
Sun Valley, Inc.	LaGrange	70
Brake Supply Co.	Vanderburgh	28
R&T Steel and Wire	Jefferson	123
Rea Magnet Wire	Allen	50
Central States	Blackford	45
Hartford Energy	Blackford	40
ASA Alliances	Tipton	55
CVS Indiana, LLC	Marion	26
MIRWEC Film Inc.	Monroe	12
3S Incorporated	Dearborn	31
Dawn Food Products	Wells	56
Reagent Chemical	Starke	37
Jeffboat	Clark	1,157
Tri State Coca Cola	Jay	12
Genesis Products, Inc.	Elkhart	35
Cabela's	Lake	165
Fiserv Solutions, Inc.	Marion	40
Athena Plus, Inc.	Madison	68
Flexhaust Company	Kosciusko	40
VeriCorr Packaging	Hendricks	15
Tru-form Steel & Wire	Blackford	20
Premier Ethanol, LLC	Jay	53
ASA Mount Vernon	Posey	55

Company	County	New Jobs
Boral Bricks, Inc.	Vigo	50
Estes Design and Mfc	Marion	21
ITT SSD	Allen	250
Parker Hannifin Corp	Allen	100
CMA Steel & Fab.	Allen	15
Rolls-Royce	Marion	600
SFI Systems, LLC	Tippecanoe	72
Indiana Packers Corp	Carroll	125
BW Services	Daviess	54
Beta Steel Corp.	Porter	34
NS Int'l Biofuels	Elkhart	25
JL Property, LLC	Hendricks	26
New Horizon Baking	Steuben	7
Patrick Industries	St. Joseph	39
Petoskey Plastics, Inc.	Blackford	48
Honda	Decatur	2,067





Improving Indiana's Infrastructure

Improving Indiana's infrastructure is vital to keep the state competitive in the global marketplace. Indiana took two major steps during the 2006 legislative session. Passage of the Telecom Reform Act and the Major Moves legislation.

Telecommunications Deregulation Act

Experts describe Indiana's Telecommunications Deregulation Act as the "most aggressive" reform in the nation and "number one in terms of modernity." This bill immediately started generating positive investment and improvement in Indiana's invisible infrastructure, the high-speed data capability and facilities that power modern business.

Indiana's telecom laws had not been updated since 1985, a decade before widespread use of the Internet, mobile telephones, streaming video, and internet phone service. Prior to passage of this act, Indiana ranked 34th in the nation regarding broadband penetration. Bret Swanson, Senior Fellow at the Discovery Institute and Editor of the Gilder Technology Report says "in a single leap, Indiana has moved from the back of the pack to number one" and the act "will spur hundreds of millions of dollars of investment in invisible infrastructure."

This investment in infrastructure and increased competition will lower prices for Hoosiers and further the state's economic comeback. According to a Ball State University report, broadband deployment is the prime ingredient that can attract growth industries that are historically underrepresented in Indiana. Two separate studies concluded Indiana's Telecommunications Deregulation Act could generate approximately 20,000 jobs. Experts also predict that increased competition in the telecommunications industry will lower prices for Hoosiers between \$131 million and \$262 million a year.

Within days of the Governor enacting the Telecommunications Deregulation Act, AT&T Indiana announced plans to expand its DSL service to 33 rural Indiana communities. This historic multi-million dollar investment will connect Hoosiers in towns across the state with the global economy. One month later the communications giant announced plans to invest \$250 million in Indiana to increase broadband penetration and launch new video services.

Major Moves

Indiana is now a leader as well in transportation. As the "Crossroads of America," the roads, highways, and bridges that transport people and products are vital to our state's economy. As one of the leading manufacturing states in the nation, we must provide the means for companies to move their goods from the factory to the marketplace. Unfortunately, the current method of highway funding through gasoline taxes fails to keep up with the demand to improve and expand our existing infrastructure.

Governor Daniels' Major Moves proposal solved Indiana's \$3 billion transportation funding deficit without a tax increase. The state now has billions in the bank, earning \$6 in interest every second. Major Moves will invest \$12 billion in Indiana roads and bridges over the next ten years. Roads which previously languished on a drawing board will now become reality. Over 200 projects are now moving forward across the state including the Hoosier Heartland Highway, Fort to Port, new Ohio River Bridges, a high-speed US 31, and the I-69 extension from Evansville to Indianapolis.

These roads will provide the backbone to continued economic progress in our state. It is estimated that Major Moves will create tens of thousands of jobs in Indiana. As Governor Daniels said after the Honda announcement, the answer to most of the automaker's questions during the negotiations came back with infrastructure. Indiana now has a fully funded ten-year construction plan to invest in the infrastructure that will produce jobs years into the future.

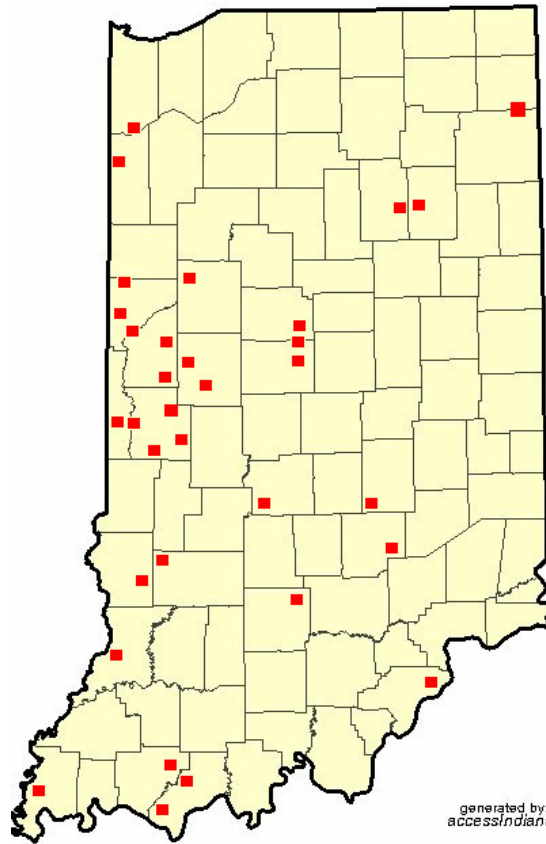
Major Moves will also provide local governments the ability to improve infrastructure. The state will distribute \$75 million dollars in local grants later this year. The seven toll road counties will also share an additional \$640 million in local grants, toll freezes, and investments from the Major Moves fund.



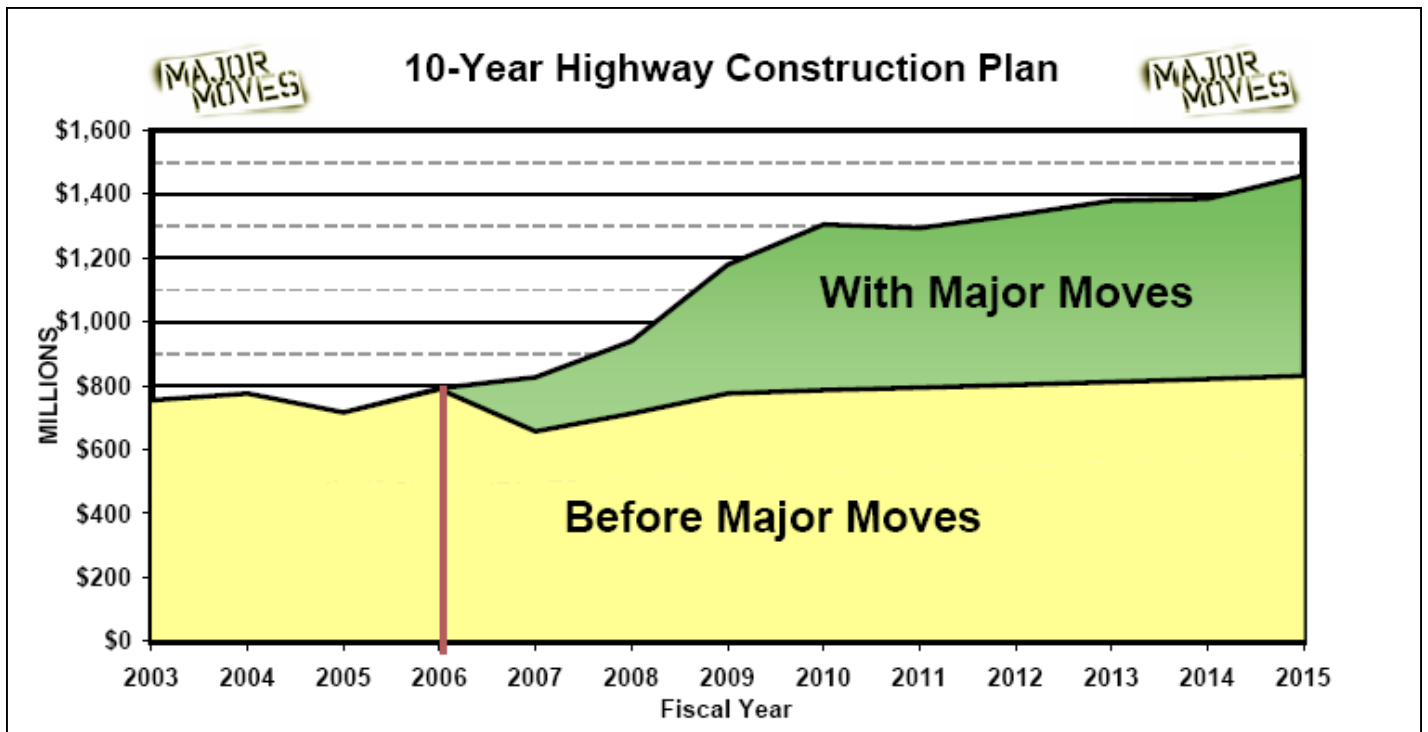
Telecommunications Deregulation Act

Brings High Speed Access to Hoosier Small Towns

Andrews
 Bellmore
 Boswell
 Bruceville
 Chrisney
 Dana
 Dugger
 Elizabethtown
 Flat Rock
 Heltonville
 Jasonville
 Kingman
 Kirklint
 Lagro
 Lake Village
 Marshall
 Mechanicsburg



Mellott
 Michigantown
 Montezuma
 New Market
 New Washington
 Otterbein
 Paragon
 Rosedale
 Sandridge
 Shelby
 Solitude
 Spencerville
 Stewart
 Tennyson
 Waynetown
 West Lebanon



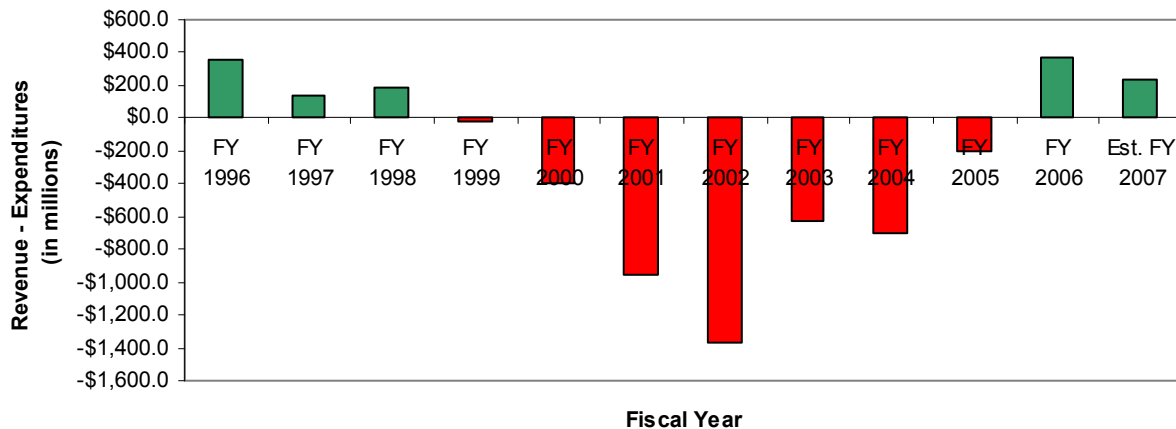


Balancing the Budget

Indiana achieved its first balanced budget in eight years and the first true surplus in three years

- Revenue exceeded expenditures by \$371 million, the first annual surplus since 1998
- The State's total cash balance exceeded debt to K-12 schools, higher education and local governments for the first time since 2003
- Actual spending was limited to a growth level of 1.9 percent, due to two factors:
 - 1) The General Assembly passed the tightest state budget in 55 years, with planned spending growth of 2.6 percent in the first year of the budget.
 - 2) Savings and identified and captured by various state departments, many of which have been detailed in previous performance reports.

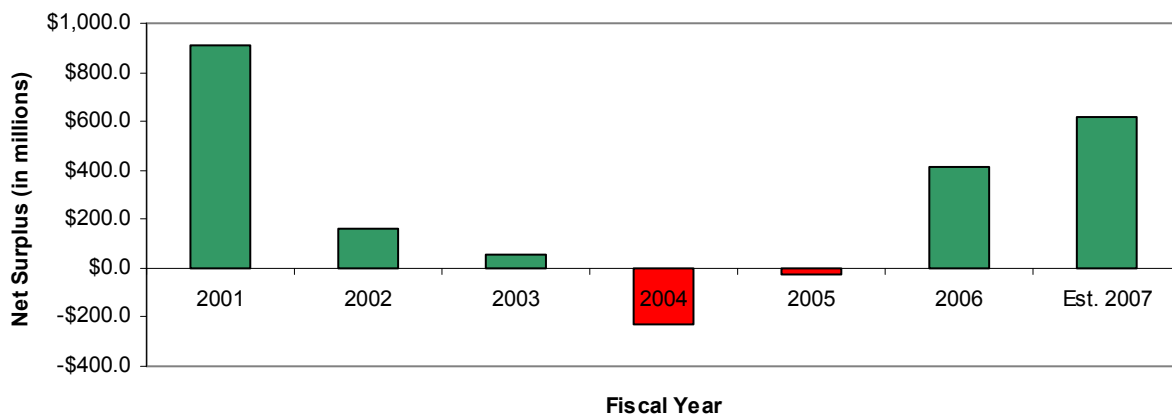
First Balanced Budget in Eight Years



Indiana made significant progress in repaying its debts to schools and local government

- In January, Governor Daniels directed that half of delayed payments to schools – \$156 million – be repaid, utilizing proceeds collected through the successful tax amnesty program.
- Immediately after the end of the fiscal year, Governor Daniels ordered the state to fully repay the debt owed to K-12 schools – \$160 million.
- The Indiana General Assembly also has authorized the repayment of \$176.5 million to higher education and municipalities in fiscal year 2007.

First State Surplus (Cash Balance - Liabilities) Since 2003





Indiana furthered its strategic sourcing effort, entitled OneIndiana, to improve the State's purchasing of goods and services. OneIndiana has already begun to capture millions of dollars in projected savings.

OneIndiana, a project managed jointly by the Department of Administration and the Office of Management and Budget to save money on goods and services purchased by the State of Indiana, was started in August 2005. The project team has negotiated 13 contracts that are estimated to produce \$33 million in annual savings compared to historical buying patterns. Savings over the life of the contracts are estimated to be over \$120 million. The project is continuing its work on many other categories with a high potential for multi-million dollar savings.

Descriptions of five (5) categories that have been strategically sourced as part of the OneIndiana initiative are provided below:

- 1) Hearing Aids - Historically, the State of Indiana was purchasing hearing aids one at a time, with no visibility into the various components of the total cost of ownership of buying and using hearing aids. Staff within Vocational Rehabilitation helped leverage the State's tremendous purchasing power and created greater coordination and control to greatly reduce the number of high-end devices prescribed. This bulk purchasing lowered the cost of individual hearing aids from \$1,800 to \$900. In all, the sourcing of hearing aids will generate roughly \$4.3 million in annual savings for Vocational Rehabilitation alone. The overall savings figure will rise significantly if the Medicaid and First Steps programs utilize the new contract and processes as well.
- 2) Computer Hardware - Prior to the OneIndiana project and the creation of the Indiana Office of Technology (IOT), state agencies were permitted to purchase computers from numerous suppliers. Agencies could choose any of 60 configurations. Behind the leadership of IOT, the OneIndiana initiative negotiated a new contract for all types of computer hardware – including desktops, laptops, servers, and peripherals. With historical expenditures approaching \$17 million annually, the savings opportunities were significant. By crafting appropriate specifications, creating five standard configurations (instead of 60), and leveraging the State's vast purchasing power, the state can now purchase a standard desktop computer for \$690 instead of \$977 and a standard laptop for \$982 instead of \$1,172. This OneIndiana category will save \$5 million annually, and an estimated \$20 million over the length of the four-year contract.
- 3) Office Supplies - Prior to the spring of 2006, the State of Indiana did not have an office supplies contract. Instead, agencies purchased office supplies from a variety of vendors at a wide variety of prices. With statewide expenditures approaching \$7 million, the State was wasting millions of dollars every year. The new OneIndiana contract establishes a "market basket" of frequently purchased goods where the items are discounted most significantly. In addition, the State receives across-the-board discounts on all items purchased. For example, the state can now purchase a stapler for less than \$1 instead of \$6 and a box of 9" x 12" envelopes costs less than \$4 instead of nearly \$22 per box. With the new contract, the State will save an average of 46% on office supplies purchases. This translates into \$3.1 million in savings annually, or \$12.4 over the length of the four-year contract.
- 4) Environmental Testing - Vehicle inspection and maintenance testing has been required in certain regions of the State for many years. This emissions testing used to be supported by federal funds but has been paid solely by state general funds. Previous contracts required a flat monthly fee for these services regardless of the number of inspections performed. The OneIndiana team competitively bid these services and implemented a more cost-effective per-test compensation method. These actions contributed to an estimated annual savings of over \$2 million per year. Additionally, Governor Daniels announced in May 2006 plans to end vehicle inspection and maintenance testing in Clark and Floyd Counties due to improved air quality conditions. The ongoing satisfaction of these standards will result in an additional \$300,000 in savings.
- 5) Cellular Telephones - The State of Indiana had more than 200 cellular telephone plans, and was incurring overage charges in excess of one million dollars annually. The OneIndiana initiative replaced the more than 200 plans with a single family plan resulting in estimated savings of 39%, or \$1.2 million annually. Overage charges have been eliminated.

Reforming State Government

Upon taking office in January 2005, Governor Mitch Daniels asked his new crew of leaders to focus on improving customer service and ending the wasteful ways of government. Some of those discoveries have produced the hundreds of millions of dollars in savings that helped balance the state budget, and others have improved service for the customers of state government – Hoosiers. Below are some highlights of those reforms from the first six months of 2006.

- ◆ *Rx for Indiana*, a program that links Hoosiers with free or discount pharmaceutical program information, marked the end of its first year by surpassing expectations with over 117,000 qualified patient contacts. The amount reached almost 140,000 through the end of the fiscal year. This represents a program match rate of over 80%. The program's website is www.rxforindiana.org.
- ◆ Additional funding for childcare assistance, \$6 million for the fiscal year and \$12 million in 2007, was achieved by reducing the error rate in qualification processing for the Temporary Assistance for Needy Families block grant program.
- ◆ The Departments of Natural Resources and Transportation will coordinate with Indiana communities the construction of a trail system that will link local trails with extended trail corridors.
- ◆ Three surplus state aircraft were auctioned, generating nearly \$700,000.
- ◆ The Indiana State Prison received accreditation from the American Correctional Association for the first time in the facility's 145-year history.
- ◆ The Department of Correction, Attorney General, Indiana State Police, and Criminal Justice Institute partnered with the Indiana Sheriffs' Association to create a Sex Offender Registry where Indiana residents can track the whereabouts of registered sex offenders with a single, state-of-the-art public Web site.



- ◆ The INShape Indiana program encourages Hoosiers to sign up on its website (www.INShape.IN.gov) to receive tips, share success stories, and track their progress to a healthy lifestyle. More than 13,000 Hoosiers have registered, losing a combined 25,000 pounds. In addition participating Hoosiers report a 10% decrease in smoking, increased exercise of 487,000 minutes, and increased consumption of dairy, fruits, and vegetables by over 70,000 servings.
- ◆ Mitch's Kids, a program aimed at improving the education prospects of low income children, is already producing tangible results. The program has enrolled more than 3,300 children at 65 Boys and Girls Clubs in 34 Indiana counties. The program encourages young Hoosiers to participate in the Boys and Girls Club after-school POWER Hour. After less than a year in operation, Mitch's Kids is working. Educational testing on Hoosiers participating in Mitch's Kids showed a 20% increase in reading test scores and a 27% increase in math test scores. Mitch's Kids is fortunate to have Indiana Pacers All-Star Jermaine O'Neal as team captain.



Buy Indiana

State government continues to work to ensure state dollars are spent with Indiana companies, when possible, through Buy Indiana. Prior to 2005, 62% or less of Hoosier tax dollars were being spent with Indiana companies. During the first half of this year state government spent 80% of its dollars with Indiana companies. Examples of contracts previously sent out of state that Hoosier companies are now fulfilling include:

- ◆ Coatesville-based Dixie Chopper won the \$700,000+ contract to provide lawn mowers to state government. The state previously spent that money with out of state companies such as John Deere and Kubota.
- ◆ The state awarded a \$115,000 contract for state police dispatch consoles to Angola-based Dispatch Products. The state previously bought consoles from companies in Colorado and Massachusetts.

Holding the Line on Energy Costs

Following the hurricanes of 2005, natural gas prices reached unprecedented levels. These unexpected events sent shockwaves through the budgets of homeowners and businesses. The State of Indiana, responsible for operating prisons, hospitals, and other institutional facilities, was no exception. While it couldn't avoid the rising costs, the State was able to mitigate the impact through a coordinated, internal buying consortium and risk management program for user agencies. The consortium, buying directly from the wellhead, used hedging techniques to lock-in costs and saved over \$3.8 million compared to buying directly from the utility.

The Department of Correction went even further to examine how it could lower energy costs. In fiscal year 2006, the DOC entered into an energy savings contract with Johnson Controls, who is implementing energy conservation measures at four facilities that are estimated to produce net savings of \$7 million over 10 years and \$3 million per year thereafter. One innovative feature is the conversion of existing natural gas boilers to biomass boilers capable of burning corn, natural gas or other biofuels depending on the lower cost fuel.

Key Legislation

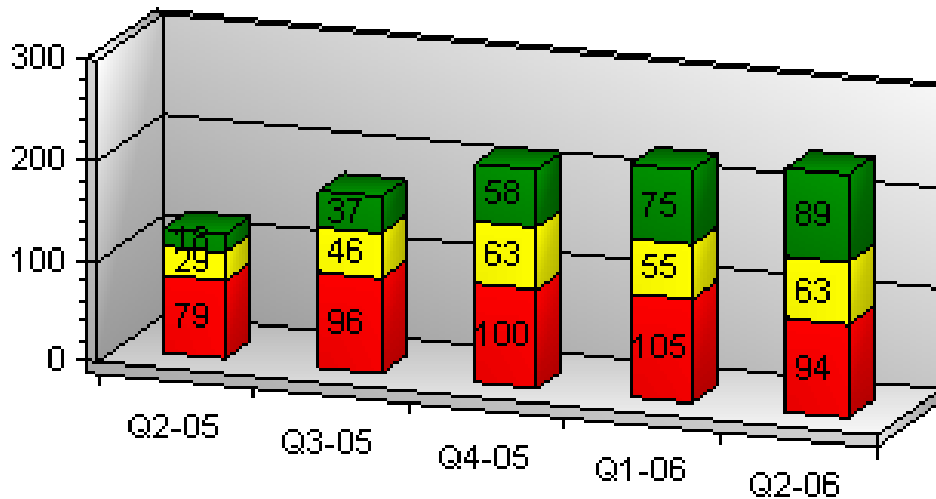
- ◆ The Indiana Department of Homeland Security, through House Enrolled Act 1099, created the first statewide fire training system in Indiana's history. The regional fire training system is composed of ten training sites in each of the state's homeland security districts where firefighters from across that district will receive basic and more advanced fire training.
- ◆ Governor Daniels signed a Memorandum of Understanding establishing the Hoosier Veterans Seamless Transition Program (HVSTP) to assist Active Reserve Forces, including the Indiana National Guard and Reserves, with the transition to civilian life upon returning from active duty overseas. The HVSTP is a partnership between the Indiana Department of Veterans Affairs, Joint Forces Headquarters, U.S. Department of Labor, Indiana Department of Workforce Development, and the Hoosier Veterans Assistance Foundation as well as other state veterans' service providers.
- ◆ Governor Daniels signed into law Senate Enrolled Act 75, which establishes the military relief fund for the families of Hoosier veterans. The fund provides grants for the families of Hoosier members of the Indiana National Guard or Armed Forces Reserves who have been called to active duty since 9/11.

Rewarding Public Service

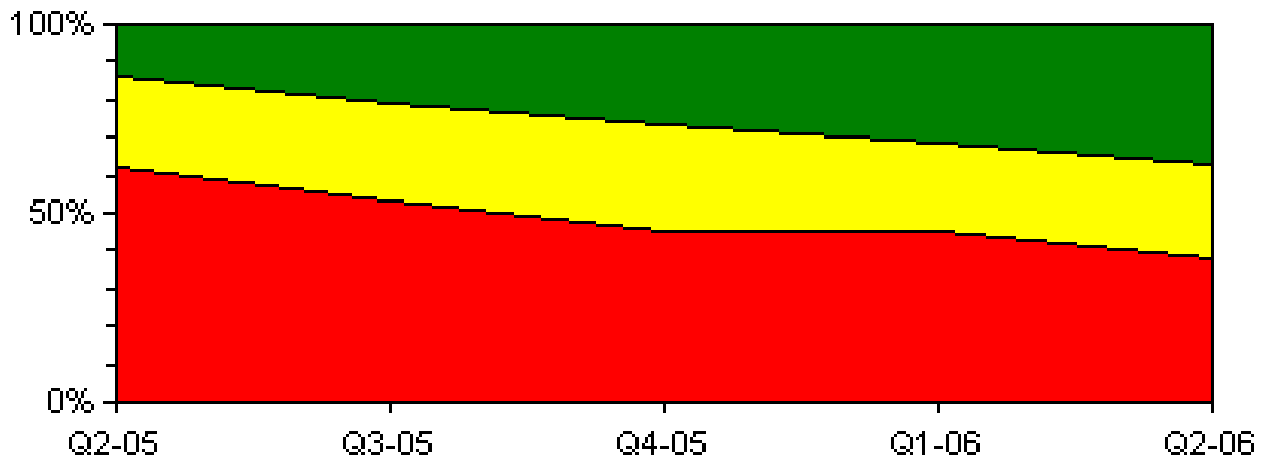
- ◆ Governor Daniels created the Governor's Public Service Achievement Awards to recognize and reward state employees who improve efficiency, provide better service, and stretch tax dollars. In February, Governor Daniels presented awards to 52 state employees representing 21 agencies.
- ◆ Governor Daniels created an agency level spot bonus program that enables individual agencies to reward exceptional performance at the time it occurs.

Performance Measurement

Governor Daniels has stated often that “If you’re not keeping score, you’re just practicing.” Measuring performance has the effect of holding state government accountable for results, or the lack thereof. The Governor’s performance measurement system is evolving as new technology is incorporated and additional state agencies are included. The format of this section has changed since the previous performance report with the implementation of new performance measurement software. Now, historical results can be illustrated graphically and trends can be analyzed. The graph below illustrates the number of measures that were green, yellow, and red for each of the last five quarters.



As new agencies have been included in the performance measurement system over the past year, the number of metrics has increased significantly. As a result, simply comparing the number of metrics that are green, yellow, and red per quarter does not provide a meaningful comparison. The graph below illustrates the percentage of all metrics that are green, yellow, and red, respectively. The percentage of green metrics has increased from less than 15% to greater than 36% over the past twelve months. Likewise, the percentage of red metrics has decreased from 62% to 38% over the same time period.





Below is a chart showing how each state agency participating in the performance measurement program performed in the second quarter of 2006 (April through June). Four additional agencies—the Indiana Law Enforcement Academy (ILEA), PEN Products, the Office of Faith-Based and Community Initiatives (OFBCI), and the Office of the Utility Consumer Counselor (OUCC)—created performance measures in the previous six months. Additional information on these results (e.g., overall agency performance over time, current results for specific measures, etc.) will be posted on the Web at www.in.gov/omb/gefp by the time of the next report.

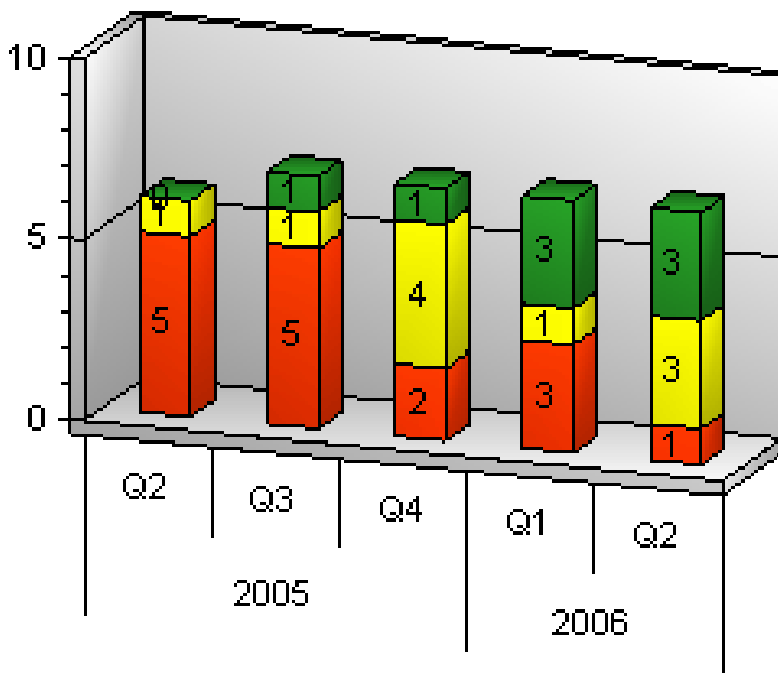
Agency	Red	Yellow	Green	Total
Administration	2	7	1	10
Alcohol & Tobacco Commission	3	2	3	8
Bureau of Motor Vehicles	1	3	0	4
Child Services	4	0	1	5
Coroners Training Board	2	1	0	3
Correction	14	4	3	21
Criminal Justice Institute	6	3	5	14
Economic Development Corporation	1	3	4	8
Environmental Management	4	5	0	9
Faith-Based & Community Initiatives	4	1	1	6
Family & Social Services	3	0	2	5
Finance Authority	1	1	2	4
Gaming Commission	0	0	4	4
Gov't Efficiency & Financial Planning	4	0	1	5
Health	2	1	0	3
Homeland Security	4	2	7	13
Hoosier Lottery	0	1	1	2
Horse Racing Commission	1	0	2	3
Inspector General	0	0	3	3
Insurance	1	0	5	6
Integrated Public Safety	3	4	2	9
Labor	2	2	0	4
Law Enforcement Academy	1	2	3	6
Local Government Finance	4	0	2	6
Natural Resources	4	0	4	8
PEN Products	1	0	1	2
Personnel	3	0	1	4
Public Access Counselor	0	1	1	2
Public Employees Retirement Fund	1	3	3	7
Revenue	0	2	3	5
State Police	1	2	8	11
Technology	5	6	14	25
Transportation	3	3	0	6
Utility Consumer Counselor	2	2	1	5
Veterans Affairs	3	1	1	5
Workforce Development	4	1	0	5
Total	94	63	89	246

Remaining executive branch agencies will be creating performance metrics during the budget development process this fall. In addition, all agencies are continuously evaluating their measures to determine their relevance as well as the ambitiousness of their targets. In fact, several agencies raised the bar since the last performance report by increasing the difficulty of their targets.



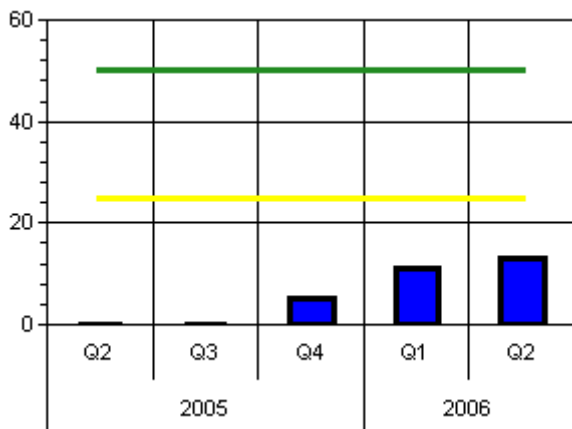
OMB's new performance management software allows a user to "drill down" to see the metrics for a particular agency and individual metrics. To reprint the chart for each individual metric would make this report quite voluminous. However, to demonstrate the graphing functionality of the new software, all the metrics for one sample agency, the Public Employees Retirement Fund (PERF), have been included.

PERF Overall Agency Performance

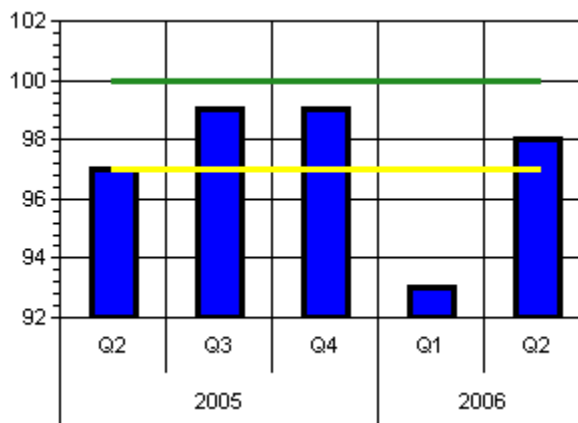


Agency metrics generally fall into one of three types of measures. The first type are *Efficiency* measures, which rate the cost-effectiveness of the agency. PERF has two Efficiency measures as shown.

Percentage of Transactions Automated



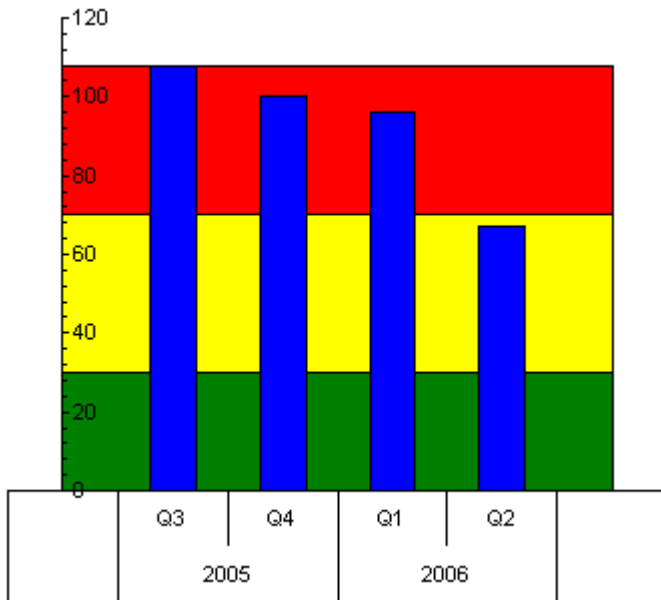
System Availability Percentage



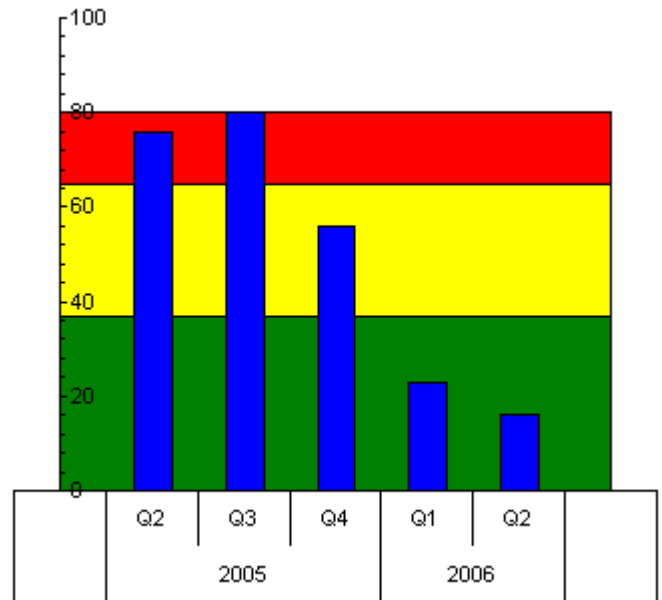


The second type of performance metrics are *Customer Service* measures, which measure an agency's responsiveness to the taxpayer. PERF has three Customer Service measures in place.

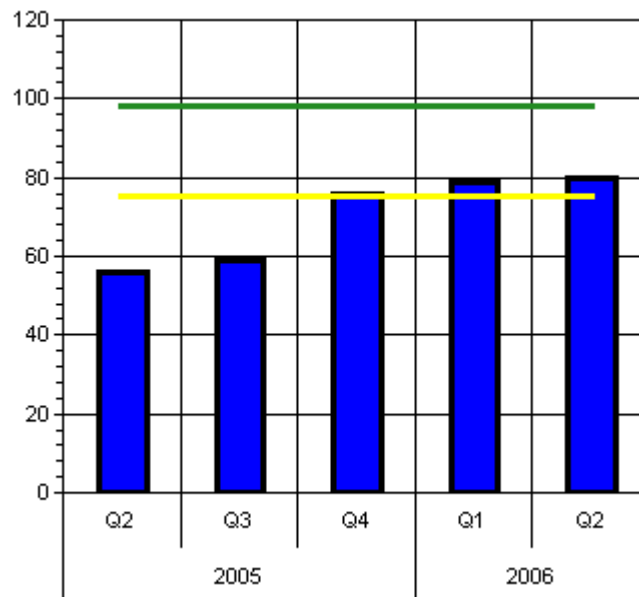
Average Number of Days from Retirement Date until First Check Is Sent



Average Number of Days to Complete a Refund



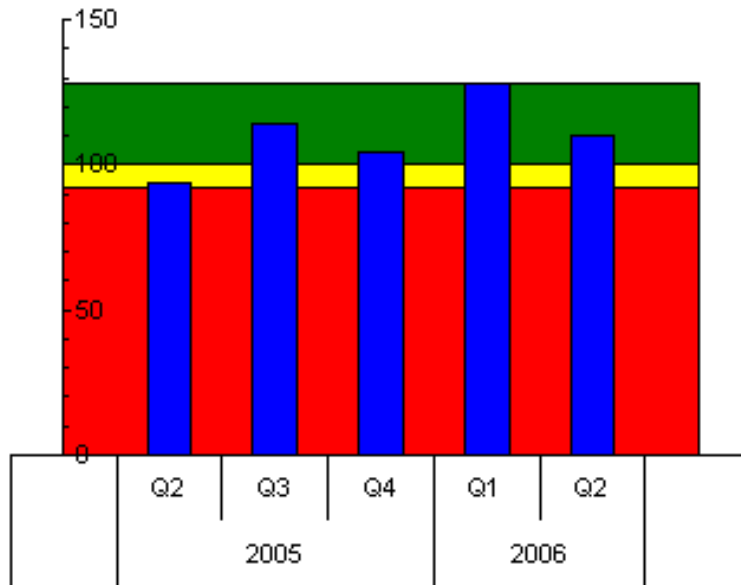
Customer Satisfaction Index





The third type of metrics are *Program Performance* measures, which gauge how well agency programs are addressing the agency's mission. PERF has established two Program Performance measures.

One Year Actual Return vs. One Year Target Return



Calendar Year Actual Return / Target Return

