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Executive Director

February 14, 2003

TO: Progress Board Members

FROM: Jeff Tryens
Executive Director

Rita Conrad
Senior Policy Analyst

SUBJECT: Oregon Progress Board January 21, 2003 Meeting Minutes

Vice Chair Brett Wilcox called the meeting to order at 11:00 a.m. at the State Capitol, Hearing Room 50. Members present were Neil Bryant, Bobbie Dore Foster, Senator Steve Harper, Mike Jordan, Duke Shepard, Ed Whitelaw, Representative Max Williams, and Gary Weeks. Governor Kulongoski attended the meeting briefly. Staff members present were Jeff Tryens and Rita Conrad.

Brett Wilcox introduced Gary Weeks, the new director of the Department of Administrative Services (DAS) and ex officio member of the Progress Board. Jeff announced that Lindsay Berryman's term of office with the Board was expiring at the end of January and that she declined reappointment due to increasing personal and professional demands on her time.

The Board approved the minutes from the January Board meeting.

Update on Board Funding

Theresa McHugh reported that the January Legislative Emergency Board approved Progress Board funding through March. As a means of preserving the Progress Board, the Governor instructed DAS to look within itself for other positions and funding. Theresa said that Progress Board funding might switch from general appropriations to an assessment against agencies, much like other centralized state management functions. Gary Weeks reiterated the support of the Governor and himself in using the Progress Board in upcoming performance management efforts.

Jeff said that some legislators are interested in seeing the Board become a quasi-governmental entity like Oregon Health & Sciences University, which raises money from sources other than state government. This idea may be added to the March agenda for discussion.

Representative Williams said he would work with his legislative colleagues to educate them about the Board's work in enhancing agency performance. He said many don't understand that the Progress Board is already doing this important task that members say they want to create. He also said the transfer of the Progress Board to DAS raised some issues relating to its independence that should be discussed with the Governor. Neil Bryant suggested a broader approach to developing a base of support in the legislature by encouraging community members who work with the Board to tell their legislators that this is a service that is too important to be eliminated.

Priorities Under the New Administration

Jeff presented four projects currently in process and asked the Board how he should prioritize this work. He reminded the Board that its total staff compliment was down to three.

1. 2003 Benchmark Performance Report

This is the Board's largest biennial project. It would be Rita's exclusive work until the end of March and would cost about \$15,000 to publish this report.

2. Performance measures for state agencies

The project has been going on for about a year. Twenty-five agencies are still working on finalizing their measures. Only the Progress Board staff are working on this currently. Legislators appear to be taking the work seriously.

3. Governor's performance management initiative

Agency heads will sign an agreement with the Governor that outlines the results their agencies will be achieving and what they will be held accountable for. A "blue ribbon group" of outside observers will be engaged to see if goals, measures and results that they say they want to achieve add up. Hopefully, two of the Governor's priorities (children and economy) will be completed by end of March.

4. Requests from members

Staff may be asked by members and Ways and Means committees to appear and speak about benchmarks and which agencies are linked up. This can take a little or a lot of our time depending up on the types of requests.

Jeff said he did not have the staff needed to complete all four projects over the coming four months. He suggested the option of a "short-and-sweet" benchmark performance report followed by more substantive reports on child well-being and the economy and on the benchmark links with state agency performance measures. The benchmark report would lack the analysis included in the last two biennial reports, particularly in the area of "what needs to be done." The Board agreed with this approach.

Jeff explained that he is engaging with the Ways & Means subcommittee chairs to leverage the performance measure work that has already been done. He is hopeful that each subcommittee will have at least one member who will specialize in performance measures. Senator Harper affirmed this as a valuable tool and talked about the need for constant education with the legislature.

Reconsidering the "Tax Burden" Benchmark

Paul Warner, legislative revenue officer of the Legislative Revenue Office, presented his analysis of how to break charges out from the "all revenue" category of taxes and charges for Benchmark #34. Up to now, Benchmark #34 has reported tax burden only in terms of "all revenue" and taxes. Because of Oregon's unique tax structure (limited property taxes due to Measure 5 and the resulting shift to higher charges), Paul suggested that separating out charges in addition to showing "all revenue" provides a more complete picture of tax burden in Oregon.

After a brief discussion, the Board approved new wording for Benchmark #34, which now reports on Oregon's national rank for taxes, charges and all revenue (taxes and charges combined).

Oregon Population Survey (OPS) Release

Jeff welcomed the Board's OPS partners, including Tom Potiowsky, Linda Burgin, Richard Bjelland, Scott Bassett, Kanhaiya Vaidya and Thomas Brundage. Jeff noted that Thomas, a statistician with the Department of Human Services, volunteered many hours assisting Board staff in carrying out this assignment. Contractor CEO Rebecca Elmore-Yalch of Northwest Research Group, Inc. presented the highlights of the *2002 Oregon Population Survey* to the Board and other interested parties present. (Slides are available through the Progress Board.)

Hunger Benchmark Revisited

The Governor addressed the Board about his concern that, given Oregon's poor national ranking for hunger, the benchmark hunger targets were not aggressive enough. The Governor cited a memo by Michael Leachman from the Oregon Center for Public Policy as evidence of the need for more aggressive targets. Several Board members expressed support for changing the targets to reflect the high priority the Governor places on reducing hunger in Oregon. Neil said it was important to be clear on how Oregon intended to achieve the higher targets.

The Governor also reaffirmed his support for the Progress Board in helping to end government-as-usual and move Oregon towards an improved system for results-based management.

2003 Oregon Benchmark Performance Report

Jeff explained the need to consider replacing grades. Although grades help focus press coverage, they are highly charged and sometimes misleading. After some discussion, the Board agreed to support an alternative approach to assessing progress. Gary and Jeff will agree on an approach.

Rita presented the remaining benchmarks needing Board attention:

BM #28 - Computer/Internet Usage. Targets were approved.

BM #56 - Child Support Payments. Revised targets were approved.

BM #57 - Hunger. Board directed staff to consult with the Governor's office to develop more aggressive targets.

BM #68 - Travel Delay. Revised targets were approved.

BM #71 - Vehicle Miles Traveled. Revised targets were approved.

The meeting was adjourned at 1:45 p.m.