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REQUEST FOR PERFORMANCE REPORTING DEMONSTRATION GRANT

Date of application:	December 3, 2003	
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I. APPLICANT INFORMATION

Applying Government <i>(e.g. City, County, State, or School District of)</i>	State of Oregon	FOR OFFICE USE ONLY
Official Responsible for the Implementation of this Project	Jeffrey Tryens	
Title	Executive Director	
Mailing Address (including department/agency name)	Oregon Progress Board, 155 Cottage St., NE, Salem, OR 97301	
Telephone	503-378-3201	
FAX	503-378-4048	
Email Address	jeffrey.l.tryens@state.or.us	
Website	www.econ.state.or.us/opb	

1. Type of Government: (Mark with an X)

State	<input checked="" type="checkbox"/>	City	County	FOR OFFICE USE ONLY
Special Purpose Entity (specify):				

2. Your Fiscal Year: (Mark with an X)

Jan. 1 to Dec. 31	July 1 to June 30	<input checked="" type="checkbox"/>	Oct. 1 to Sept. 30	FOR OFFICE USE ONLY
Other (specify):				

3. Please describe the size (personnel and total current operating budget) and scope of responsibilities of the governmental entity seeking this grant:

The Oregon Progress Board is made up of 14 civic and political leaders, chaired by the Governor. The Board has three staff and an operating budget of \$639,000. The Board has statutory responsibility for: 1) developing and maintaining the state's strategic vision, Oregon Shines; 2) developing and maintaining the Oregon Benchmarks that provide hard facts about how Oregon is doing in achieving the state's vision and 3). guiding and assessing the performance measure reporting system for Oregon state government. Three state agencies will join in partnership with the Progress Board to carry out this grant - the Oregon Department of Consumer and Business Services, the Oregon Department of Human Services and the Oregon Department of Transportation. In FY 2001-03 the Department of Consumer and Business Services employs 1,077 FTE (full time equivalents) and has a budget of \$590 million. The Department of Human Services employs 9,148 FTE and has a budget of \$9.3 billion. The Department of Transportation has approximately 4,686 FTE and a budget of \$2.2 billion. These are three of the largest agencies in state government.

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4. Please describe the geographic size, location, demographic and economic makeup, and other qualities that characterize your jurisdiction:

Oregon is home to over 3.5 million people. It is approximately 99,000 square miles in area. The state is predominantly white, non-Hispanic but has seen a significant influx of Hispanics in the past decade. Since its inception, the state of Oregon has been a mecca for people seeking opportunity and environmental amenities. Over half of all Oregonians were born elsewhere. Oregon is an average state, economically. The income gap between rich and poor has increased over the past decade. Oregonians are known for their innovative and independent spirits and are generally conservative in their outlook.

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II. ABSTRACT OF YOUR PROPOSAL

5. Please enter here a one-paragraph abstract of your proposal.

While well known for its Oregon Benchmarks, Oregon state government has limited experience in communicating agency performance data to stakeholders and citizens. The Progress Board proposes to test multiple approaches to involving Oregonians in the state's newly developed state agency performance measurement program. Volunteer agencies, performing different types of functions – regulator/educator, social service provider and infrastructure provider – will develop and test citizen involvement approaches that will allow the Board to create a set of best practice proposals for incorporation into the state government's 2007-09 performance measure guidelines. The Board will convene a citizen advisory group to work with the agencies during the course of the grant.

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III. CURRENT DATA COLLECTION AND PERFORMANCE REPORTING PRACTICE

6. Describe what performance data you currently collect, for which services, distinguishing among input, output, outcome, and efficiency data.

All executive branch agencies are required by law to develop key externally-reported performance measures linked to agency goals and Oregon Benchmarks. Training provided by the Progress Board encourages agencies to develop intermediate outcome-type measures, although outputs are permitted where appropriate. In FY 2005-07 agencies will be required to report customer satisfaction and efficiency measures, as well. Some agencies have collected this data for years. Others are just beginning.

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7. Briefly describe how the data are being used and by whom.

To date, performance data has been used primarily inside agencies by managers and as part of the budget approval process. Both executive and legislative branch analysts review the data during budget review. Legislators, in some instances, review the performance data during the budget approval process. Beginning in January, agencies must submit a yearly performance report and post both the report and accompanying back-up materials on their individual websites. The Department of Administrative Services/Progress Board website will link to each agency's annual performance report. Also, the Governor has stated his intention to develop performance expectations for agency heads that would include performance measure data.

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8. How are your performance reports distributed? Are they for internal use only? Are news organizations and other media informed about them? (Please send ten copies of your latest report(s) at the same time you are submitting this application.)

Currently performance reports, where they exist, are distributed on an agency-by-agency basis. As of January 16, 2004, all agencies will have to make reports and related performance information available on their websites. State government will inform the public through media outlets that agencies are posting performance report for the first time and their availability may be announced as part of a governor's initiative on performance and accountability in government. The Department of Human Services annual performance report is included as an example.

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9. Have citizens been involved in formulating measures, collecting data, and reporting? If so, please describe.

Citizens have been deeply involved in developing the high-level outcomes (Oregon Benchmarks) that agencies are required to link to, when appropriate. Since 1991, over 5000 citizens and community leaders have had a hand in formulating or modifying Oregon's strategic vision, Oregon Shines, the benchmarks and their associated targets. Every two years, the Progress Board holds public hearings to receive suggestions for benchmark/target modification. Some agencies use a semi-public process for developing their performance measures. For instance, the Department of

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Consumer and Business Services' OSHA division reviewed its measures with its Partnership Committee and discussed them at town hall meetings. Some agencies have used focus groups and "customer" surveys to develop or refine their measures.

Many agencies have oversight boards and advisory panels populated by citizen leaders. In many instances, these boards will either approve or review the annual performance reports before they are issued. No agency uses citizens to collect data that the Progress Board is aware of.

IV. YOUR PROPOSAL

10. What will you do differently if you receive a grant under this program?

Using GASB guidelines, the Progress Board (OPB) will provide a framework for implementing and evaluating citizen outreach programs from each of the participating agencies. It will also organize and staff a citizen advisory committee that will provide critical feedback during the design, implementation and evaluation phases of the project. OPB will create and facilitate a venue for participating agencies to share what they are learning during the implementation and evaluation phases. Based on conclusions from this and feedback from the citizen advisory committee, OPB will propose changes in the Oregon's performance measure reporting guidelines for all state agencies. The state government-wide learning component of these outreach efforts will not occur without this grant.

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11. How will you utilize the monetary award?

The funds will be devoted to providing a GASB-based framework for agencies for setting up the citizen involvement projects and to evaluating the effectiveness of the different approaches. Approximately, \$15,000 will be spent on salaries of existing Progress Board staff for time devoted to this project and related expenses incurred by the Progress Board in staffing the citizen advisory committee. Fifteen thousand will be used to engage an evaluator. Participating agencies will fund their individual outreach efforts with their own resources.

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12. Describe the commitment of staff and other resources that will be necessary to complete this project.

The project will require a significant time commitment from the Board's executive director and senior policy analyst. Senior management at the state Department of Administrative Services will provide support and guidance to the project. Each participating agency will be expected to complete an agreed-upon set of activities to engage citizens and/or stakeholders. Each agency will also participate in the evaluation of the different efforts.

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13. Which agencies and services will be included in the reports you are proposing to produce? Which, if any, services and agencies within your jurisdiction will be excluded? Please explain.

The project would focus on maximizing public involvement with agencies already producing annual reports that meet most of the GASB criteria. Three state agencies will be Progress Board partners in this effort - Oregon Department of Consumer Business and Services, Oregon Department of Human Services and Oregon Department of Transportation. Services provided by these agencies span a broad range: regulatory licensing, services to vulnerable citizens; and highway/mass transportation. The agencies were chosen on the basis of three criteria: 1) ability to share performance data in 2004; 2) type of service(s) provided; and 3) degree of involvement with the public. Other agencies

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will participate in the process as "affiliates" working with the citizen advisory board to craft solid outreach strategies but will not participate in the evaluation component of the project. Eventually all agencies will be influenced by the project when the performance measure guidelines are modified in FY 2007-09 to reflect intelligence gathered during this process.

14. Which of the Suggested Criteria will you be able to meet in your first and second reports? Please note which, if any, of these criteria your current reports are already meeting. For the criteria you will not be able to meet, please explain.

Because the Progress Board's executive director served on the GASB advisory committee on performance reporting, Oregon's annual performance reports already embody most of GASB's 16 criteria. These are:

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1) Purpose and Scope - Annual performance reports do not currently require an explicit statement of purpose and scope. This is an addition that will be considered when outreach programs are developed.

2) Goals and Objectives - Performance reports must be linked to goals and objectives.

3) Involvement in Establishing Goals and Objectives - The annual report format requires agencies to address stakeholder/employee involvement in establishing performance measures, but not goals and objectives per se.

4) Multiple Levels of Reporting - Oregon is currently focused on developing a solid set of publicly-reported measures at the agency level. The Department of Consumer and Business Services will include internal performance measures in its outreach effort. There is interest in publicly reporting performance in the future at the government-as-a-whole level and at the program level.

5) Analysis of Results and Challenges - The annual report format requires agencies to provide an analysis of the results and address the challenges raised by those results.

6) Focus on Key Measures - This is one of the five criteria that agencies were required to satisfy as part of the 2003-05 budget cycle.

7) Reliable Information - One of the state's five criteria for performance reports requires accurate and reliable data. All sources must be revealed as part of the performance measure approval process. The Oregon Department of Transportation is incorporating reliability checks on performance data into its internal audit protocols.

8) Relevant Measures of Results - This was part of the 2003-05 budget instructions. All performance measures were reviewed for relevance to goals and high-level outcomes (Oregon Benchmarks).

9) Resources Used and Efficiency - Agencies are not required to report on resources used in annual performance reports. All agencies are expected to include at least one measure of efficiency in the performance measure set beginning in 2005.

10) Citizen and Customer Perceptions - Agencies will be required to include a customer satisfaction measure in their 2005-07 annual reports.

11) Comparisons for Assessing Performance - Agencies will be required to include this information, where available, in their 2005-07 performance reports.

<p>12) Factors Affecting Results - Agencies are required to "add any explanatory information needed by the external reviewer to fully understand the data" as part of their annual reports.</p> <p>13) Aggregation and Disaggregation of Information - This item is not currently a required part of the annual performance report. Oregon has, however, disaggregated benchmark data down to the county level since 1997 (@ http://www.econ.state.or.us/opb). At least one project will include disaggregated data.</p> <p>14) Consistency - Agencies wishing to modify or replace performance measures, independent of a legislative mandate, are required to seek legislative and executive branch approval before implementing those changes.</p> <p>15) Easy to Find, Access and Understand - Currently agencies are required to post their annual reports and related performance data on their individual websites and the Progress Board will link to each site through its website. This grant request is directly related to learning about better ways for citizens to find, access and understand the relevant data.</p> <p>16) Regular and Timely Reporting - Agencies are required to publish a yearly report on performance which is due approximately six months after the end of the fiscal year.</p>	
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15. How will the public be involved in helping you prepare these reports and giving you feedback?

<p>The Progress Board will convene a citizen advisory committee to provide guidance and feedback on how to use the findings. The group will meet regularly to provide input during all phases of the project. The committee will consist of a mix of active "consumers" of existing performance information and some interested, but currently uninvolved, citizens.</p> <p>Through their outreach efforts, participating agencies will receive suggestions for changing the form of the reports and for developing new ways to respond to citizen feedback regarding content. This will be done through a combination of public forums, focus groups, internet surveys and use of the media.</p>	FOR OFFICE USE ONLY
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16. How do you propose to help the public effectively utilize your reports?

<p>Again, individual agencies will craft different approaches to doing this. Possible approaches include: public face-to-face or televised forums where the data is presented by the director or other high-level official; mass distribution of the data to groups that traditionally play a citizen-oversight role like the League of Women Voters; through making the information available to groups that have issue-based constituencies like Children First of Oregon; and utilizing the Internet to reach interested citizen. (Oregon is one of the most "wired" states in the nation.).</p>	FOR OFFICE USE ONLY
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17. What role, if any, will elected officials have in the preparation and feedback process?

The Governor is strongly committed to improving government performance. He will be kept apprised of this effort as it develops and will receive the final report from the Progress Board including the feedback from the citizen advisory committee that will be formed. Other possible involvement could be: agencies are required to include citizen feedback in the documents that are used by the legislature to approve budgets; the legislature's Joint Legislative Audit Committee reviews the results of the program evaluation; and citizen feedback is reviewed by Governor's staff on an agency-by-agency basis.

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18. How will you disseminate the two annual reports?

The Progress Board will try different forms of dissemination by the different agencies. Probable forms, beyond Internet availability, will be e-mail messages announcing the report, an interactive website, community forums, press releases to general and trade media, and hard copies of summaries distributed through affiliated organizations representing the public.

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19. How do you expect to use the public's input and your performance reports to improve the performance of your government?

1) Increased responsiveness to the public - Legislative and gubernatorial feedback has made agencies more sensitive to the need for more public input. The annual performance reports provide agencies with an organized way to gather that input. Agencies will be expected to report on how they responded to that input.

2) Better goals and performance measures - As agencies become more attuned to the perceptions and demands of the public, their goals and measures will change to more effectively represent those views. The mere act of articulating goals, performance measures and targets at the agency level has already provided a framework for planning and discussion that was not possible in the past. By requiring agencies to publically answer the question - How did we do? - this process brings a whole new level of accountability to state government.

3) More accountability - Because Oregon's system requires agencies to identify performance targets, agencies will be more likely to focus on achieving those targets when they are publicly accountable for those results.

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20. How do you expect this project to benefit the public in the short term (1-3 years) and over the long term?

Short term - Successful completion of the project will provide best practices that can be incorporated into the state 2007-09 performance measure guidelines. Currently the only public involvement that is required of agencies is publication on their website. By developing Oregon-based best practices, we will be better equipped to require a certain level of public involvement by 2007-09.

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Long term - The Board hopes that the project will help Oregon, in some small way, build on its proud tradition of citizen "ownership" of a public sector that improves the daily lives of Oregonians.

21. Provide your timetable, with critical dates, for implementation of this proposal.

Choose participating agencies -	December, 2003	FOR OFFICE USE ONLY
Complete 1 st annual performance reports -	January 16, 2004	
Identify evaluator -	February, 2004	
Develop different approaches by agency -	March, 2004	
Implement different approaches -	March - July, 2004	
Evaluate results -	August, 2004	
Issue modified Year II reports -	October, 2004	
Get citizen feedback on new reports -	March, 2005	
Prepare revisions for 2007 guidelines -	October, 2005	
Issue 2007 performance measure guidelines -	January, 2006	

22. How do you think you can best serve as a resource to other governments that are interested in preparing these performance reports?

Write-up the project for publication in a trade journal. Speak at regional or national conferences organized around government performance. Host visitors to Oregon wishing to study our process, first hand. Answer questions posited over e-mail or phone. Develop a PowerPoint show on the process and the results that would be posted on the Progress Board's website. Oregon is already a regular stop for government officials interested in strategic planning and use of indicators. This project will augment the already existing information that Oregon provides.	FOR OFFICE USE ONLY
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23. If there is other information, not covered in the above responses, that you wish to include about your proposal, please do so here.

<p>The legislature's longest-ever session meant that, despite a July 1 beginning date for the fiscal year, many budgets were not approved until late August. This forced postponement of the annual performance report from September, 2003 to January, 2004. This is, technically, a few weeks beyond the six month requirement stated under "Obligations of Grantees." The due date for the second report will fall within the six month reporting window.</p> <p>Despite their national and international luster, the Oregon Benchmarks are still considered a work-in-progress by many policymakers in Oregon. This process will take Oregon one step closer to institutionalizing the benchmarks in state government.</p>	FOR OFFICE USE ONLY
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V. STAFFING AND SUPPORT

24. Describe the department and key staff who will be responsible for the preparation and promulgation of the annual performance reports.

Each agency develops its own report. Staffing and department location within agencies varies depending upon size and organizational structure of the particular agency. The Oregon Department of Transportation has a full-time staff person assigned to performance measurement under the agency's internal audit office. Performance reporting responsibilities reside with the Office of the Director at the Department of Consumer and Business Services. The Department of Human Services handles performance reporting out of its Office of Finance and Policy Analysis.

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25. At what level(s) of your government is there support for this project?

Government performance and accountability are one of Governor Kulongoski's top three priorities. The chief operating officer of the state is carrying out many of the Governor's initiatives. Both sit on the Progress Board. Leaders in the three partner agencies actively support the project. Before the grant can be received by the Progress Board, legislative approval will be necessary, providing tacit support from that body as well.

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26. What is the likelihood that the personnel involved with or supporting the project will change over the next three years?

With four agencies involved, some turnover is bound to occur. However, the Governor, and his commitment to citizen involvement, will remain for, at least, the next three years. The members of the Progress Board and Chief Operating Officer Gary Weeks are committed to seeing the project through.

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27. Other information that can bear on your qualification to receive a demonstration grant:

Last year the Oregon Benchmarks were recognized by the Innovations in American Government Program at Harvard's Kennedy School of Government as one of 15 "Outstanding Models of Public-Sector Innovation". Making better use of the benchmarks is the underpinning of this project.

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VI. PAYMENT INFORMATION

Please indicate the institution name and address to which payment should be made, if you are awarded a grant under this program.

Check payable to:	Department of Administrative Services/Oregon Progress Board
Contact Person	Jeff Tryens
Title	Executive Director
Mailing Address	Oregon Progress Board, 155 Cottage St., U20, NE, Salem, OR 97301-3966
Telephone	503-378-3201
FAX	503-378-4048
Email Address	jeffrey.l.tryens@state.or.us

VII. CERTIFICATION AND SIGNATURES

I, as the official responsible for the implementation of the project proposed herein, certify that I am familiar with the Governmental Accounting Standards Board's (GASB) Special Report, **Performance Reporting: Suggested Criteria for Effective Communication**, and affirm that if this grant proposal is approved, the government of: Oregon agrees to:

- (1) Prepare and promulgate at least two annual performance reports applying some or all of the GASB Suggested Criteria as specified in this application;
- (2) Release annual performance reports within six months of the end of our fiscal year
- (3) Report on the process we use to evaluate the first-year reports, based on feedback from citizens and other users, and the results of that evaluation;
- (4) Submit brief quarterly progress reports that can be shared with other grantees;
- (5) Submit a final grant report;
- (6) Serve as a resource for other governments that want to initiate or improve their performance reporting.

Signature

Date

Print Name and Title: Jeff Tryens, Executive Director, Oregon Progress Board

I, as the chief executive officer of Oregon, affirm that I am familiar with this application and confirm the jurisdiction's commitment as stated above.

Signature

Date

Print chief executive's name, title and telephone number:

Name: Gary Weeks

Title: Chief Operating Officer

Telephone: 503-378-3104

Please provide letter(s) of support from government official(s), other than and independent of those above, if any, who will be responsible for the issuance of these reports.