

On-line Forum on Performance Measurement, Governance, and Sustainability: Summary, Observations, Links to On-line Sources, and “Call to Action”

From October 31 to November 22, 2000, over 100 ASPA members participated in an on-line forum on performance measurement, governance, and sustainability. The forum also explored how community measurement efforts by governments and by non-government organizations (NGOs) can relate to each other, and touched on issues of regional vs. local measurement, and the influence of potential state and local performance reporting standards by the Governmental Accounting Standards Board (GASB). Through special arrangement with CAP, ASPA members were invited to the forum, hosted by Redefining Progress’s Community Indicators Network. CAP Fellow Paul Epstein helped organize the forum, and was a lead facilitator. The links below lead to summaries of information presented, observations based on forum discussions, links to on-line sources for more information, and a “**Call to Action**” to begin a “Learning Network” to advance practices of “Strategic Alignment” and “Community Learning” discussed in the forum.

A Governance Model Featuring “Strategic Alignment,” and a Sustainability Model

The forum examined a “governance model” involving performance measurement, citizen engagement, and government policy and implementation—especially the idea of “strategic alignment” among the three elements of the model to help a community achieve “results that matter” to its citizens. The forum also explored a “sustainability model” of society, environment, and economy, and examples of local, regional, and state practices. Click on this link for summaries of the models and web links to an article and paper with examples.

Case Studies from Jacksonville and Santa Monica by Guest Presenters

Two guest forum presenters were David Swain, Associate Director of the Jacksonville (FL) Community Council, Inc. (JCCI), an NGO that has been reporting community outcomes since 1986, and Dean Kubani, Sustainable City Program Coordinator of the City of Santa Monica, CA. This link has David’s and Dean’s initial forum presentations focusing on how their organizations relate to strategic alignment, and links for more on their organizations and community indicators.

Statement from GASB Performance Measurement Research Staff

This link has a statement provided by GASB performance measurement project manager Wilson Campbell, addressing the forum on the GASB’s interest in these issues.

Observations: Community Learning, Strategic Alignment, NGO-Government Convergence

Several points of focus evolved in the forum, one of the most significant of which concerned the idea of “community learning,” seen as a powerful force that leads a community to develop and revise its common values and goals, and learn from the feedback of measurement how to improve its progress toward its goals. This link has Epstein’s closing observations based on the entire forum, organized under “Strategic Alignment and Community Learning” (seen as closely-related) and “Issues of Convergence Between Measurement Efforts of NGOs and Governments.”

Call to Action: For a Learning Network on Strategic Alignment and Community Learning

A number of forum participants were interested in starting a “Learning Network” to encourage strategic alignment and community learning, including “convergence” of NGO and government measurement efforts. Participants suggested helping people interested in alignment in different communities learn from each other, by developing concepts and sharing practices and lessons. This link has brief initial thoughts on what a Learning Network might do. If you are interested in participating in such a Learning Network, please contact Paul Epstein at epstein@pipeline.com.

A Governance Model Featuring “Strategic Alignment,” and a “Sustainability Model”

The CINet on-line forum’s point of departure was the article “High Value Performance Measurement: For Sustainable Results that Matter to Citizens,” by Paul Epstein, Randall Solomon, and Stuart Grifel. The article presents a “governance model” involving performance measurement, citizen engagement, and government policy and implementation, a “sustainability model” of society, environment, and economy. A key aspect of the governance model that was discussed throughout the forum is the idea of “strategic alignment” among the three elements of the model to help a community achieve “results that matter” to its citizens. Summary discussion of the two models and relationships between them, including “Characteristics of Strategic Alignment” and “Citizen Roles in Governance and Sustainability,” based on *The Bottom Line* article and a CAP-sponsored paper, are presented here, with links to sources. The full article from *The Bottom Line*, with examples of local, regional, and state practices, is available free on the web by downloading 2000 issue of *The Bottom Line* from <http://www.gfoanj.org/line.html>. Forum organizers thanked the New Jersey Government Finance Officers Association, publishers of *The Bottom Line*, for making the article available for the forum.

Two Models Relating to Conditions in a Community or Region

One models *governance*, the other models *sustainability*. The “Governance Model” (Figure 1) depicts how alignment of three key elements of governance affect community conditions. The “Sustainability Model” (Figure 2) takes a special perspective on community conditions—the sustainability of desirable conditions—and depicts how alignment of three key human systems affects community sustainability.

In the governance model, *citizen engagement* uses the term “citizens” in the broadest sense to include not only individuals and community groups, but also nonprofit and business organizations (as corporate citizens) when those organizations act in the broader community interest, rather than corporate self interest.

Performance measurement, in the governance model, applies to measures of *both* “community conditions”—broad outcomes desired in a community or region—and measures of government services. Government service performance is well-represented by the Governmental Accounting Standard’s Board’s (GASB’s) measures of “service efforts and accomplishments,” which encompass inputs (service efforts), outputs (work completed), outcomes of the work completed (service outcomes or results accomplished), and efficiency (cost/output or cost/outcome measures). (For more on the GASB’s measurement categories, got to <http://www.rutgers.edu/Accounting/raw/seagov/pmg/perfmeasures> and click on “Elements of Performance Measurement Reporting.”)

For some conditions (e.g., of streets) “community outcomes” and “service outcomes” may be very similar and measured by the same indicator (e.g., an index of physical street conditions). For other conditions (e.g., economic conditions) community outcomes and service outcomes may be quite different, and measured by different indicators (e.g., a community outcome may be the overall unemployment rate in the community, and a service outcome may be the number or percent of job training participants who get jobs and stay employed for at least a year).

Figure 1. Effective Governance Model

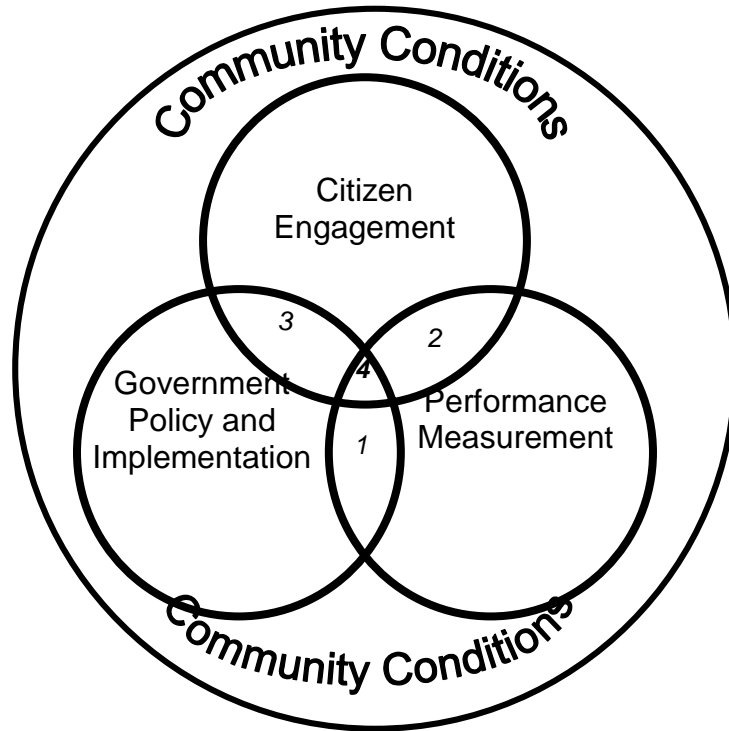


Figure 2. Sustainability Model



Governance model examples from around the country are presented in *The Bottom Line* article, based on the Citizens League (of Minnesota) Governance Research Team's Sloan Foundation-funded study of performance measurement and citizen engagement. Sustainability examples in the article, and examples coupling sustainability and governance, focus on the work of the non-profit New Jersey Future (www.njfuture.org) and related efforts of the State of New Jersey, including state-local agreements to achieve results based on aligned or "nested" state and local outcome indicators that relate to each other and to the same desired sustainability goals.

New Jersey Future defines *sustainability* as "protecting the resources and systems that support us today so that they are still available to future generations. In short, it means preserving our civilization and the things we hold dear in perpetuity, as well as enhancing today's quality of life." By its focus on *society*, *environment*, and *economy* as three overlapping systems, the sustainability model acknowledges that each of the systems is connected to and dependent upon the others, especially in the long term. To have a dignified and prosperous civilization in the future, each of these systems must be healthy and in balance. (See New Jersey Future's 1999 *Sustainable State Project Report* at <http://www.njfuture.org/HTMLSrc/SSR>). Decisions that lead to a sustainable future will take into account the impact on each of the three systems.

Linkages to Enhance Effective Governance in Communities

Like the sustainability model, the governance model also focuses on the overlaps or "linkages" among its three elements as keys to effective community governance. These linkages, or different forms of "alignment," are indicated by numbers 1–4 in Figure 1. In brief, they are:

1. **Performance management by government:** The two-way linkage of performance measurement and reporting, and government policy and implementation.
2. **Citizens engaged in measuring and reporting performance:** A two-way linkage.
3. **Citizens engaged in government policy and implementation:** A two-way linkage.
4. **STRATEGIC ALIGNMENT: Citizens engaged in performance management:** The *three-way* linkage that aligns all three elements of the effective governance model to provide the strongest potential synergy for improving communities in ways that matter to citizens.

Characteristics of Strategic Alignment

While strategic alignment can take many forms, the following minimum characteristics are suggested in the CAP-sponsored paper "Engaging Citizens in Achieving Results that Matter: A Model for Effective 21st Century Governance," by the Citizens League Governance Research Team of Paul Epstein, Lyle Wray, Martha Marshall, and Stuart Grifel, and available at: <http://www.citizensleague.net/cl/SLOAN/cover.htm>

- A public discourse that goes beyond "informed" citizens to "engaged" citizens, with citizens involved in community governance in multiple roles (see "Citizen Roles" below).
- A vision, strategic plan, or set of strategic priorities, is developed and accepted in the community, and *followed* by government and other organizations through resource commitments and through measurement, reporting, and *feedback of quantitative results*.
- The effort is sustained over time with adequate resources and some mechanism in place to sustain continuation, such as a local ordinance or charter provision and designated public office to implement it, or a community-based non-profit organization with dedicated funding.
- Cross-sector and cross-organizational collaborations.
- What observers have called "authentic public participation" (King, C. S. et al, "The Question of Participation: Toward Authentic Public Participation in Public Administration." *Public Administration Review*, Vol. 58, No. 4., 1998). For strategic alignment, this would include:

- Citizens actively engaged in community processes in which they have some effective influence; at least some of the citizen engagement should be broad-based, representative of the community, and autonomous from government officials.
- Citizen influence is translated into change. Not every citizen concern need be acted upon, but enough so their participation is credible, and citizens stay engaged. Citizen influence can be effective whether changes are implemented by government, private organizations, or individual citizens.

Community Values and Other Common Principles Drive Application of Both Models

In the Governance Model, the consensus values of the citizens of the community will drive the kinds performance sought by the community. The Sustainability Model starts out with a “built in” broad set of values. It is based on underlying concepts that reflect core values of preserving a just and vibrant civilization, a healthy environment, and a strong economy for future generations while enhancing today’s quality of life. However, the *value* of preserving civilization is widely shared, and the model leaves room for people to develop specific sustainable performance measures that reflect specific needs and values of their community or region. There are two key principles that both the Governance Model and the Sustainability Model have in common:

- Citizen engagement to determine priorities for measurement and improvement.
- Performance feedback to measure progress and determine future improvements needed.

Citizen Roles in Governance, Alignment, and Sustainability

It has become a common practice throughout the U.S. and in other countries for governments to begin viewing citizens as the customers of their services, as deserving of high-quality service as the customers of businesses. However, citizens—especially if individuals, groups, and corporate citizens are included—can play many roles in relation to governance and improving their community. Some of these roles are more active than others. Citizens can be, for example:

- Government’s customers (relatively passive role).
- Government’s owners or “shareholders” (relatively passive, similar to most corporate shareholders who receive reports on performance and vote on directors and some issues).
- Issue framers at various levels, from regional “visionaries” to neighborhood “street level advisers and activists” (active role).
- Co-producers of public services (active role), such as the many citizens who sort their trash for recycling, and the volunteers who mentor a child, adopt a park, participate in community policing, and take on many other service-like functions for their community.
- Evaluators of public services and community conditions (active role).
- Independent outcome trackers (active role), a role played by, for example, the citizens who volunteered their efforts for New Jersey Future.

Citizens often play several roles at once, depending on the situation and the importance an issue holds for a person or group. For instance, by viewing citizens as customers, governments can enhance service quality. Yet governments that view citizens *only* as customers will lose the tremendous leverage they could gain by engaging private individuals and organizations to act in concert with government to achieve community goals. Both the Governance Model and the Sustainability Model depend upon citizens playing more than just the relatively passive “customer” and “owner/shareholder” roles to provide best results for a community or region. More complete discussions of the six citizen roles above can be found in Chapter II of the CAP-sponsored Citizens League paper at <http://www.citizensleague.net/cl/SLOAN/cover.htm>.

Case Studies from Jacksonville and Santa Monica by Guest Presenters

This segment of the CINet on-line forum focused on two case studies of community measurement and improvement efforts, and how they relate to the models of governance, sustainability, and strategic alignment presented in the opening forum article. The first case focuses on community indicators and citizen study processes of an NGO, the Jacksonville (FL) Community Council, Inc. (JCCI), presented by JCCI Associate Director David Swain. The second case focuses on a local government-run program, the Sustainable City Program of Santa Monica, CA, presented by its Coordinator, Dean Kubani. At the start of each case below are the questions asked of each presenter by the CINet forum moderator, Chris Paterson.

JACKSONVILLE COMMUNITY COUNCIL, INC. (JCCI)

Chris Paterson's Questions:

- *How (and how effectively) has JCCI sought to link or converge their community-led efforts with actions and performance measures within local government?*
- *What have been the successes and/or benefits of seeking/making these connections?*
- *What have been the biggest challenges?*
- *In what ways do JCCI's experiences either support or run counter to the models and claims made in the article by Epstein, Solomon, and Grifel that started this forum (in the 2000 issue of NJ GFOA's *The Bottom Line*, downloadable from <http://www.gfoanj.org/line.html>)?*

David Swain's Presentation on JCCI:

You might say that my case study comes from an "outside-in" perspective, while Dean Kubani will follow with an "inside-out" perspective. Along the way, I'll try to touch on a few of the issues we've been discussing already, while dealing directly with the questions posed by Chris.

The community indicators and community improvement efforts of the Jacksonville Community Council Inc. are citizen-based, not government-based. JCCI is a local, private, nonprofit organization (a "non-government organization" or "NGO" in the lingo of this discussion). Hundreds of volunteers who do the "work" and make the decisions are supported with research, logistics, and facilitation from a small, highly competent staff.

JCCI's mission statement reads as follows: *JCCI is a nonprofit, nonpartisan, broad-based civic organization which seeks to improve the quality of life in Northeast Florida by positive change resulting from the informed participation of citizens in community life, through open dialogue, impartial research, and consensus building.*

JCCI's activities and programs are wide ranging (go to www.jcci.org for more information).

Two of these are particularly applicable in relation to the concept of strategic alignment:

- Two community indicators projects: one that tracks broadly defined "quality of life" indicators and another that tracks health and human-services indicators. Publications from both projects are updated annually, citizen volunteers have set community goals or "targets" for the indicators, and volunteers assign "Gold Stars" or "Red Flags" annually to "deserving" indicators moving in positive or negative directions, respectively. The latest reports are available on the web: *Quality of Life in Jacksonville: Indicators for Progress 2000* is at <http://www.jcci.org/qol/qol.htm>, and *Creating a Community Agenda: Indicators for Health and Human Services 2000* is at <http://www.jcci.org/ca/ca-toc.htm>.

- Two extensive community-issue studies each year, with large citizen committees and intensive staff support, leading to specific recommendations for community improvement. Studies take most of a year, with weekly meetings, and volunteers follow up with education and advocacy efforts directed toward citizens and/or decision makers (public and private, including local government), seeking implementation of the recommendations, usually for about an additional two years.

Specific indicators often influence the citizen-led process that determines the community issues JCCI will study each year. Apart from that, the indicators efforts and study/implementation efforts are not formally linked. The indicators efforts are designed to have an impact on the broader community—on individual citizens, local institutions, and public/private decision makers. But again, there is no formal link. As a citizens organization, JCCI lacks any formal authority to require that attention be paid to the indicators or to the recommendations in its studies. JCCI relies on the power of citizen persuasiveness in a community that gives at least lip service to the concepts of local democracy.

Some, but not all, recommendations from JCCI studies are directed toward local government or one of its component agencies. Seeking to improve government performance is only one aspect of JCCI's mission to improve the community's quality of life, albeit an important one. It's worth noting that most of JCCI's study recommendations are "process" oriented in the sense that each suggests some specific action by a specific entity that is intended to produce an outcome desired in relation to the study's conclusions concerning needed community improvements. Most immediately, therefore, JCCI measures success based on the implementation of the actions it recommended, not on the ultimate outcomes or performance results expected from successful implementation. Ultimately, JCCI refers back from its advocacy/implementation process to its indicators to measure big-picture outcomes, which are framed at the community level, not the local-government level.

JCCI has not sought to get involved with performance measurement of outputs at the program or service level in local government. Our local government does a good deal of that on its own, and JCCI's citizen-based efforts have seemed better directed toward broader policy issues and community-level outcome results.

In practice, JCCI's efforts have been remarkably successful over the years. The indicators are used widely by public and private institutions and decision makers as tools for strategic planning, priority setting, resource development, funding allocations, and performance evaluation. Many study recommendations have been implemented, occasionally verbatim, more often in modified forms, and sometimes in unexpected ways. Some have had substantial impacts on the community's quality of life. However, some recommendations have been ignored or rejected. Decision makers have responded to some recommendations quickly, while others have required literally decades of volunteer advocacy to accomplish. (A piece of one recommendation from 1985 is on our ballot today in the form of a citizen-initiative charter amendment.)

The community context in which JCCI operates is complex. On the surface, it appears to be one of individual citizens joining together under a JCCI umbrella to confront decision makers to obtain positive community change: "we versus they." In practice, it's much more complicated. The decision makers and/or their henchpeople are generally around the JCCI table themselves, participating directly. While they may perceive themselves as being institutional representatives,

from our perspective, they are "just" citizens. Thus, we get the benefit of their knowledge, experience, opinions, and buy-in through the group process, while maintaining the independence and integrity of a "citizen-based" process. (This doesn't happen easily; it's a constant subject of discussion and effort.)

In addition, JCCI has developed and nurtures more or less formal institutional partnerships, especially with the Chamber of Commerce, Jacksonville city/county government, and United Way. A most interesting feature of these partnerships is that they include, from the latter two, major commitments of funding, in spite of the fact that all three are frequent "recipients" of recommendations from JCCI studies. These partnerships are not stable or perennially friendly. Politics and personalities can and have played havoc with each of them at various times over the years. Yet, JCCI finds it worthwhile to expend substantial energy nurturing each of these partnerships.

Thus, we have in Jacksonville a convergence of community (citizens) and local government, along with other private institutions. It's neither formal nor stable nor outstandingly effective. Yet, it is remarkably effective on some issues some of the time. What could be done to make the convergence more effective? JCCI has been at the community improvement game for 25 years and is in it for the long haul. People like myself who have been involved with it from the beginning have seen a tremendous shift for the better in how this community addresses change, and JCCI has been a major factor in that shift. It didn't happen all at once, and it didn't come from any specific event or institutional arrangement for "alignment." It came from day in and day out convening of citizens and decision makers around tables for dialogue, mutual learning, and action based on consensus. I don't believe there's a way that either JCCI nor the City of Jacksonville could intentionally have institutionalized the degree of alignment we have now, nor could either of us intentionally make major changes in it in the immediate future. As we like to say at JCCI, process is our most important product. And process just takes time, patience, and persistence.

Two notes in closing:

- I haven't mentioned the word "sustainability" here. That's an important concept for JCCI's thinking about our community, but it's not a separately identified "cause" for us. It's an important aspect of that large, amorphous concept we call "quality of life." So, everything I've discussed here can be seen in light of sustainability and, by our way of thinking, is so.
- I haven't discussed geographic scale and regionalism. When Jacksonville and Duval County consolidated in 1968, people thought we'd solved the regional issue. No more. The region has grown rapidly outward. Some of our indicators are measured regionally and others at the Duval County level—based on careful decision making by volunteers. Nothing as sophisticated and structured as "nesting" of indicators has emerged as yet. The regional issue has achieved sufficient salience here that, last year, one of our two major citizen-based studies was on regional cooperation (defined to encompass seven counties at the moment). The thinking coming out of that study is now informing everything we do, implementation of that study's recommendations is moving apace, and our experience with regionalism has led us to select a study issue this year on growth management, a concept akin to sustainability.

So, is this "outside-in" approach tilting at windmills? Are we far adrift from "strategic alignment" and moving in the wrong direction, or are we making a pragmatic approach toward the concept that may hold promise for the future?

SANTA MONICA SUSTAINABLE CITY PROGRAM

Chris Patterson's Questions:

- *In what ways has the City of Santa Monica sought to engage citizens and the community in the City's effort to track its own sustainability performance? How has this influenced what the City does and/or measures?*
- *What are/have been the challenges in more fully engaging community members?*
 - Internal challenges (i.e., hurdles from inside city government)*
 - External challenges (i.e., hurdles associated with community members themselves)*
- *In what ways do Santa Monica's experiences either support or run counter to the models and claims made in the paper?*

Dean Kubani's Presentation on Santa Monica's Sustainable City Program:

Dean Kubani here with part two of the case study part of this discussion. As David Swain noted, I will present the "inside-out" perspective of the City of Santa Monica's experiences in trying to use a sustainability framework for performance measurement within local government and in trying to connect back out to the community. First a little background on Santa Monica's program, and then I will address Chris Paterson's questions.

Background

In 1994 Santa Monica's City Council adopted the Santa Monica Sustainable City Program. The program was conceived and developed by a Council-appointed Task Force on the Environment, a group of seven Santa Monica residents who are "experts" in various areas of environmental policy (including university professors, directors of environmental non-profit organizations, and environmental consultants) assembled in 1991 to provide input to Council on environmental issues. Upon reviewing City environmental policies, the Task Force found that while the City was doing a lot of good things, on the whole the effort was a bit piecemeal. They proposed using the newly popular (thanks to the Earth Summit in Rio) concept of "sustainability" as a framework for a City-led program. In 1992 the Task Force, with the assistance of City staff set about drafting that program. Once a first draft was completed, the Task Force oversaw an 18 month public input process that guided revisions of the first draft. Public input involved three "visioning" workshops, surveys, presentations to business groups, neighborhood associations, and community organizations.

The Council-adopted program set specific goals in four main areas: Resource Conservation, Transportation, Pollution Prevention and Public Health Protection, and Community and Economic Development and developed indicators to measure progress in each of these areas. Goals and indicators were developed for both City operations as well as the community as a whole. For each indicator a 1990 baseline was developed and a Council-adopted target was set for 2000. The program is implemented by City staff with oversight provided by the Task Force on the Environment. More information on the program background, indicators and downloadable copies of the Sustainable City Progress Reports can be found on the City's website at <http://santa-monica.org/environment/policy/>.

While the guiding principles of the program proclaim that the goals are intended to guide efforts to improve and sustain Santa Monica's environmental, social, and economic quality, you will find when looking at the program that it is primarily focused on environmental quality, only

slightly touches on what most would call social or livability issues (affordable housing, parks and open space, trees, gardens) and doesn't really address economic issues at all. This is not surprising in that the program originated from an environmental task force. However, I think it has hindered the City in further engaging the community in the program, as I will discuss below.

Answers to Chris's questions for Santa Monica:

"In what ways has the City of Santa Monica sought to engage citizens and the community in the City's effort to track its own sustainability performance? How has this influenced what the City does and/or measures?"

The City has done a variety of things—from typical governmental outreach efforts such as providing information via brochures, reports, etc., to presentations, public meetings, joint programs with the Chamber of Commerce and business groups, and development of a neighborhood Green Team program which promotes sustainable lifestyle choices. With the exception of the Green Team program, these outreach efforts have been largely met with indifference. As I mentioned above I think this has to do with the fact that the program primarily addresses environmental sustainability and largely neglects the other two legs of the “sustainability stool.” While people don't oppose the program, neither do they rally around it or clamor to get involved—it has simply become something that the City does. I think there are two sources for this indifference:

- The feeling that things are generally pretty good here in Santa Monica, and
- Lack of buy-in by the community due to the way the program was developed.

Judging by the feedback I've received (both anecdotal and from surveys) the general impression in the community is that the City is doing a great job taking care of the environment (which it arguably is) so there is not much to worry about. Santa Monica's program wasn't motivated by a sense of crisis (like the sustainability efforts were in Chattanooga in the early 1980s) but was rather motivated by a desire to do the right thing globally. Because of this I don't think the community finds it too compelling—they've got other things to worry about. I think we failed to get community buy-in to the program because although the program was led by a citizens Task Force, these folks were seen as "experts" and they brought with them their own agendas which weren't necessarily representative of community concerns. These agendas significantly shaped the first draft of the program. Also, the Task Force presented the community a draft for input rather than getting community input initially from which to develop a draft. I think this tended to skew the visioning process and contributed to a lack of community ownership of the process and the resulting program.

"What are/have been the challenges to more fully engaging community members: internal challenges (those from within city government) and external challenges (those associated with community members themselves)?"

The main challenges have arisen from the structure of the program. Because it is heavily focused on environmental sustainability, in Santa Monica sustainability is now equated with environment, and we've lost the other two legs of the stool. Internally this has created difficulties in that City management has resisted expanding the program to address more social and economic concerns because those are seen to be outside of the program's scope. Also, City staff from departments that deal with human services and economic development have rebuffed most attempts to participate because they see the program as the domain of the Environmental Programs Division. Since they didn't participate in developing it they have no ownership and don't see a need to be part of it, and rightly so. The tide is turning a little bit due to efforts of the

City Council and City management staff but it continues to be an uphill battle due to this lack of buy-in from the start. The external challenges were noted above and also stem from this lack of buy-in to the program among the various sectors of the community.

"In what ways do Santa Monica's experiences either support or run counter to the models and claims made in the paper?"

I tend to agree with the models in the paper, and I think that Santa Monica's experiences effectively point out the consequences of not achieving strategic alignment: We have been left with an uphill battle in achieving the ultimate goal of creating a more sustainable community. We have been very effective in the area of government policy and implementation, however the policy implementation doesn't entirely reflect what the community cares most about due to the lack of true citizen engagement. We have done an OK job of performance measurement, but thanks to [CINet forum participant] John Blair's detailed evaluation of our indicators we are aware of a lot of gaps in what we are measuring: The program is not a balanced sustainability effort (as noted above), and linkage between most indicators tends to be absent.

That said, I shouldn't be overly critical. The City of Santa Monica has made some great strides towards environmental sustainability over the last six years (see the Executive Summary of the October 1999 progress report on our website for a summary of accomplishments), has arisen as a leader on environmental policy among municipalities in the US and has passed on much of that knowledge to other cities (and states) throughout the country and world. Our next steps here have to focus on achieving citizen engagement through a "re-visioning" process and to revise our program and indicators to more fully address sustainability and the concerns of the local community. We are fortunate here to have a very proactive and supportive City government and Council. I just wish David Swain would consent to moving JCCI over to this coast (the weather is about the same and the electoral process isn't as controversial) so that we could have the engaged community piece of the puzzle in place. It will take some effort over the next several years for us to achieve that on our own.

A last word on the models: I like them and they make sense, but I can speak from experience that strategic alignment is not a simple thing to achieve in a complex world. To achieve it I feel you need a confluence of factors—a willing and responsive government, a willing and engaged citizenry, and careful planning and strategizing on the part of both these groups to create the process, implementation strategy, and measurement/feedback tools to get you to your goals.

The Governmental Accounting Standards Board and Performance Measurement

*By Wilson Campbell, Project Manager,
The Governmental Accounting Standards Board*

The Governmental Accounting Standards Board's (GASB) mission is to establish and improve standards of accounting and financial reporting for state and local governments in the United States. In June 1999, the GASB issued a major revision to current reporting requirements ("Statement 34"). The new reporting will provide information that citizens and other users can utilize to gain an understanding of the financial position and cost of programs for a government and a descriptive management's discussion and analysis to assist in understanding a government's financial results. However, after considering the information users need for assessing accountability and making decisions and the role of financial reporting in providing information to assess performance, the Board concluded that service efforts and accomplishments (SEA) information that goes beyond that provided by the financial report—often called government performance measurement—is an integral part of general purpose external financial reporting and, therefore, there is much more to be done if financial reporting is to provide all of the essential information necessary to assess the results of government.

In October 2000, the Sloan Foundation approved a three-year extension of a significant grant to the GASB that had originated in 1997. This grant enhances our SEA research to address performance measurement developmental needs for state and local government, including methods to effectively report performance information to citizens. Since late 1997, the GASB has established a comprehensive and useful performance measurement clearinghouse on the internet (<http://www.seagov.org>); spent several days in each of twenty-six cities, counties, and states across the country to learn about their conduct of performance measurement and the use and effect of using the performance results; published twelve case studies from these visits, which are available at the above web site; surveyed 1,300 state and local governments; and continued to provide advice and guidance to governments and nongovernment groups around the country wishing to initiate or improve performance measurement practices. Work in progress includes the publication of additional case studies, analysis of survey results, and conducting and reporting on focus groups that will allow analysis and evaluation of users' (especially public) responses to performance measurement

Phase III of the GASB's Sloan Grant—Users' Responses to Performance Measures

Understandability—the effective communication of essential information about the performance of state and local governments to those to whom they are primarily accountable—is at the heart of our project. As part of our site visits, we identified elected officials, citizens, and media representatives who have used performance measures and, when possible, we interviewed them using interview instruments designed specifically for both citizens and the media.

During the remainder of 2000, we will continue to build on the work started in 1999 and continue to identify elected officials, citizens, and media representatives who have used (or tried to use) performance measures and will have discussions and focus group sessions with them. We will use these focus group sessions to find out:

1. The types of performance measures they have used
2. How those measures were communicated
3. Whether they were given any training or explanations on how to understand the measures
4. The uses they had for the measures
5. Their ability to assess performance using the measures

6. The issues or questions that were raised based on the measures
7. Their feelings regarding the value of this information
8. How they would improve the process.

We plan to hold a number of focus groups during the fall of 2000 from a group of governments presently under consideration. We will publish a report of our findings in early 2001 and will post the results on the PMG website. That report will provide helpful information to supplement what we have already gathered to be used as we begin to develop guidelines for performance measures reporting.

Critical Issue: What Indicators to Report to Represent Government Performance

The study approach outlined above reflects the GASB's mandate to set standards for *management's representation* of performance. Hence elected officials, though a part of the governments that issue financial and performance reports, are considered *users* of the information reported by management, as are citizens in general. While there have been differences of opinion on what financial accounting standards should be, once the standards are set, reporting against them pretty much comes down to how management reports on various financial accounts, and how management represents various issues in dollars and cents. With non-financial performance information, there are more basic issues concerning why particular performance indicators are chosen to represent government performance. In its *Concepts Statement No. 2 on Service Efforts and Accomplishments Reporting* (Norwalk, CT: The GASB, April 1994), the GASB established a framework of five types of government performance information for public reporting:

- Inputs ("Service Efforts")
- Outputs
- Outcomes
- Efficiency
- Explanatory Information

Within these broad categories, there is still wide room for management to choose what to report to represent government performance. As confirmed by some of our case studies, this is an issue many state and local governments are still struggling with. For example, in defining outcome measures, government officials often struggle between reporting only on narrowly-defined direct results of public services, and reporting on broad conditions that are important to a state, region, or locality but are well beyond the scope of control of the government's programs and services.

Consideration of Non-Government Organizations' (NGOs) Perspectives

The GASB's performance measurement research team recognizes that there are many non-governmental organizations (NGOs) in states, regions, and localities that have their own perspectives on public performance. These NGOs vary, for example, from groups interested primarily in government efficiency to keep costs and taxes limited, to groups that advocate for particular population groups or interests (e.g., child welfare, senior citizens, businesses), to groups that take a broad look at community quality of life or regional sustainability. Some of these groups issue their own reports with indicators of conditions in the community, or of the populations they advocate for. These groups also vary widely in the extent to which they involve citizens or a range of different interests in the community in determining their issues of concern, what they measure and report (if they do their own reports), how to interpret performance data, and what positions to take, if any, on public issues.

One of the issues of concern to the GASB's research team is the extent to which performance reported by state and local governments are driven by internally-set program goals and objectives, and the extent to which there is some external basis to validate that performance information reported is important to a state or community. One possibility to validate the importance of what is measured is to engage citizens in some way to help determine what issues or community conditions to measure, and potentially, what indicators are compelling measures of those issues or conditions. Citizens might be engaged directly, or through organizations that they participate in (e.g., NGOs).

Potentially, NGOs can play a role in providing an external basis for relating government performance to issues and outcomes of concern to the public. An issue of concern in NGOs playing such a role, however, can be whether the NGOs that become involved in this way are representative of a state's or community's citizens. Another potential issue for NGOs having a role in public performance measurement—particularly for NGOs that do their own public reports on aspects of public performance—is that NGOs' records and reports may not be subject to the same potential level of scrutiny or audit as those of governments, to ensure their validity and reliability.

The GASB performance measurement research team is interested in the perspective of people who work with NGOs interested in community outcomes and government performance, and in the perspective of government officials on the implications of involving or relating to NGOs when governments report on performance. The GASB research team is also interested in learning ideas about how NGOs, through their own public performance reports, their engagement of citizens, or other activities can play roles in improving reporting of government performance to the public.

On Community Learning, Strategic Alignment, and NGO-Government Convergence:
Closing Forum Observations by Paul Epstein

Strategic Alignment and Community Learning

Looking back, I'm amazed at how quickly the forum started to focus on the idea of "Community Learning," which we were able to refer back to throughout the discussion. Based on that, I'll venture the thought that "Strategic Alignment," as described in our article, is really a *results-oriented* way to focus community learning, so the community not only learns, but uses its learnings to change public *and* private policies, resource allocation, and actions, to achieve *results that matter*. If community learning—fostered by citizen engagement and performance measurement—moves the community to seek *sustainability*, those will eventually be *sustainable results that matter*, as in the sub-title of our article.

The discussion on community learning and related issues was rich and multi-faceted. I can't do it justice here in a summary, but here are some of the main ideas—some of them around competing concepts—that I think are worth our remembering:

- ***Achieving broad community consensus on values is important, as is re-visiting what the community values*** from time to time, as those values can change with community learning. **"Re-visioning"** is needed from time-to-time, as Santa Monica is planning, and Prince William County does, in a sense, every four years.
- ***Indicators cannot "change the world," but they enable us to "see the world."*** It is up to people—in governments, NGOs, and businesses, as well as individual citizens—to *learn from what they "see,"* and *act on it* to change their communities and regions for the better.
- ***Balancing consistency and relevance of measures over time:*** Consistency of measures is needed to track progress over time, but change of some measures is needed to reflect changing values, priorities, and needs.
- ***Linear vs. Non-linear thinking:*** Most actions and assumptions are based on linear thinking, but many outcomes result from multiple influences and non-linear processes. This observation highlights the importance of "learning" by using feedback from indicators, questioning assumptions, and always improving our models of how things work.
- ***Government measurement often focuses on "accountability," which can work against learning and change:*** Rather than eliminate the accountability focus, make sure it is not the *only* focus. We might try to make accountability stimulate learning and compelling measurement by organizing accountability to give public managers *incentives to measure things that matter to the public and to demonstrate learning,* as well as to hit their targets.
- ***Remembering that measurement is both an "art" and a "science"*** can help us temper our efforts to develop the perfect measures and models before taking actions based on our data.
- ***Careful planning and facilitation of engagement processes is essential,*** especially in values discussions (as in Contra Costa County) and in tackling contentious issues.
- ***Geographical display and analysis is important*** for community and regional measures of many things, including physical and social conditions, and distribution of assets and resources. Thus, **MAPPING** is an important tool.

A "Maturity Curve" for Community Learning: Many comments revealed parts of what might be considered a "growth" or "maturity" curve for community learning. Here are some examples, not all of which will apply to every community:

- From "superficial learning" to help solve easier problems, to "deep learning" that enables communities or regions to tackle "wicked issues" such as global warming, and to make progress toward sustainability.
- From incremental change to paradigm shifts.
- From governments measuring outputs and limited results they can control and use for management, to communities measuring broader outcomes that matter to people, to making connections between different levels of measurement.
- From measuring outcomes that matter to people, to making actual resource shifts and actions in the community (in public budget allocations, private contributions, and public and private efforts) to improve those outcomes.
- From starting with a handful of community players (e.g., NGOs) that have energy and motivation to measure outcomes, to expanding the circle to include more interests and be broadly representative of the community, to building and nurturing strategic partnerships to take concerted action for improvement.
- From a single organization (e.g., a government, an NGO) convening community measurement and improvement processes, to multiple conveners taking the initiative on multiple community issues.
- From limited issue or indicator focus (e.g., environmental) to broader focus (e.g., all three parts of sustainability).
- From either an "outside-in" focus (e.g., JCCI) OR an "inside-out" focus (e.g., Santa Monica Sustainability) to a combination of both.
- From an environment of suspicion between government and citizens or NGOs, or between different interests in the community (including NGOs with different agendas), to an environment of community trust, shared values, and understanding of different values and interests.
- *Following Herzberg and Maslow:* From focusing on public "survival" or "hygiene" needs and indicators (often taking a "service" focus) to higher-order values and indicators (e.g., community outcomes, sustainability). We may want to focus on broad outcomes and sustainability, but it's still important for governments to manage day-to-day services well. It's hard to get citizens interested in long-term sustainability if they're angry that their garbage isn't picked up on-time, their streets are full of potholes, their schools are ineffective, or they don't feel safe in their neighborhoods.
- Increasing the number of levels of geographic focus, e.g.: Either: From a state/regional focus to a combined or "nested" state/regional-local focus (e.g., NJ Future, NJ EPA, and NJ localities) OR the other way around (e.g., Santa Monica's sustainability efforts as an example and "laboratory" for other communities in the LA region).
- Increasing the number of ways citizens and NGOs are engaged over time, (e.g., as in JCCI, in which citizens are engaged in in-depth issues studies *and* community indicators projects) and

increasing the levels of complexity they deal with (e.g., after citizens are comfortable working with specific outcome indicators, some of them could become engaged with professionals in developing outcome models and assumptions, or in working with efficiency indicators).

Issues of Convergence Between Measurement Efforts of NGOs and Governments

We carefully chose the word "convergence" instead of "merger," to recognize that NGOs and governments play different roles in communities. The discussion also made it clear that there are different kinds of NGOs, with some having a broad focus on many community issues and broad base of representation, such as JCCI, and others having a narrow focus on specific problems or specific segments of the population. Also, some NGOs are funders or "investors," others are service providers or "implementers," while others are researchers, analyzers, organizers, or conveners. Potential government performance reporting standards that may be established by the Governmental Accounting Standards Board (GASB) will also influence the community measurement environment, at least as reported by government. The GASB's performance measurement research team is interested in the perspective of citizens and NGOs interested in community outcomes and government performance, and how their perspectives and priorities relate to performance measures reported by government.

Some ideas noted above under "alignment and learning" are also relevant to convergence. Other specific ideas or issues related to convergence are:

- NGOs must maintain their independent perspective, even when seeking "convergence" with government measurement efforts and "strategic alignment" in the community.
- Because there are multiple influences on most community outcomes, measurement that reflects multiple perspectives (e.g., government, citizens, NGOs, businesses) can be valuable, especially if the community attempts to relate or "connect" indicators from different perspectives (e.g., develop "logic models" of how different efforts and accomplishments are expected to influence desired outcomes).
- Convergence suggests gradually having more indicators of concern to multiple interests or "players" (e.g., to citizens, elected officials, government managers, and NGOs), but it is okay—and to be expected—if there are always some indicators that are only of concern to one player or another. For example, some data may only be used for public management purposes, and thus may not be widely distributed to the public, but should be accessible to those citizens who want to "dig deeper" into some issues.
- As the GASB's process moves forward to potential state and local government performance reporting standards, there will be increasing pressure on governments to do public performance reports, whether or not their measures connect to broader community outcomes. If citizens and NGOs do *not* make the effort to connect important community outcomes with government performance measurement, they risk having governments set the performance agenda without them.
- Governments and other "investors" (e.g., foundations) in services provided by NGOs should not arbitrarily set outcomes and performance targets without engaging the service-provider NGOs ("implementers") in developing outcome indicators and targets.
- There are multiple forms of convergence, e.g.:

- We have mainly used "convergence" to mean making connections between broad community outcomes of interest to citizens and NGOs, and narrow service-oriented measures more often reported by local governments.
- Convergence can also mean making connections between broad outcomes of entire "populations" (demographic groups) in a community, region, or state, and outcomes for specific users of services within those populations.
- Convergence can also mean building coalitions and service networks to focus multiple service responses to complex inter-related problems, such as building partnerships among providers of child care, health care, and senior services to reduce duplication, improve coordination, and address gaps in service or weak links found by analyzing maps of needs, resources, and services.
- Convergence can also mean collaboration in measurement and reporting, especially important to NGOs that rely on governments to provide key data of interest to citizens.

CALL TO ACTION:
For a Learning Network on Strategic Alignment and Community Learning

Toward the end of the forum, there were several suggestions made about how to "start a movement" to encourage strategic alignment and community learning, including convergence of NGO and government measurement efforts. Most comments suggested that we start such a movement by helping people interested in alignment in different communities learn from each other, through further development of concepts and sharing of practices and lessons learned. If alignment is to promote community learning, then what better way to start an "alignment movement" than through a "learning network"? Forum facilitators Paul Epstein and Chris Paterson have started to explore how to make that happen. Here are some initial thoughts, based on forum participant's suggestions, on what such a Learning Network would do:

The Network would stimulate learning across communities, regions, states, and even countries, to:

- Further develop concepts of "strategic alignment" and "community learning";
- Share practices and lessons learned;
- Develop self-assessment tools, and frameworks of "best practices" or "promising practices";
- Promote increased strategic alignment in many regions and communities, including greater convergence of government and NGO measurement and improvement efforts, and increased results-oriented community learning.

At this point, we don't know what form it will take, or if we will have to raise resources for it. However, we have some ideas about approaching some sources to support further research and learning. And, in any case, we'll need a sense of whether there's a core group of people who may be ready to be "charter members" of the "movement." So, **IF YOU ARE INTERESTED IN PARTICIPATING IN SUCH A LEARNING NETWORK, PLEASE CONTACT PAUL EPSTEIN AT epstein@pipeline.com.**