

**CASE STUDY:
City of Portland, Oregon**

Pioneering External Accountability

September 2002

Principal Researchers:

David J. Bernstein

**Funding for this research has been provided
By a grant from the Sloan Foundation**

The City of Portland, Oregon



GASB SEA RESEARCH CASE STUDY

CONTENTS

EXECUTIVE SUMMARY	1
TYPES OF PEOPLE INTERVIEWED AND THEIR ORGANIZATIONS	2
OVERVIEW AND BACKGROUND	3
FINDINGS.....	8
PEOPLE AND THEIR ROLES	8
Who has been involved in initiating, developing, and using performance measurement, and how have they been involved?	8
USES AND EFFECTS OF PERFORMANCE MEASUREMENT	12
What intended and expected uses and effects of performance measurement were articulated?	12
What actual uses and effects of performance measurement were identified?	12
Introduction to Use of Performance Measures.....	12
Resource Allocation and Other Decision Making.....	12
Strategic Planning, Performance Monitoring, and Performance Improvement	13
Accountability and Communication.....	17
PERFORMANCE MEASUREMENT IMPLEMENTATION ISSUES	20
How is the quality of performance information perceived, and how have performance measurement quality issues been addressed?	20
Perceptions of the Quality of Performance Information	20
Efforts to Address Information Quality Issues.....	20
What kinds of organizational supports are provided, and how have organizations been changing to accommodate performance measurement?	21
EVOLUTION OF PERFORMANCE MEASUREMENT	21
What barriers have been identified to making effective use of performance measurement and are those barriers being addressed?.....	21
What lessons have been learned from the performance measurement experience to date?	22
What are future expectations for the use of performance measurement?.....	23
REFERENCES	24

EXECUTIVE SUMMARY

The [City of Portland](#), Oregon, has several systems that incorporate use of performance measures for decision making, strategic planning and performance improvement, and accountability and communication. These systems include the [Portland-Multnomah Benchmarks](#) and [Oregon Benchmarks](#); strategic planning; [the annual budget](#); departmental use of performance measures; performance audits by the City Auditor; and the [City's Service Efforts and Accomplishments \(SEA\) Report](#), which incorporates an annual citizen survey as well as performance reports on major city programs. The *SEA Report* began in 1988, when the [Audit Services Division](#) was authorized to pursue experimentation with Service Efforts and Accomplishments reporting (Tracy and Jean, 1993). In 1991, the Portland Auditor's office concluded a feasibility study on SEA reporting (Office of the City Auditor, April 1991), and the *SEA Report* has been annually produced since that time. Those interviewed for the case study report that despite the number of measurement activities, the measurement systems and processes are not necessarily related. The City is arguably best known for the *SEA Report*, since Portland has been producing the *SEA Report* for a longer period of time than any other jurisdiction, and for the Portland-Multnomah Benchmarks, which have received extensive national coverage. It is on the basis of the SEA Report and the Benchmarks that Portland stakes its reputation as a hotbed for accountability-related activities.

Regarding actual use of performance measures, several interviewees did note that performance measures are used by departments in making decisions and monitoring what is being accomplished. Several interviewees also noted that performance measures are only used marginally in the budget process, although performance measures are included in budget decision packets reviewed by the [Office of Finance and Administration's Financial Planning Division](#) and the Board, and some measures are reported in [the annual budget document](#). Interviewees for this case study said very little about the effect of performance measurement on resource allocation and decision making.

Several interviewees mentioned the role that performance measurement can play in carrying out strategic plans at either the community level, or at the departmental/bureau level. Some interviewees specifically cited using performance measures to monitor achievement of strategic goals included in *Portland Future Focus*, a strategic planning process for which performance measures were developed to measure progress, as well as the Portland Multnomah Progress Board Benchmarks, which support citywide and community strategic processes. In her [State of the City Address for 2000](#), Mayor Katz announced creation of Portland Future Focus II, which she indicated was a chance to rethink how the City will grow, and provide all of Portland's citizens with a chance to participate in building a shared vision for the next 25 years. Given Portland's extensive experience in using performance measurement for strategic planning, performance monitoring, and performance improvement, interviewees were able to provide useful insights regarding the effect of using performance measures. Measurement activities create a framework and ongoing source of data about progress that transcends time, and provides a long-term look at government performance and results. Performance measures were found to be useful in raising questions about performance and results, in focusing management and staff on what the City is trying to accomplish, and useful in improving dialog and understanding about City programs.

Communicating results is seen as a driving force behind the intent and expectations of Portland's performance measurement efforts, involving both communication within the government as well as communication to stakeholders and the public. The [SEA Report](#) was held to be an effective tool for communicating how Portland compares to other cities, even though some questions are raised about the legitimacy of performance differences. By including results from a survey of citizens, the *SEA Report* provided a mechanism for communicating citizen concerns and priorities. Beginning in 1995, the *SEA Report* and performance audits were available on the [Office of the Auditor's web page](#). The *SEA Report* has been presented on the *Mayor's Forum*, a local cable television program, ten times as of 1996, resulting in additional citizen requests for information (Tracy, 1996). In addition to the *SEA Report*, performance measures for several bureaus were published in their annual reports, and as indicated above, are included in the budget document. In addition, although not mentioned by many interviewees, several parts of the [City's web site](#) include performance measures. The *SEA Report* is not widely communicated to the public yet, although early versions of the *SEA Report* were widely reported in the local press, and the last *SEA Report* was presented during a Council briefing. Some interviewees expressed concerns about the effectiveness of the City's efforts to communicate with the public, and whether performance measures have yet been used effectively as a mechanism for accountability.

Interviewees expressed a wide range of opinions about efforts to address information quality issues. The most frequent response was that questions about the quality of data were raised by the Auditor's Office, whose conduct of performance audits, by its very nature, raises questions about the validity and reliability of data. The consistency of SEA and other performance measurement information, with occasional exceptions, was mentioned as one of the reasons that the quality of the data has not been questioned. The overwhelming consensus was that there was no training, or very little training of an informal nature some years ago.

The time and cost of collecting performance measurement was frequently mentioned as a barrier to effective use of performance measures. The disconnect between higher level measures such as the [Portland Multnomah Benchmarks](#) and the work done in departments, and the political structure of Portland government were mentioned by some. The Commission form of government, with its decentralized command structure, was also mentioned by some interviewees as a potential barrier, since there is less of a tendency toward central control and use of performance measures within the government. The need to look long-term, allowing three to four years to develop a good systems that is useful was the most frequently cited lesson learned from Portland's extensive experience during the last decade.

Table 1

TYPES OF PEOPLE INTERVIEWED AND THEIR ORGANIZATIONS

Interviewee/Official	Title	Organization
Victor F. Rhodes	Director	Office of Transportation
Steve Dotterrer	Chief Transportation Planner	Office of Transportation
Mark W. Murray	Principle Financial Analyst,	Bureau of Financial

	Finance and Administration	Management , Financial Planning Division
Larry T. Nelson	Financial Analyst, Finance and Administration	Bureau of Financial Management , Financial Planning Division
Jane Braaten	Manager, Planning and Support Division	Bureau of Police
Steve Beedle	Supervisor, Statistical Support Unit, Planning & Support Division	Bureau of Police
Karen Kramer	Manager, Facilities Services	Bureau of General Services
Dennis Cain	Director, Administrative Services	Bureau of Water Works
Richard C. Tracy	Director of Audits	Office of the City Auditor
Gary Blackmer	City Auditor	Office of the City Auditor
Robert Wall	Fire Chief	Fire Bureau
Jim Crawford	Fire Marshall	Fire Bureau
Alissa Brumfield	Financial Analyst	Fire Bureau
Fontane Hagedorn	Program Manager II, Prevention Division	Fire Bureau
Kathryn Nichols	Research Director	Portland Multnomah Progress Board
David Judd	Deputy Director	Parks Bureau
Gordon Wilson	Administrative Manager	Parks Bureau
Ron Paul	Chief of Staff	Office of Commissioner Hales
Kathy Turner	Commissioner Assistant III	Office of Commissioner Francesconi
Bob Durston	Chief of Staff	Office of Commissioner Stein
Vera Katz	Mayor	City of Portland, Office of Major
Bob Young	Staff Writer	Willamette Week
Douglas Norman	Senior Management Auditor	Office of City Auditor
David Dean	Management Auditor	Office of City Auditor

OVERVIEW AND BACKGROUND

It was not uncommon in the twentieth century for progressive governments to contract for studies, performance audits, or evaluations to better understand how government could be more

accountable to the public, to monitor how program performance and efficiency could be improved, or to try to link performance and achievement of results to the resource allocation process. This was especially true in the late twentieth century, when frustrations about rising taxes, dissatisfaction with government in general, and distrust of elected officials and career bureaucrats provided political platforms for “outsiders” running for elective office.

Portland, Oregon, is an example of a local government that undertook a study of the type described above. A study of the Portland government by a major government think tank addressed issues including public reporting for accountability, the need for audit plans to establish accountability and prove efficiency or inefficiency, and the need to develop budget information on spending in prior years and per unit cost estimates that could guide decision making and resource allocation. What sets this study apart is that it was not completed in the 1970s, 1980s, or 1990s. It was completed in 1913 (New York Bureau of Municipal Research, 1913), just 26 years after Woodrow Wilson’s 1887 article on “The Study of Administration,” an article that is customarily used to trace the origins of public administration as a discipline (Shafritz and Hyde, 1978, p. 1). Many of the issues raised in the report continue to resonate in the City today.

Portland, Oregon, the County Seat of [Multnomah County](#), is the largest city in the county, with a 1996 population of just over 505,000 living in 215,000 households. At place employment was 473,690 jobs (Institute of Law and Justice, April 1999). With the City of Portland’s focus on accountability, as well as that of other municipalities, such as Gresham, Multnomah County is arguably one of the country’s hotbeds for accountability and performance monitoring.

Portland operates under a commission form of government, which was approved by the citizens of Portland in May 1913. Four [Commissioners](#) and the [Mayor](#), elected to staggered terms, serve as the City's legislative body. Each Commissioner serves as administrator of one of five broadly focused departments, each of which includes at least half a dozen bureaus responsible for carrying out policies approved by the Council. The [City Auditor](#) is also elected. All are elected at large on a non-partisan basis and serve four-year terms (City of Portland, October 1999).

Portland’s efforts in performance measurement have been described as “a comprehensive performance measurement system” (NPR, 1998). A more appropriate description might be “multiple but separate mechanisms for collecting and sometimes reporting performance measures.” An illustration of this is found in the [Police Bureau’s 1998 Community Policing Strategic Plan](#), which states:

The Bureau’s value of accountability and its objective to develop more effective performance evaluations are reflected in the performance measurements. Performance measurements came primarily from the following sources:

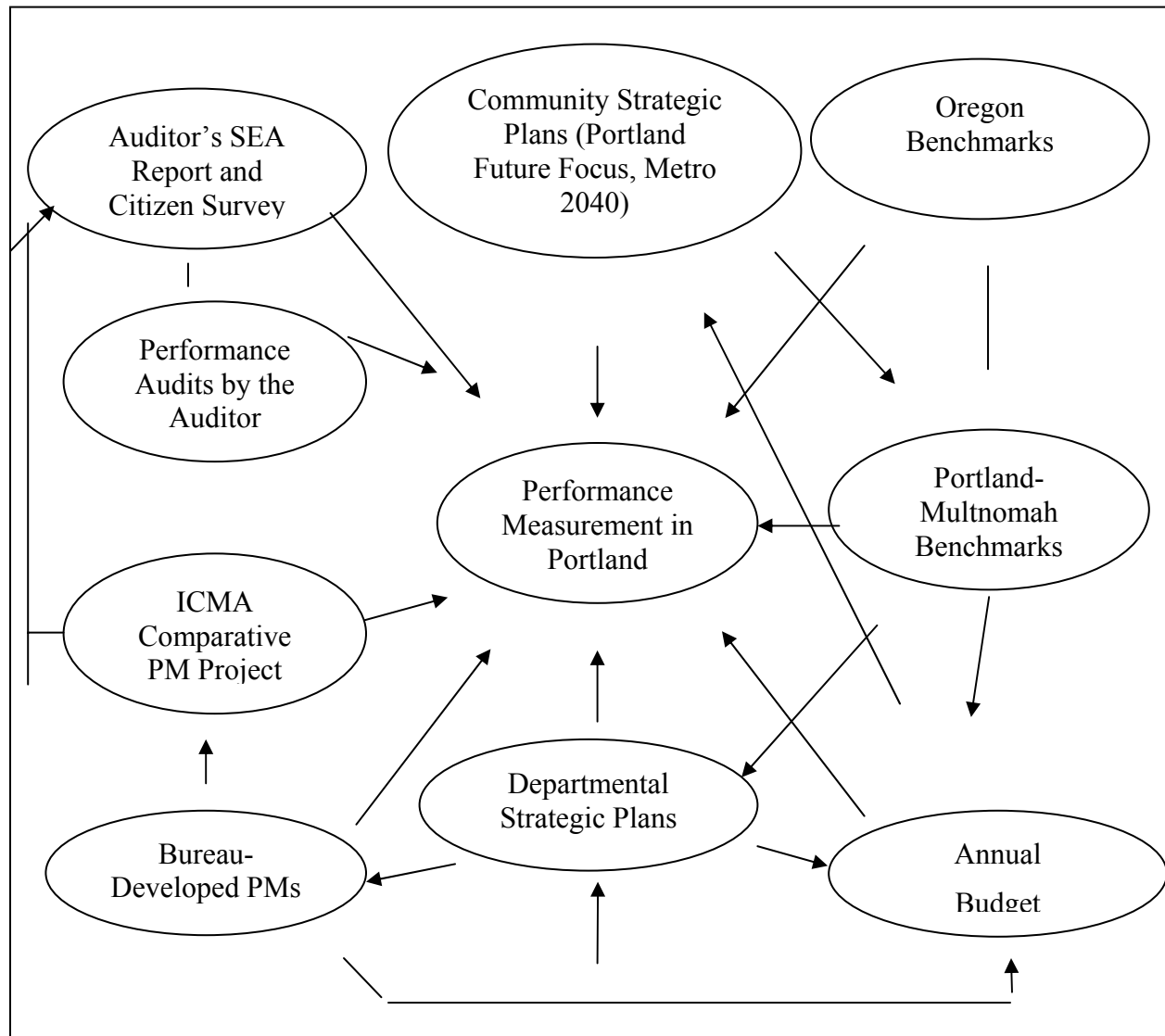
- Reported crime and crime response data from the Bureau
- A citizen survey conducted each year by the Portland City Auditor that measures citizen perceptions of crime, victimization, and satisfaction with police service
- A community survey, first conducted in 1994, which measures perception of public safety, victimization, and satisfaction with police service in more detail
- Benchmarks for the Bureau adopted by the City-County Progress Board

- An internal survey that measures seven areas of job satisfaction (Portland Police Bureau, June 1998).

As can be seen in Figure 1, performance measures are included in, or reported in, a number of areas. These include:

- Strategic Plans: Departmental strategic plans, such as the [Community Policing Strategic Plan](#), often incorporate performance measures to “assist the Council in weighing short-term decisions against long-range requirements” (City of Portland, 1999). Long-term planning in Portland includes the Metro 2040 Regional Framework Plan, a growth planning document. Individual department strategic plans support the community strategic plan, the 1991 “Portland Future Focus,” which was used to establish programmatic priorities for which performance measures are developed. In her [State of the City Address for 2000](#), Mayor Katz announced creation of Portland Future Focus II, which she indicated was a chance to rethink how the City will grow, and provide all of Portland’s citizens with a chance to participate in building a shared vision for the next 25 years.

Figure 1
Focus of Performance Measures in Portland, Oregon



- [Annual Budget](#): Strategic plans are used to guide development of the annual budget. According to the FY 1999-2000 Adopted Budget, “The budget process begins and ends with a policy orientation. The city’s strategic plan, Portland Future Focus, continues to provide an overall road map not just for the city, but also for its neighboring governments” (City of Portland, 1999). Performance measures are supported by, and incorporated in the budget process by “use of a program budget format,” and “inclusion of performance information in all budget requests” (City of Portland, 1999, p. 53). A review of the FY 1999-2000 Operating Budget Manual (Financial Services Division, 1999) confirms that performance information and measures are components of budget decision packets. This includes “development of quantitative performance measures relevant to the overall evaluation of bureau performance” (City of Portland, 1999, p. 54). Selected performance measures are presented in the Approved Budget. For Fiscal Year 1999-2000, the selected performance measures were presented graphically, with brief explanations of performance trends (City of Portland, 1999).
- [Portland-Multnomah Benchmarks](#) and [Oregon Benchmarks](#): The “Benchmarks” (or performance measures) were developed to gauge how well the city was progressing towards the vision articulated in Portland Future Focus and other community strategic plans (City of Portland, 1999). Biennial reports provide updates on the adopted benchmarks. In 1999, the Board was tracking 76 benchmarks (Portland Multnomah Progress Board, 1999) in six clusters, including the economy, education, children and families, quality of life, governance, and public safety (City of Portland, 1999). The Oregon Progress Board supports the overall goals of Oregon Shines, including quality jobs for all Oregonians; safe, caring and engaged communities; and healthy, sustainable surroundings. According to the Progress Board, these outcomes are “tracked through 92 indicators, the [Oregon Benchmarks](#). The Benchmarks are a broad array of social, economic and environmental health indicators, including K-12 student achievement, per capita income, air quality, crime rates, employment, and infant health. Twenty-two "priority" Benchmarks are considered deserving of special attention” (Oregon Progress Board, 1999). The Progress Board issues an Oregon Benchmarks report every other year. In December 1996, the Progress Board issued a new *Oregon's Benchmark Performance Report*, followed in January 1997 by *Oregon Shines II*, a complete update of the original strategic plan.
- [Portland Auditor SEA Report and Performance Audits](#): The Office of the City Auditor has published a Service Efforts and Accomplishments (SEA) Report each year since 1991. The [SEA Report](#) included information on spending and staffing, workload, and performance results for major city programs that, as of 1993, comprised 75 percent of the city’s staffing and spending. Service areas included police, fire, parks and recreation, water, wastewater, and transportation (Tracy and Jean, 1993). Information was presented on historical trends, in comparison to targets and goals, and in comparison to six similar cities. The 1997-1998 comparison cities were [Denver](#), [Cincinnati](#), [Kansas City](#), [Charlotte](#), [Seattle](#), and [Sacramento](#). The report also included the City Auditor’s Citizen Survey. In 1998, the survey was compiled based on a

random sample of 3,848 City residents in eight large neighborhood regions so that their comments would statistically represent the opinions of all residents (Office of the City Auditor, December 1998). In addition to the *SEA Report*, the [Auditor's Office](#) conducts performance audits of City programs that may involve development, review, and analysis of performance measures.

- Individual Bureau Performance Measures: All of the Bureaus interviewed for this case study developed, analyzed, and used performance measures in monitoring Bureau programs. These performance measures support decision making, track strategic priorities, and may be used to support budget initiatives. Performance measures are also produced by departments for the [International City/County Management Association's \(ICMA\) Comparative Performance Measurement Project](#).

Several interviewees expressed concern that the various performance measurement efforts are not connected. The lack of a model or system to illustrate the complex and diverse performance measurement efforts reinforces interviewee comments that the City of Portland has a lot of measurement activities, but that these are not linked together. As a result, the GASB Research Team created the graphic in Figure 1 to illustrate performance measurement in Portland. Where possible, links between various efforts are illustrated with arrows, although it is not clear if performance measures developed in one context are available for, or used in, other contexts.

History

According to the Portland Auditor's Office, the City of Portland conducted a significant effort in the 1970s to report and monitor performance data in the annual budget (Office of the City Auditor, April 1991). During FY1977-78, a budget based, voluntary performance measure project was focused on developing department goals and a hierarchy of objectives to meet those goals. Performance measures were developed and reported in a quarterly budget status report. According to the Director of Audits, the project was discontinued in the early 1980s "due to staffing and management changes" (Tracy, 1996, p.2). One interviewee indicated that the effort of the 1970s was abandoned because of the potential cost of operating a comprehensive citywide performance measurement system. During interviews, several bureau managers indicated that bureaus continue to develop internal measures used to monitor programs and support decision making. In addition, the City of Portland is a participant in the ICMA Comparative Performance Measurement Consortium Project. The project has involved collection of information in Police, Fire, Support, and Community Services, and production of comparative reports. According to City of Portland staff, data collection forms are sent to departments for completion, collected by the [Division of Financial Planning](#), and forwarded to ICMA. Several departments reported that while they provided information for the ICMA study, comparative reports were not distributed at the department level. The members-only website is made available to departmental staff.

The State of Oregon has built a reputation for the State's strategic planning process, and for establishing benchmarking efforts to gauge progress toward achievement of goals. In the 1990s, the City of Portland pursued a similar path. According to the Portland Multnomah Progress Board, Mayor Bud Clark introduced Portland Future Focus in 1991, a community-based strategic plan, which included information on what citizens valued most about their communities, and quality of life issues involving children, jobs, housing, public safety, and community (Portland Multnomah Progress Board, May 10, 1999). In September 1993, Portland [Mayor Vera Katz](#),

having worked on Portland Future Focus, introduced the Benchmarks concept in Portland. The Portland Multnomah County Progress Board was established, comprised of community leaders committed to the Benchmarks. According to the Progress Board, the Board focuses on a better future for the community, maintains and refines the Benchmarks, and advocates for collaborative and outcome-oriented efforts between public and private organizations to meet Benchmarks. The benchmarks are the common language that bind agencies, schools, businesses, and community organizations together (Portland Multnomah Progress Board, May 10, 1999).

The Progress Board was originally operated out of, and staffed by, the Mayor's Office. According to Progress Board staff, concerns about reliability of data resulted in responsibility for the Progress Board being transferred to the County auditor's office under elected-County Auditor Gary Blackmer. Mr. Blackmer has since been elected City Auditor. The responsibility for the Progress Board Benchmarks moved back to the City and is now staffed by the Office of the City Auditor.

In 1986, the City Charter was amended to authorize broad-scope performance audits for the City, and the Audit Services Division was created (City of Portland, May 18, 1994). In 1988, the Audit Services Division was authorized to pursue experimentation with Service Efforts and Accomplishments reporting (Tracy and Jean, 1993). In 1991, the Portland Auditor's office concluded a feasibility study on SEA reporting (Office of the City Auditor, April 1991). The impetus, according to the Director of Audits, came from two fronts. First, the Governmental Accounting Standards Board publication *Service Efforts and Accomplishments Reporting: Its Time Has Come* (GASB, 1991) called for experimentation with reporting performance measures. Second, the City Auditor hoped to more fully address the City Auditor's mission to improve the accountability, efficiency, and effectiveness of Portland government (Tracy, 1996). Additionally, the Audit Services Division "hoped to help make city programs work better by providing information to managers and elected officials that would help improve decision making" (Tracy and Jean, 1993, p. 12).

Data for the *SEA Reports* was initially developed and refined with management and staff of affected departments. Data was collected by service departments, and submitted to the Auditor. The accuracy and reliability of data was tested and reviewed by the Audit staff, and collected from comparison cities. In addition, the Office of the Auditor conducted an annual citizen survey. Data was presented in table form, graphic form, and map form. Some data was presented at the neighborhood level (Tracy and Jean, 1993). In 1996, the Director of Audits developed a case study for the American Society for Public Administration that provided information on the use and impact of information on outcomes and results (Tracy, 1996). This case study will also provide information on the use and impact of information on outcomes and results from the perspective of government managers and staff, elected officials, and the media.

FINDINGS

PEOPLE AND THEIR ROLES

Who has been involved in initiating, developing, and using performance measurement, and how have they been involved?

Portland's development and use of performance measures must be understood within the context of the form of government in Portland. As noted above, Portland operates with a

commission form of government, in which the five elected Commissioners (including Mayor Katz) serve both as the legislative body and as the administrators of the operating departments. Each Commissioner serves as the administrator for a small number of departments and bureaus. The decentralized nature of the government gives one the sense that the performance measurement process is bigger than any one individual, or any one office. As one departmental staff person put it, in Portland, performance measurement is a collaborative process.

Clearly, Mayor Katz has been one of the driving forces behind Portland's strategic planning and performance measurement efforts. While lacking the traditional power accorded to a big city Mayor, she has been a consistent proponent of the use of performance measures, starting with her work on Portland Future Focus. Once elected as Mayor, Ms. Katz continued to promote the concept of using performance measures to achieve strategic objectives, working with [Multnomah County Chair Beverly Stein](#) to form the Portland Multnomah Progress Board.

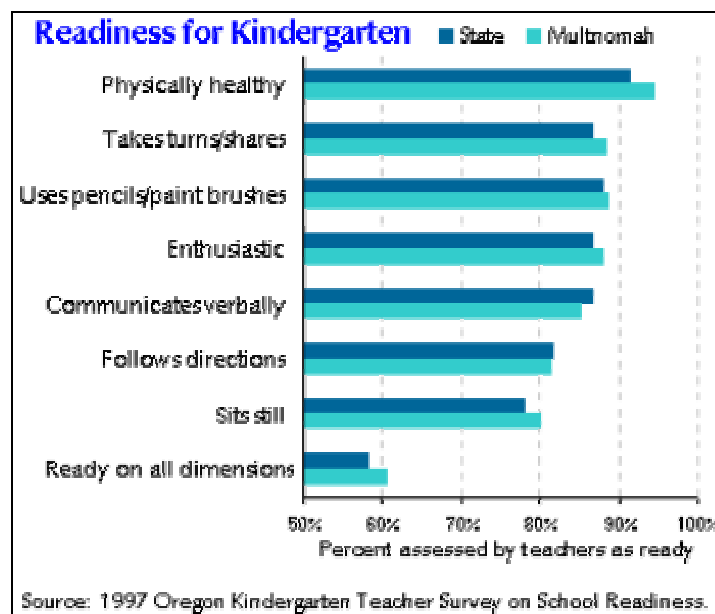
The Office of the Auditor under former City Auditor Barbara Clark and the current [City Auditor Gary Blackmer](#) has played a key role in initiating, developing, and using performance measures in Portland. Some interviewees said that since the Auditor is elected, the Office's efforts are viewed as independent and have additional credibility. Beginning with the feasibility study on developing an *SEA Report*, and continuing with assumption of responsibility for staffing the [Portland Multnomah Progress Board](#), the Office of the Auditor has been at the center of performance measurement in Portland. In his role as City Auditor, and previously in his role as County Auditor, Mr. Blackmer has been at the center of the City's performance measurement efforts, a fact made obvious by the transfer of the Progress Board staff responsibility from the County Audit Office to the City Audit Office when Mr. Blackmer assumes that post. Within the Audit Office, Director of Audits Richard Tracy was hired to begin Portland's performance audit process and has been instrumental in the process of testing the feasibility of, and encouraging continued use of, the *SEA Report*. Senior Management Auditor Ellen Jean and other Audit staff members were mentioned by several interviewees for having assisted bureaus with development of performance measures. Several interviewees reported that, while the process of developing measures was a collaboration between the Office of the Auditor and bureau management and staff, audit staff did occasionally push for use of specific measures that they felt were critical to measuring the efficiency and effectiveness of City programs. Development of the citizen survey, in cooperation with the [Multnomah County Auditor's Office](#), shows an interest in considering the opinion of City residents in measuring the effectiveness and perception of City programs.

Progress Board staff, working first out of the Office of the Mayor, then the County Auditor, and now the City Auditor, also appear to be involved in the development and use of performance measures. According to the Progress Board website, staff assisted other organizations in developing performance measures, performed special analyses of data to assist them, and coordinated efforts to improve the compatibility of information gathered. To better understand the forces that affect benchmarks, staff have undertaken several "Benchmark Audits." These reports examine specific services, such as the [Readiness-to-Learn](#) of Kindergartners and Recidivism of Felons benchmarks to identify local efforts to improve them. Staff are also developing increasing expertise in GIS (geographic information systems) software to provide benchmark data at the community level (Portland Multnomah Progress Board, May 10, 1999).

One interviewee indicated that, given the decentralized management of government programs by the Council, performance measurement could potentially be used for Commissioners to hold each other accountable for program results. However, generally

speaking, elected officials other than the Auditor and the Mayor are apparently not involved in the development and use of performance measures. According to several of those interviewed, including Commissioner Office staff, the use of performance measures by individual Commissioners and by the City Council varies. As one interviewee put it, the Council is not involved in the development of measures, but the Council has also not asked to be consulted. It is not an effort to exclude the Council, but rather a reflection of the level of interest in being involved in day-to-day management issues. As another interviewee expressed, Commissioners may review and comment on performance measures, but they are not actively involved in development and use. Mayor Katz may be an exception, being a long-term proponent of the use of performance measures in the strategic planning process. The bureaus that report to Ms. Katz make extensive use of performance measures.

Figure 2



The [Division of Financial Planning](#) in the Office of Finance and Administration was mentioned by several interviewees as having encouraged use of performance measures and having established processes for development of performance measurement. Staff from the Division indicated that analysts actively reviewed performance measures collected as part of the budget process. The Division collects performance measures for the ICMA Comparative Performance Measurement Project, but when specifically asked about the ICMA process, several interviewees indicated that information was not actively fed back to the bureaus in the form of ICMA reports. At least one interviewee noted that in the Commissioner form of government, there are no central managers. This interviewee felt that as a result, it is difficult for the Division of Financial Planning to exercise authority with much rigor in the performance measurement process. Another interviewee said that the Division of Financial Planning had made performance measurement a required process but was less successful at getting the Council to consider performance measures in decision making. The interviewee cited the decentralized nature of Portland’s government as influencing the use of performance measures and limiting the role of

the Division of Financial Planning. Another interviewee characterized the Division of Financial Planning and the Auditor as quietly promoting development and use of performance measures.

Given the decentralized nature of Portland’s government structure, bureau managers and staff have extensive responsibility for developing and using performance measures. According to staff in the Office of the Auditor, “SEA indicators were initially developed and continually are reviewed and refined cooperatively with management and staff of service departments” (Tracy and Jean, 1993, p. 12). The collaborative nature of performance measurement development was reinforced by a wide range of interviewees, including bureau managers and staff, elected officials, and central office staff.

Citizens and interest groups were clearly involved in the development of the Portland Multnomah benchmarks and strategic goals, by virtue of their membership on the Portland Multnomah Progress Board. Additionally, citizens have a chance to have their views represented as part of the budget process via an extensive public information and survey process, titled “[Your City-Your Choice](#)” (City of Portland, 1999). Table 2 and 3 summarize identified needs from the 1999-2000 survey. With readily available performance measurement information published in the budget and in the *SEA Report*, citizens who want to understand and use performance measurement information have resources at their disposal to do so. However, citizens and the media are generally not involved in the development of performance measures.

Table 2
Biggest Neighborhood Needs

Biggest Neighborhood Need	99-00	97-98	95-96	93-94
Police and reducing crime	11%	18%	21%	31%
Increasing road repair/maintenance	9%	10%	7%	5%
Reducing traffic congestion	9%	6%	4%	8%

Table 3
Biggest City Needs

Biggest City Need	99-00	97-98	95-96	93-94
Reducing traffic congestion	10%	8%	4%	1%
Improving Tri-Met	9%	11%	6%	3%
Police and reducing crime	9%	11%	10%	34%
Funding for education	8%	10%	3%	5%
Increasing road repair/maintenance	7%	3%	4%	1%

Source: 1999-2000 “Your City, Your Choice” Survey

USES AND EFFECTS OF PERFORMANCE MEASUREMENT

What intended and expected uses and effects of performance measurement were articulated?

What actual uses and effects of performance measurement were identified?

Introduction to Use of Performance Measures

Interviewees identified a number of intentions and expectations behind the development of the various performance measurement systems in Portland. To better understand the intended and actual uses and effects of performance measurement, information is presented below on performance measurement use for resource allocation and decision making, strategic planning, program monitoring and improvement, and accountability and communication.

Resource Allocation and Other Decision Making

Intent and Expectations

Interviewees discussed use of performance measures in regard to resource allocation decisions, and as a factor in the budget process. Several interviewees indicated that one intent was to use performance measures to help make financial decisions, including cutting the budget in hard times, and to help departments be more competitive with dwindling resources. One interviewee specifically mentioned Proposition 5, a tax limitation referendum that appeared to be causing concern among some departments. Two interviewees mentioned that performance measures could be used to provide reasonable and credible justification for requested resources. Another interviewee indicated that data has value in presenting department budgets to the Office of Finance and Administration and the Council. Projections provide a reasonable expectations of services where funds are allocated. By providing a reasonable justification, combined with some succinct narrative on value for dollars, departments could provide a sense of the direction and results the City is striving to create.

Actual Use

So much for intent and expectations. As indicated above, performance measures are included in budget decision packets. Several interviewees indicated that performance measures are only used marginally in the budget process. While there was some acknowledgement that analysts in the Division of Financial Planning may review performance measures and that measures are included in decision packets, several interviewees said they were not clear to what extent performance measures were used by the Council to make decisions. There was some indication that the Council does not ask many questions about performance measures. In partial contrast to these comments, one legislative staff person said that performance measures comprise about 30 percent of the budget discussion, but the rest of the discussion is based on anecdotal information. One interviewee indicated that Mayor Katz uses performance measures in the budget process and frequently asks questions about measures as presented.

Performance measures are reported in the budget document in graphical form, with brief explanations about performance trends. Some interviewees indicated that rather than being used to help make budget decisions, performance measures were being used to make the budget document look good, or as two interviewees put it, to provide “window dressing” for the budget. One interviewee pointed out that it was unrealistic to expect the process to be viewed as more

than a formality, since regular (quarterly) reporting from an earlier period was discontinued. Another interviewee said that the performance measures reported in the budget are “pretty useless,” because there was a tendency to use measures that are easier to measure. Yet another interviewee characterized the measure reported in the budget as a useless version of the SEA measures.

Several interviewees did note that performance measures are used by departments in making decisions and monitoring what is being accomplished. One interviewee noted that bureaus can more effectively manage and improve services by internally making use of performance measures to more efficiently use resources, and to clarify what is an acceptable level of service. Three interviewees indicated that although performance measures might not always be used to make decisions, they are used to provide justification for decisions once they are made.

As for use of different sets of performance measures that are collected, one interviewee indicated that it was difficult to use the Portland Multnomah Benchmarks at the departmental level, because the Benchmarks are so much broader than what can be realistically used for day-to-day management. One interviewee said that the measures used for the budget process are different than those collected for the ICMA project, although the interviewee noted that there was some movement to try to use ICMA data more frequently.

Effect of Use

It is difficult to know what to say about the effect of use of performance measures for resource allocation and decision making, particularly since interviewees had so little to say about the effect. One interviewee characterized the role of performance measurement in resource allocation and decision making when the interviewee stated said that he/she still wondered about the relationship between performance measurement reporting and budget needs. The interviewee felt that the [budget process](#) inhibits use of performance measurement. The interviewee felt that the best use of performance measurement is internally for management improvement and externally for accountability, but not for resource allocation.

Strategic Planning, Performance Monitoring, and Performance Improvement

Intent and Expectations

Use of performance measures to support or document strategic planning, to monitor performance, and to encourage or document performance improvement was extensively discussed by those interviewed for the case study. Regarding the intent and expectation behind performance measurement efforts, two broad themes were expressed.

Several interviewees mentioned the role that performance measurement can play in carrying out strategic plans at either the community level, or at the departmental/bureau level. As mentioned above, Portland underwent a community strategic planning process in the early 1990s. Some interviewees specifically cited using performance measures to monitor achievement of strategic goals included in *Portland Future Focus*, as well as the Portland Multnomah Progress Board Benchmarks, in support of citywide community strategic planning processes. One interviewee indicated that the Benchmarks provided a more system-wide view, and that the issues being tracked by the Progress Board might be issues that are more meaningful to the general public. Another interviewee mentioned the potential to focus multi-agency work

towards one goal, although several interviewees indicated that in practice this was difficult and complex.

As a result of the complexity of multi-departmental performance measurement, most bureaus focus performance measures on their own areas of responsibility. Individual bureaus in Portland frequently maintain their focus by developing strategic plans, which typically included goals and objectives of the departments, and on occasion, specific performance targets. The Police Bureau's [Community Policing Plan](#), mentioned above, is one such example. Performance measures in many departments are targeted for the duration of the performance plan. For example, a bureau might set benchmarks for a five year strategic planning period, and then track these measures over time, adjusting performance measures to reflect the impact of budget decisions and mid-course changes in strategic directions. In such cases, it is the intent of departments or bureaus to try to align performance measurement systems with the broader goals of the department.

The purpose of the departmental strategic plans, and in turn of performance measurement efforts, is to improve government operations. This may occur by supporting activities that build credibility, or by focusing on achievement of specific desired results. As one interviewee put it, performance measurement in support of performance improvement came from a well-intentioned desire to do well, to be better than good, and to be seen as "with it." Building credibility with the Division of Financial Planning, the Auditor, and the Council were also cited. The Division of Financial Planning staff indicated that budget activities were driven by a desire to establish good management practices. The Council wanted to identify and get additional information about problem areas. One interviewee echoed the introduction to this case study in saying that, in his/her experience, the State of Oregon, and the Portland area, is concerned about good government to a greater extent than other communities. Specific intentions and expectations for performance measurement that focus on improving government operations included:

- the belief that organizations that track performance produce higher quality products, which was mentioned by two interviewees; a third interviewee indicated that performance measurement activities reflect a desire for more of a private sector mentality, presumably focused on documenting results from the investment of public resources;
- enhancing efficiency and effectiveness in using resources, by moving away from a purely financial perspective and focusing on results;
- creating a rationale for changing time-honored entitlement policies;
- developing and using measures that produce information of value for solving problems;
- looking for trends in what is happening by presenting gauges of performance, and determining where changes need to be made to meet real needs by tracking demand for services;
- focusing on citizen and employee satisfaction as measures of how the government is doing;
- using performance measures to assist managers in getting smarter and being more purposeful in their actions; despite an expectation of some resistance, several

interviewees mentioned a desire for managers to question what they were doing, why they were doing it, and to use performance measurement as a management and policy tool for looking at an agency or function with lots of moving parts; and

- using performance measures to help raise questions, while recognizing that performance measures do not indicate why specific results are occurring and do not usually answer the questions that performance measurement results may trigger.

Actual Use

Given the wide range of intentions and expectations, how do government officials in Portland actually use performance measurement? Listed below are examples of actual use of measures to support strategic planning, monitor operations, and improve performance.

- For managers in the [Office of Transportation](#), the Office of the City [Auditor's Audit Services Division](#) has traditionally driven use of performance measures, although the Office of Transportation is now taking a more active role; the Office is rating the condition of roads using a [Pavement Management System](#), and using the results from the ratings to steer resources to problem areas; the Office tracks the mode of transportation used by citizens to achieve a goal of 75 percent non-single passenger automobile trips; in the Permitting operation, the Office sends a follow-up customer survey card to see how customers view the Office's performance, and presumably to take corrective action when needed.
- The Division of Financial Planning indicated that bureaus use performance measures that are included in the budget and at the departmental level to focus on improving performance. Interviewees indicated that customer surveys are useful in prioritizing services to be provided, and monitoring the results of those services.
- The Police Bureau made extensive use of [reported crime statistics](#); statistics are compiled weekly and compared to the same period one year before; the Bureau also does monthly neighborhood statistics to track reported crime by neighborhood and makes the information available to 95 neighborhood associations; performance measures provided information to support why changes are made, and neighborhoods can track results in their area; the Public Safety Coordinating Council, mandated by the State, will ensure that all the players in the criminal justice system work together on problems and allow monitoring of how action in one area will effect services in other areas; the Police Bureau also has used its employee survey to address problems identified by officers, and to focus on program improvements; the Portland Police Bureau *Bulletin*, an employee newsletter, reported survey results including performance measures that are monitored to guide program management and to report results (Portland Police Bureau, April 23, 1998).
- The [Bureau of General Services](#) uses performance measures to guide decisions by focusing on three areas, including integrity of buildings, customer satisfaction, and financial integrity. An audit by the Office of the City Auditor identified twenty measures to assess the Division's workload, efficiency, and effectiveness. Data will be used in meetings with customers (building residents) and the Commissioner in charge of the Bureau in order to discuss problems and identify solutions. The Division's strategic plan included performance measures to support the Division's

strategic focus and work program for the year. The Division reported a desire to do benchmark comparisons to focus on improvement but reported that efforts have not been successful.

- The [Bureau of Water Works](#) reported that performance measures are included in its strategic plan to some extent and that a performance measurement framework was used in developing objectives. Staff are informed about strategic priorities proposed for the next year, and work plans should make reference to performance measures. When the Bureau's maintenance management system is replaced, performance targets will be developed for field staff, who will know what is expected from their work plans and will be expected to report on results. Performance measures will thus be used in day-to-day management, but Bureau staff did not want to give the impression that decisions are necessarily always based on performance measures. The Bureau is participating in a benchmarking project with other West Coast utilities. As might be anticipated, difficulties were experienced in drawing comparisons, and assumption about data had to be analyzed so results could be properly qualified.
- The Bureau of Fire, Rescue, and Emergency Services (the [Fire Bureau](#)) used a limited number of performance measures for each of its divisions to use internally for management monitoring and decisions. Bureau staff reported using performance measures from the budget and *SEA Reports* to manage programs, and monitor program productivity improvements, especially in the inspection area.
- The [Bureau of Parks](#) uses data on volunteers and users, customer surveys, class evaluation forms, and the SEA citizen survey to monitor program performance. Use of ongoing measures rather than ad hoc studies helped raise questions about program performance, and helped build credibility in budget and other discussions.
- The Office of the Auditor conducted performance audits that involve collecting, reviewing, and analyzing indicators of performance, and doing more in-depth analysis, such as comparisons to other entities and tracking changes that occur over time. If possible, audits attempted to explain why such changes occur. The *SEA Report*, in addition to providing a mechanism for communication and accountability (see next section), also attempted to focus on program improvement. One of the reasons that citizen survey results were added was to focus on effectiveness measures, such as how safe people feel in their neighborhoods. Improvement in results is attributed to community policing activities and cited as evidence of the value of performance measures in improving performance.
- Commissioners and Commissioner's Office staff reported that performance measurement was used to a limited extent in reviewing the performance of bureau management. There was a greater degree of interest in focusing performance measurement on program improvement and making more extensive use of performance measures for this purpose.

Effect of Use

Given Portland's extensive experience in using performance measurement for strategic planning, performance monitoring, and performance improvement, interviewees were able to provide useful insights regarding the effect of using performance measures. Effects included:

- the usefulness of measures in focusing on achievement of strategic and performance goals; regular performance measurement demonstrates that strategic plans may be out of date, and led one Office of the Commissioners staff member to conclude that it may be time to revisit *Portland Future Focus*; measurement creates a framework and ongoing source of data about progress that goes beyond the term of one official, and provides a long-term look at government performance and results;
- despite questions about the extent or frequency of Council use of the Portland Multnomah Benchmarks, the *SEA Report*, or performance measures included in the budget process, one interviewee felt that measurement was useful for setting policy;
- performance measurement was found to be useful in raising questions about performance and results, and focusing management and staff on what government is trying to accomplish; measurement was useful for monitoring contractor performance and for pulling contracts when performance is inadequate; while performance measurement efforts are still evolving, such efforts are becoming part of the culture of government, particularly in terms of focusing on the desires of citizens for program improvement and achievement of goals;
- while performance measurement was useful in helping managers focus on mission, goals, and objectives, and how to achieve results, there is a risk in having performance measurement become the mission; it may be hard to avoid the temptation to “manage to the measure,” rather than using performance measures to achieve better results;
- resistance to measurement raised questions about performance that result in audits and similar questioning of operations; successful use of measurement also resulted in raising more questions about why things occur, thus necessitating more detailed analysis and studies; resistance to measurement and active use of measurement may both increase the need for research, audits, and evaluations;
- there is still a need to focus on making performance reports user friendly to management;
- finally, performance measurement improved dialog and understanding about programs.

With improvement of dialog in mind, the case study now turns to discussion of use of performance measures for accountability and communication.

Accountability and Communication

Intent and Expectation

Nearly one-third of interviewees (seven out of 24) mentioned increased accountability as the driving force behind performance measurement efforts. This should not be surprising given the visibility of the *SEA Report* within Portland and nationwide, and, as one interviewee put it, the fact that accountability is critical to the mission of the Office of the Auditor, an office which is arguably the leading proponent of accountability in Portland. One interviewee interpreted accountability as political pressure, with performance measurement serving as one tool to document achievement or non-achievement of results. One interviewee mentioned that

performance measurement addressed accountability by reducing mistrust, which provides the link between accountability as a concept and performance-measurement reporting as a communication device.

Communicating results is seen as a driving force behind the intent and expectations of Portland's performance measurement efforts, involving both communication within the government as well as communication to stakeholders and the public. One interviewee indicated that performance measurement is useful in explaining what a program is trying to achieve, despite the fuzziness of public outcomes and, therefore, the imprecision of performance measures in fully measuring government performance. Other interviewees mentioned the desire to report to stakeholders that resources were being used efficiently and effectively and that the City is a livable place by communicating about more than costs. Several interviewees mentioned the importance of increasing the confidence of the Division of Financial Planning, the Auditor, and the Council with internal reporting, and increasing public confidence with external reporting. The *SEA Report* was held to be an effective tool for communicating how Portland compares to other cities, even though some questions are raised about the legitimacy of performance differences. By including results from a survey of citizens, the *SEA Report* provided a mechanism for communicating citizen concerns and priorities. One interviewee described performance measurement as a vocabulary for communication. Others said that performance measurement articulates what the government does and its value to citizens, and is expected to be useful for internal communication and accountability in conversations with the Council.

Actual Use

The *SEA Report* is the most visible of Portland's accountability efforts, although it is not as widely distributed as one might expect (O'Toole and Stipak, January 1995). Beginning in 1995, the *SEA Report* and performance audits were available on the [Office of the Auditor's web page](#). The *SEA Report* has been presented on the *Mayor's Forum*, a local cable television program, ten times as of 1996, resulting in additional citizen requests for information (Tracy, 1996).

In addition to the *SEA Report*, performance measures for several bureaus were published in their annual reports, a fact that was mentioned by a couple of the interviewees. Availability of performance measurement information on the County's web site may be more widespread than one is led to believe by the fact that it was only mentioned by two interviewees. The printed version of the Approved Budget included performance measurement graphs and brief explanations (City of Portland, 1999), and the on-line version of the [Approved Budget](#) also contains performance measures.

Some of the interviewees mentioned the value of making information available to staff. In particular, the Bureau of Police seemed very committed to this. As noted above, the Bureau's employee newsletter highlights the employee survey and other performance data, and Bureau staff indicated that officers can get information as they need it, which is particularly important in the context of Portland's community policing approach.

Staff in the Office of the Auditor were quite candid about the success of communicating results, in commenting that the Office had not yet learned the right communication method. As noted above, the *SEA Report* is not widely communicated to the public yet, although early versions of the *SEA Report* were widely reported in the local press, and the last *SEA Report* was presented during a Council briefing. The interviewee noted that the Auditor tried developing a

Popular Report (Office of the City Auditor, September 1995), which, according to the interviewee, was only partially successful. The interviewee noted that the responsibility is not completely on the government and that citizens have an obligation to educate themselves about what is going on in government. Some may gripe about the lack of performance, but generally citizens were not well informed and lacked the knowledge necessary to draw a conclusion about government performance. According to one official, citizens should want and get this information, but the government may have to give the public information in “digestible bits.” As another interviewee put it, the government tries to understand what the public wants, but the public does not always understand what government does. Another interviewee expressed a concern that in communicating to taxpayers and citizens, the government can present a distorted picture: performance measures could potentially be manipulated to present false results. If information about performance is presented honestly, it may backfire, actually reducing public confidence when performance results are less than targets or strategic goals are not reached.

One interviewee noted that performance measurement can be used for accountability but that the [Portland Multnomah Benchmarks](#) have not been used for that purpose. The link from the broad community benchmarks back to the bureau level has been a hard one to make, although the interviewee noted that the Benchmark audit reports produced by the Progress Board staff try to address the linkage issue.

The public nature of accountability reporting and communication may bring about action that otherwise would not have occurred. One interviewee indicated that while there may have been no action based on internal reports, once reports are made public, the Council may be obligated to act. Another interviewee noted that the Council does not actively use performance measurement information. The Council review of the *SEA Report* is not focused on day-to-day management in the Council’s role as administrators, but rather is of interest because the SEA includes the citizen survey component. One interviewee noted that polls and citizen interests receive a high level of interest from elected officials.

Effect of Use

The most frequently cited effect of using performance measures within the government was a cultural shift, with people being more analytical and more comfortable with data and computers. The *SEA Report* was mentioned as having fostered a change in staff, resulting in more of a data-driven culture. Change does come slowly, however, or as one interviewee put it, people are certainly more cognizant of workload statistics than they used to be, and people have become more accountable, but in baby steps. As another interviewee put it, performance measurement has added more sophistication, particularly in the nonhuman service side of government. According to another interviewee, the knowledge that Council might ask about benchmarks (even if they do not ask) has everyone more cognizant of measurements of performance and accountability, even if this interviewee and others have seen Council make few changes based on poor performance.

As for the effect on external accountability, interviewees reported more of a mixed assessment. One interviewee noted that performance measurement has created an attitude that supports accountability as part of doing business. Community organizations believe they have to have a method to account for the activities and results through a process of being clear about missions, how to measure progress towards accomplishment of missions, and how to document whether the mission is being achieved. Other interviewees indicated that external reporting has

had a marginal effect on citizens and taxpayers, and that it has done little to offset citizens apathy towards the nuts and bolts of government operations. In the opinion of this author, however, the *SEA Report* has made the City of Portland a leading exemplar of external accountability for performance outcomes and improvement of citizen opinions about government services and living conditions.

PERFORMANCE MEASUREMENT IMPLEMENTATION ISSUES

How is the quality of performance information perceived, and how have performance measurement quality issues been addressed?

Perceptions of the Quality of Performance Information

Senior managers were asked about the quality of performance information. Interviewees mentioned the following quality characteristics:

- simple and understandable on the face of it, such that data doesn't need interpretation (mentioned by four interviewees);
- accepted and useful (mentioned by three interviewees);
- relevant;
- mission-oriented;
- limited in number;
- not too costly;
- objective; and
- comparative.

Interviewees indicated that performance measures in Portland, particularly those reported in the *SEA Report*, generally meet those criteria.

Efforts to Address Information Quality Issues

Interviewees expressed a wide range of opinions about efforts to address information quality issues. The most frequent response was that questions about the quality of data were raised by the Auditor's Office (three interviewees), whose conduct of performance audits, by their very nature, raises questions about the validity and reliability of data. The Division of Financial Planning was mentioned by two interviewees, and the ICMA and bureau management were mentioned by one interviewee, respectively. Interestingly, two interviewees said that no one questions the quality of data. One of the two interviewees indicated that the reason data was not questioned was that the Audit staff validate most of the data that was collected as part of the *SEA Report* development. The consistency of SEA and other performance measurement information, with occasional exceptions, was mentioned as one of the reasons that the quality of the data has not been questioned.

What kinds of organizational supports are provided, and how have organizations been changing to accommodate performance measurement?

Interviewees were asked about whether training or written materials were provided to guide performance measurement efforts in Portland. The overwhelming consensus was that there was no training, or very little training, of an informal nature some years ago. The staff of the Office of the Auditor was mentioned frequently as having offered to provide training, or as being available to assist the process when needed. Over time, more Audit staff have been pulled into the process of assessing bureau performance. One interviewee indicated that Audit staff provided assistance during conduct of an audit. There appeared to be a consensus among interviewees that additional training would be useful.

Very few organizational changes to accommodate performance measures were mentioned by interviewees. In one case a \$3 million Infrastructure Management System was developed, although it is clear that performance measurement was not the driving force behind development of the Infrastructure Management System. At least one interviewee mentioned that an evaluation unit had been developed, and one interviewee reported some restructuring to support collection and analysis of data. The stability of performance measurement in Portland over the last ten years appears to have resulted in very few structural changes to support performance measurement.

EVOLUTION OF PERFORMANCE MEASUREMENT

What barriers have been identified to making effective use of performance measurement and are those barriers being addressed?

With the extensive experience of the [City of Portland](#) in developing and using performance measures in mind, interviewees were asked to identify barriers to making effective use of performance measures. How barriers were addressed will be evident in the discussion of lessons learned in the next section. The time and cost of collecting performance measurement was mentioned by six of those interviewed. The disconnect between higher level measures, such as the [Portland Multnomah Benchmarks](#), and the work done in departments was discussed by two interviewees. The political structure of Portland government was mentioned by two interviewees, especially the changes that come every two years with elections. The Commission form of government, with its decentralized command structure, was also mentioned by some interviewees.

Other barriers mentioned by interviewees included:

- lack of agreement with goals set in the political process;
- the difficulty in getting consistent efforts across bureaus;
- the risk of allowing creation of performance measures to supercede the mission of the agency;
- getting citizens to continue to complete surveys when citizen have no sense that the results are being used;
- development of meaningless measures;

- lack of interest at higher levels and among staff who react when accountability is mentioned;
- convincing staff that data are more meaningful than their gut feelings;
- collecting data given a lack of adequate systems for data collection;
- lack of training;
- explaining performance measures to citizens;
- getting agreement on goals and objectives of programs; and
- keeping the measures and tools needed to measure simple enough so that results are meaningful and readily available.

What lessons have been learned from the performance measurement experience to date?

Staff of the [Audit Division](#) discussed seven lessons learned about the use of performance measurement in Portland (Tracy, 1996). Most of the identified lessons learned were mentioned during interviews with Portland managers, elected officials, and media, including:

- defining the purpose of performance measurement so that it does not become an end unto itself (mentioned by one interviewee, other than Audit staff);
- focusing on improvement, rather than using performance measures to punish or reward managers or programs;
- looking at the long-term, allowing three to four years to develop a good systems that is useful (mentioned by five interviewees, other than Audit staff);
- checking data to ensure that it is accurate, valid, and credible;
- making performance measurement useful to managers and others involved with the program (mentioned by three interviewees, other than Audit staff);
- building on existing systems and measurement efforts (mentioned by one interviewee, other than Audit staff); and
- measuring what is most important by limiting the number of outcome measures collected and reported (mentioned by one interviewee, other than Audit staff) (Tracy, 1996).

Other lessons learned mentioned by interviewees included:

- agreeing on common language;
- involving stakeholders;
- getting support from upper management, and getting them to stick with it;
- setting low expectations;
- finding performance measures that give back value quickly;
- avoiding pushing disinterested citizens to use performance measures;
- finding resources to do measures and produce user-friendly reports; and

- understanding the media, reaching out to them, and trying to meet their needs.

What are future expectations for the use of performance measurement?

While there appears to be optimism among interviewees who responded to questions about future expectations, much of the focus was on how existing systems and uses could be improved. Four interviewees indicated that data systems needed to be developed to get information to the people that need to use it, and in particular, two of the interviewees said that such systems should focus on information to help employees. Three interviewees acknowledged the multiple sets of data in Portland's decentralized system. The three interviewees emphasized the need to establish links between different sets of measures including, but not limited to, links between the Portland Multnomah Benchmarks and measures over which departments and bureaus have some control and for which they should be held accountable. On a related note, two interviewees expected pressure from Council and others to use higher level goals such as the Benchmarks, despite the difficulty in establishing links between departmental measures and the more broadly focused Benchmarks. Two interviewees expressed concern about the ability to measure qualitative aspects of performance in the face of pressure to increase measurement activities.

Other expectations discussed by interviewees included:

- more assessment of the use of performance measures;
- increased interest in the *SEA Report*, with a possible need to limit the number of measures included in order to maintain interest of users;
- concern about the national movement towards use of performance measures, including the [ICMA comparative performance measures](#) work, and how this movement may raise expectations; such expectations need to be tempered by recognizing the limitations of performance measurement while supporting performance measurement use.

REFERENCES

Campbell, DeLong Resources, Inc. June 1998. *Portland Police Bureau 1998 Community Assessment Survey*. Portland, OR: Portland Bureau of Police.

Presented results of the third random sample survey of households in Portland. The survey of 1,250 households supplements the citizen survey results reported in the Auditor's SEA Report. By comparing 1998 results to historical benchmarks, the survey showed progress in addressing concerns and perceptions of citizens.

Governmental Accounting Standards Board (GASB). Service Efforts and Accomplishments Reporting: Its Time Has Come. 1991. Norwalk, CT: Governmental Accounting Standards Board.

Called for experimentation with SEAs. The report influenced Portland's decision to begin producing an SEA Report.

Institute for Law and Justice. April 1999. "Future Plan: Taking Community Policing to the Next Level." Alexandria, Virginia: Institute for Law and Justice. (Downloaded February 8, 2000).

In addition to guiding Portland's process of community policing, the report provides a useful summary of the City's demographic profile. Information is included on population, housing, and ethnic structure.

National Performance Review. April 6, 1998. "Managing Results: Initiatives in Select American Cities." Washington, DC: National Performance Review. Available: (Downloaded January 15, 2000).

Provides a description of Portland's performance measurement efforts, including the SEA Report, and the work of the Portland-Multnomah Progress Board.

New York Bureau of Municipal Research (NYBMR).1913. *Organization and Business Methods of The City Government of Portland, Oregon*. Portland, OR: City of Portland.

This report extensively discussed the organization and business methods of the City government. The report is notable for the following, which foreshadow Portland's use of performance measures:

- Orientation Toward Citizens: The report provided an early insight into Portland's orientation towards citizens when it noted that "there is a constantly growing number of city administrators who believe, and rightly, that the efficiency of their departments will increase directly in proportion to the number of complaints received from citizens, city officials or other city departments" (NYBMR, 1913, p. 36).
- Performance Measurement for Personnel Management: The report noted that "with the present personnel, efficiency could be greatly increased by changes in method of reporting and supervising work" (NYBMR, 1913, p. 5). In another part of the report, it was stated that "the office methods of the Civil Service commission are in need of revision. There are no efficiency records. Without such records no control over promotion or intelligent supervision over discharge can be effected. They are a protection both to the subordinate and the executive and the only basis for the control of promotion without examination" (NYBMR, 1913, p. 93).

- Public Reporting for Accountability: Portland’s reputation as a leader in public reporting for accountability appears to have been established in this report. The report noted that several departments produce annual reports with statistical information about departmental activities. However, the report also noted that “under the present organization and methods, citizens of Portland have been left almost completely in the dark concerning their city government. They have known little of what was going on at the City Hall and their government has afforded them no means for becoming informed” (NYBMR, 1913, p. 93).
- Program Performance Monitoring: Use of performance measures for program performance monitoring is foreshadowed when, in reference to one Bureau, the report noted, “There is no plan of auditing or checking up...of establishing accountability, proving efficiency or inefficiency” (NYBMR, 1913, p. 5).
- Performance-Based Budgeting: The report indirectly called for performance-based budgeting when it stated that “steps should be taken to install unit cost systems in all departments so that at budget-making time the Council will have available complete information not only of the quantity of work performed for the money expended the previous year, but the amount of work to be performed the ensuing year and the probable cost per work unit of accomplishing it (i.e., cost per square yard of pavements laid, repaired and cleaned, per cubic yard of garbage removed and destroyed, etc.)” (NYBMR, 1913, p. 61).

The Report’s emphasis on the need for adequate administrative controls and on accountability for efficiency and effectiveness set a context that was still very much emphasized over 85 years later.

Oregon Progress Board. 1999. Oregon Progress Board At a Glance. Portland, OR: Oregon Progress Board. (Downloaded January 15, 2000).

Provides a summary on the activities of the Oregon Progress Board, including reports on the 96 Oregon Benchmarks.

O’Toole, Daniel E., and Brian Stipak. January 1995. Implementing Service Efforts and Accomplishments Reporting: The Portland Experience. Portland, OR: Portland State University.

Examines the practical issues in implementing SEA reporting, based on field research and in-person interviews to understand Portland’s experience, and assess its impact and future prospects. The report documents use of the SEA Report by various external and internal audiences. The findings of this report are consistent with the present case study.

Portland, Oregon, City of. May 18, 1994. *Charter of the City of Portland, OR*. Portland, OR: Office of the City Auditor.

Includes City Ordinances related to the Office of the City Auditor. Duties include “performance of financial and performance audits of the City” [Sec. 2-504(a)1; 2-505(a)].

———. October 26, 1999. City of Portland Government Structure. Portland, OR: City of Portland. (Downloaded January 15, 2000).

The website includes a description of the organization of the City Government.

———. 1999. “City of Portland, Oregon, Adopted Budget, Volume One, Fiscal Year 1999-2000.”

Provides information about the structure and strategic priorities of Portland.

———, Audit Services Division. April 1991. “Evaluating Government Performance: Reporting on City Service Efforts and Accomplishments.” Portland, OR: Office of the City Auditor.

This study assessed the current status of performance reporting in Portland; tested the feasibility of defining, gathering, and reporting SEA indicators for six major City services; tested the feasibility of collecting comparable information from other cities; and developed proposals for improving performance reporting in the City of Portland. The report concluded that Portland was producing a great deal of reliable, measurable, and valid information, but that many services lacked good measures of service effectiveness and efficiency, and of citizen satisfaction. The report also found that inter-city comparisons take clearly defined indicators and clarification of service differences to produce valid and reliable results. City managers were concerned as to whether a single performance report could serve their needs and the needs of Council, but supported comparisons to established goals or to prior year performance.

———. September 1991. “Developing and Reporting Performance Measures.” Portland, OR: Office of the City Auditor.

This report, adapted from the City of Austin Internal Auditing Department report “Developing a Performance Measurement System” (October 1987), provides an outline for a performance measurement system in Portland. The report stated that performance measures are needed to “contribute to improved decision making and enhanced delivery of government services.” Specific needs included improved communication among citizens and government officials, review of progress and trends in government services, pointing out areas needing program evaluation or analysis, strengthening management control, and helping the Council make resource allocation decisions. Steps in the development and reporting of performance measures are outlined, including collection of data and review by the Auditor’s Office for accuracy and completeness. The report calls for production of an annual report produced by the Auditor’s Office, with separate chapters on each of the city’s major service areas. The report would include background data and explanatory narrative to explain changes in the data. The annual report called for became the basis of Portland’s *SEA Report*.

———, Facilities Services Division. 1999. *1999-2000 Workplan*. Portland, OR: Facilities Services Division.

Presents the Division’s mission, vision, and performance measures, in addition to the work program for the Division.

———, Financial Planning Division. 1999. *Operating Budget FY 1999-2000 Manual*. Portland, OR: Office of Finance and Administration.

Provides guidance to bureaus and offices on the budget process, preparation of budget decision packets. The decision packet included a requirement to provide Key Indicators, Units of Measures, targets for the first and second fiscal years of the budget cycle, and an indication of how services support or enhance Council priorities, benchmarks, or planning goals.

———, Office of the City Auditor. December 1995. “City of Portland Service Efforts and Accomplishments: 1994-1995.” Portland, OR: Office of the Auditor.

The fifth annual SEA Report.

———. December 1996. “City of Portland Service Efforts and Accomplishments: 1995-1996.” Portland, OR: Office of the Auditor.

The sixth annual SEA Report.

———. April 1998. “City of Portland Service Efforts and Accomplishments: 1996-1997.” Portland, OR: Office of the Auditor.

The seventh annual SEA Report.

———. December 1998. “City of Portland Service Efforts and Accomplishments: 1997-1998.” Portland, OR: Office of the Auditor.

The eighth annual SEA Report.

———. January 1998. “The City Review.” Portland, OR: Office of the City Auditor.

Provides a summary of the Auditor’s SEA Report (conducted in September and October 1997). The report also provides a summary of the city’s budget and financial condition.

———. April 1999. “Facilities Services Division Bureau of General Services: Developing and Reporting Performance Measures.” Portland, OR: Office of the City Auditor.

Report developed in response to a request from the Facilities Services Division to help develop performance measures for the Division’s three operational units. Twenty measures were identified to assess the Division’s workload, efficiency, and effectiveness. Some initial data was collected, and next steps in the development process were identified.

———. History of Auditing in Portland. Portland, OR: Office of the City Auditor. (Downloaded January 15, 2000).

———. September 1995. “Report to Citizens.” Portland, OR: Office of the City Auditor.

A brief report targeted to the citizens of Portland, referred to by the Government Finance Officers Association as a Popular Report. Provides a summary of the City’s financial situation, key performance measures on public safety, and results from the City’s citizen survey.

———. April 1998. Review of Emergency Response Statistics. Portland, OR: Office of the Auditor.

Example of an audit focusing on performance measures. Analysis included the accuracy and reliability of data produced by the emergency response system, which strives to achieve timely call processing and emergency response. Recommendations included a call to develop a single annual report to the Council that compares actual emergency response performance to established goals.

———, Office of Transportation. Spring 1999. “Financial Overview.” Portland, OR: Office of Transportation.

Presented a summary of the Office's finances. Report included performance measures, such as percent of transportation facilities in fair or better condition. An insert presented updated information on issues, including road use and condition.

———, Police Bureau. April 23, 1998. Bulletin. Portland, OR: Portland Police Bureau.

Presents the results of an annual employee survey. Police staff indicated in interviews that the survey results include performance measures that are monitored to guide program management and to report results.

———. September 1996. 1996-98 Community Policing Strategic Plan. Portland: Oregon: Portland Police Bureau. Available (Downloaded January 15, 2000).

Demonstrated use of performance measures in an operating bureau. Included a listing of possible sources of data that are sources of performance measures against which to monitor progress of the *Strategic Plan*.

———. June 1998. 1998-2000 Community Policing Strategic Plan. Portland: Oregon: Portland Police Bureau. (Downloaded January 15, 2000).

Strategic plan includes specific performance targets to be met. For example, the plan indicates that during the period covered by the plan, reported crime would be reduced by 14 percent. The plan uses both citizen and employee survey results to identify priority areas, analyze historical information, and set strategic targets for performance.

Portland Multnomah Progress Board. 1999. Are We Making Progress? Portland, OR: Portland Multnomah Progress Board.

Provides a summary from the 76 benchmarks tracked by the Progress Board. The Board also does more detailed analysis on selected benchmarks. The brochure presents highlights on "Our Thriving Region," "Fulfilling Lives," and "Safe and Caring Communities." The benchmarks are reported in detail in the report.

———. May 10, 1999. Progress Board History. Portland, OR: Portland Multnomah Progress Board. (Downloaded January 15, 2000).

Provided a history of the Portland Multnomah Progress Board work to establish community-based outcomes and strategic goals.

Tracy, R. C. 1996. "Development and Use of Outcome Information: Portland, Oregon." Washington, DC: American Society for Public Administration.

Describes the development and use of outcome information in Portland, focusing on development and use of the SEA Report. Examples of use and impact of information focus on public reporting and accountability, policy making and oversight, and program management and improvement. The development of indicators is described, and information is presented on lessons learned and costs of development.

———, and E. P. Jean. December 1993. "Measuring Government Performance: Experimenting with Service Efforts and Accomplishment Reporting in Portland, Oregon." *Government Finance Review*, Vol. 9, No. 6.

Provides a useful and focused summary of Portland's SEA efforts. Describes the history of development of the SEA Report, including its intended purpose, describes the content of the

report, the report cycle, the cost of producing the SEA Report, the effects and benefits, and lessons and challenges.