

RESEARCH REPORT

**Report on the GASB Citizen
Discussion Groups on
Performance Reporting**

July 2002

Principal Researchers:

James Fountain

Wilson Campbell

Paul Epstein

Brett Robinson



GOVERNMENTAL ACCOUNTING STANDARDS BOARD
OF THE FINANCIAL ACCOUNTING FOUNDATION

GASB RESEARCH REPORTS

The Needs of Users of Governmental Financial Reports (Product Code GR01)

Financial Reporting Practices of Local Governments (Product Code GR03)

An Empirical Study of Governmental Financial Reporting Entity Issues
(Product Code GR04)

A Study of the Usefulness of Disclosures Required by GASB Standards
(Product Code GR05)

Information Needs of College and University Financial Decision Makers
(Product Code GR06)

Service Efforts and Accomplishments Reporting: Its Time Has Come
(a series of reports)

Other Postemployment Benefits in State and Local Governmental Units
(Product Code GR08)

Financial Reporting by State and Local Governments: A Survey of Preferences
among Alternative Formats (Product Code GR09)

Popular Reporting: Local Government Financial Reports to the Citizenry
(Product Code GR16)

The Relationships between Financial Reporting and the Measurement of Financial
Condition (Product Code GR18)

Small Government Financial Reporting (Product Code GR20)

For a list of the documents in the Service Efforts and Accomplishments
Reporting series, see inside back cover.

For information on applicable prices and discount rates, please contact the Order
Department and ask for the appropriate Product Code number.

Order Department
Governmental Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116
Telephone Orders: 1-800-748-0659

SERVICE EFFORTS AND ACCOMPLISHMENTS REPORTING SERIES

An Overview (Product Code GR10)

Elementary and Secondary Education (Product Code GR07)

Water and Wastewater Treatment (Product Code GR11)

Mass Transit (Product Code GR12)

Sanitation Collection and Disposal (Product Code GR13)

Fire Department Programs (Product Code GR14)

Public Health (Product Code GR15)

Police Department Programs (Product Code GR17)

Road Maintenance (Product Code GR19)

Report on the GASB Citizen Discussion Groups on Performance Reporting (Product Code GR21)

Performance Measurement at the State and Local Levels: A Summary of Survey Results (Product Code GR22)

RESEARCH REPORT

Report on the GASB Citizen Discussion Groups on Performance Reporting

July 2002

Principal Researchers:

James Fountain

Wilson Campbell

Paul Epstein

Brett Robinson

Funding for this research has been provided
by a grant from the Sloan Foundation.



Governmental Accounting Standards Board
of the Financial Accounting Foundation

401 Merritt 7, P.O. Box 5116, Norwalk, Connecticut 06856-5116

Copyright © 2002 by Governmental Accounting Standards Board. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the Governmental Accounting Standards Board.

ISBN 0-910065-95-0

FOREWORD

This report summarizes the results of nineteen citizen discussion groups held throughout the United States between November 2000 and July 2001. This was the third of six phases in a GASB research project on service efforts and accomplishments that is funded primarily through a grant from the Sloan Foundation.

The purpose of these discussion groups was to obtain feedback on users' experiences with, and perceptions of, performance (service efforts and accomplishments, or SEA) measures. The findings are summarized by way of answering the following four questions:

- What performance information should be reported?
- How should performance information be communicated?
- How important are data verification and external review or evaluation?
- How can citizens use performance information?

Since 1985, the GASB has encouraged experimentation with the use and the reporting of SEA measures. This research report is part of the GASB's continuing research on the use and reporting of performance measures. This research has included two surveys on the use of performance measures and more than a dozen case studies using information obtained during visits to twenty-six state and local governments in 1999. Our researchers interviewed government officials to determine the depth and breadth of actual use of performance measures by these governments for budgeting, management, and reporting; the effect of their use; and the extent to which governments are ensuring the relevance and reliability of performance measures.

The information gathered from both the citizen discussion groups and the case studies is being used to help develop a set of methods and suggested criteria on how to effectively communicate performance information. Citizen input is a critical building block for the overall success of this effort. The results of these discussion groups have improved our understanding of how state and local governments could develop performance reports that clearly communicate results.

This report is posted on the GASB's website on performance measurement in the government (www.seagov.org). The website also contains a large portion of the information the GASB has collected over the years and links to the websites of governments using performance measures. The aforementioned case studies are also available on the website.

Throughout the year 2002, we will have several publications to add to your library of resources on performance measurement. Should any questions or comments arise from this or the other publications, please contact us. Current contact information can be found on the performance measurement website.

We gratefully acknowledge the Sloan Foundation for their support in this research effort and appreciate the work of primary researchers Jay Fountain, Wilson Campbell, Paul Epstein, and Brett Robinson. We also thank GASB staff members Mandi Cohn, Ellen Falk, and Terry Patton, as well as the Production department, for the countless hours they spent organizing and editing this report.

Norwalk, Connecticut
July 2002

David R. Bean
Director of Research

HIGHLIGHTS OF SIGNIFICANT FINDINGS

Participants want to see performance information reported that citizens say is important, determined by involving citizens in selecting performance measures. Perhaps the strongest common theme across the discussion groups was participants' desire to have citizens involved in determining what performance information to report.

Participants want a range of different types of performance information reported. Participants' interest in specific services and issues varied by site and by group. The most common types of performance information of interest to participants included outcomes, citizen and customer perceptions, and cost-related information (including efficiency and tax burden).

Measures of outcomes were considered important by participants in all discussion groups, though they sometimes used other phrases to connote outcomes, such as measures of "impact on the lives of the citizenry," "fulfillment of mission to each person," "quality of life," "effects on people's lifestyles," and "results that change people's lives."

Measures based on surveys of citizen and customer perceptions and satisfaction were discussed and supported in sixteen of the nineteen discussion groups, with participants in each of those groups showing strong interest in this type of information, and an occasional participant dissenting or raising a concern about survey data. In some groups, participants noted the difference between the perceptions of service "customers" or users, and citizens in general, who may not all use particular services.

Participants were interested in disaggregation of some performance information. Their primary interest was in geographic disaggregation, with some interest in demographic disaggregation.

Participants want performance information reported in several comparative contexts. Across the discussion groups, participants agreed with the need for various types of comparisons of performance information to be reported. Five types of comparisons were mentioned in most discussion groups. Comparisons of performance versus goals, targets, or standards set locally for specific measures were supported by participants in all nineteen discussion groups.

Participants want explanatory information reported along with performance data. Participants' main reason for wanting explanatory information was to have a context for understanding and using performance data. Participants want to be provided with interpretations of what reported levels of performance mean. Participants also want explanations of decisions, variances from targets, and future plans, and want to know that government is making good use of performance information.

Participants urged the use of multiple communication modes with citizens about performance, from printed reports, to the Internet, to the press and other media, to public forums.

Participants want performance information to be provided in more than one “layer” or level of detail, with different communication channels used for different layers. The layered reporting approach that emerged from most discussions involves a widely distributed and highly summarized printed report, with more details freely available on the Internet and in limited-distribution printed reports.

Participants encouraged educating citizens about performance information and its use. Participants saw a range of different players from government, the nonprofit sector, the community, and the media as having important roles in educating citizens and community organizations.

Participants want to know performance information has been independently verified, which they considered critical for citizens to accept the information as credible.

Participants identified and discussed five main uses of performance measurement: increase government accountability; increase citizen engagement; enable citizens to analyze, interpret, and evaluate public performance; support citizen decision making; and increase citizens’ confidence in government.

RESEARCH REPORT

Report on the GASB Citizen Discussion Groups on Performance Reporting

CONTENTS

	Page
Foreword	iii
Highlights of Significant Findings	v
Introduction	1
Literature Review	2
Methodology.....	4
Explanation of Findings from the Discussion Groups	10
Question 1: What Performance Information Should Be Reported?	12
Information That Citizens View as Important.....	12
GASB Research Findings	12
A Range of Different Types of Performance Information	13
GASB Research Findings	13
Literature Review.....	14
Measuring Outcomes Is Important.....	15
GASB Research Findings	15
Measures Based on Surveys of Citizens and Customers.....	16
GASB Research Findings	16
Literature Review.....	17
Measures Related to Costs	17
GASB Research Findings	17
Other Types of Performance Information.....	18
GASB Research Findings	18
Disaggregated Performance Information	19
GASB Research Findings	19
Literature Review.....	20

	Page
Performance Information in Comparative Contexts	21
GASB Research Findings	21
Literature Review	23
Provide Explanatory Information along with Performance Data	24
GASB Research Findings	24
Literature Review	27
Question 2: How Should Performance Information Be Communicated? ...	28
Multiple Modes of Communication	28
GASB Research Findings	28
Literature Review	29
More Than One Level of Detail	30
GASB Research Findings	30
Public Meetings for Discussion of Performance Information	32
GASB Research Findings	32
Communication Frequency	33
GASB Research Findings	33
Ways to Make Written Performance Communications “User Friendly” ..	34
GASB Research Findings	34
Citizen Education about Performance Information and Its Use	34
GASB Research Findings	34
Literature Review	36
Question 3: How Important Are Data Verification and External Review or	
Evaluation?	37
Independent Verification of Performance Information	37
GASB Research Findings	37
Literature Review	38
Independent Interpretations or Evaluations of Public Performance	39
GASB Research Findings	39
Question 4: How Can Citizens Use Performance Information?	39
Increase Government Accountability	40
GASB Research Findings	40
Increase Citizen Engagement	41
GASB Research Findings	41
Enable Citizens to Analyze, Interpret, and Evaluate Public	
Performance	42
GASB Research Findings	42

	Page
Support Citizen Decision Making.....	43
GASB Research Findings	43
Increase Citizen Confidence in Government	44
GASB Research Findings	44
Uses of Performance Information for Citizens with Special Governmental or “Quasi-Governmental” Roles	44
GASB Research Findings	44
What’s Next?	45
Appendix A: Citizen Discussion Group Sessions—Items for Discussion....	47
References.....	49

INTRODUCTION

This report summarizes the results of the third phase of the Governmental Accounting Standards Board's project on service efforts and accomplishments. The purpose of this study was to learn more about citizens' perceptions of performance measurement for government, including the types of performance measurements that citizens believe should be reported and meaningful methods for reporting performance measures to the public. In particular, this study was designed to provide insight to citizens' beliefs concerning four primary research questions:

- What performance information should be reported?
- How should performance information be communicated?
- How important are data verification and external review or evaluation?
- How can citizens use performance information?

This report is based on an analysis of transcripts of the nineteen citizen discussion groups (comprising 133 individual participants) on government performance reporting conducted by the GASB Performance Measurement Research Team from November 2000 through July 2001. The discussions were held in twelve cities across the country, with the primary focus of attention covering the following fifteen state and local governments:

- Nine cities: Austin, Texas; Boston, Massachusetts; New York, New York (two groups); Orlando, Florida (two groups); Phoenix, Arizona; Portland, Oregon; Tucson, Arizona; Winston-Salem, North Carolina; Worcester, Massachusetts
- Two counties: Multnomah County, Oregon; Prince William County, Virginia
- Four states: Massachusetts, New York (two groups), Oregon, Texas (two groups).

Members of the GASB team attended each discussion group, and sometimes other government staff were on hand as site coordinators. Also, a Sloan Foundation officer attended three of the groups, but did not participate in the discussions.

The remainder of this research report is organized into seven sections. The next section is a brief literature review that focuses on the decision to study citizens' perceptions and the decision to use citizen discussion groups as a research tool. This is followed by a discussion of the research methodology used in this study. The five remaining sections of this report discuss the findings

of this research. This begins with an introductory explanation of the findings and continues with a discussion of the researchers' findings for each of the four primary research questions. When applicable, a brief literature review supporting the individual findings is included.

LITERATURE REVIEW

This research focused on the perceptions of citizens, who are only one type of user of governmental financial reports. In Concepts Statement No. 1, *Objectives of Financial Reporting*, the Board identified three primary external user groups for these reports: (a) those to whom government is primarily accountable (the citizenry), (b) those who directly represent the citizens (legislative and oversight bodies), and (c) those who lend or who participate in the lending process (investors and creditors) (GASB, 1987, para. 30). The current research focuses on citizens primarily because Concepts Statement 1 identified them as being particularly interested in service efforts, costs, and accomplishments information.

Importance of Citizens as Users of Public Performance Information

The Board explained that "citizen groups . . . want information about service efforts, costs, and accomplishments of a governmental entity. This information, when combined with information from other sources, helps users assess the economy, efficiency, and effectiveness of government and may help form the basis for voting or funding decisions" (GASB, 1987, para. 42). Consistent with Concepts Statement 1, the GASB research team sought the opinions of citizens concerning the reporting, communication, and use of government service efforts and accomplishment information—or "government performance information," as referred to throughout this report.

Considering citizens as primary users of government performance information, and anticipating that they may want to discuss and use such information, is consistent with the history of citizen involvement in the United States: "In the U.S., the role of citizen has long been seen as more active than merely abiding by the law and voting. Engagement in public deliberation and civic action has long been strongly encouraged as part of the pursuit of the 'common or public good'" (Epstein et al., 2000, p. 7). Commentators have long admired the "associational strength" of citizens in America, going back to Tocqueville in the 1830s (De Tocqueville, 1956). While U.S. voter participation may have declined over the years, that does not mean that citizens do not want to be engaged. For example, in 1991, a Kettering Foundation–funded study reported citizen discontent with the political process, but also described citizens' desire

to participate in the public process where participation could make a difference (Harwood Group, 1991). That is consistent with what Cheryl King and other researchers have more recently described as “authentic public participation” in which citizens can have real influence (King et al., 1998). Similarly, for important policy decisions in developing public budgets, city manager Frank Benest of Brea, California, wrote about creating a public discourse that goes beyond “informed” citizens to “engaged” citizens (Benest, 1997). To the extent that government performance reporting can provide citizens with timely, useful information for engagement in public decisions, such reporting can appeal to their desire to “make a difference” and lead to increased engagement in public processes. Indeed, citizens participating in the GASB’s discussion groups saw increased citizen engagement as one of the main uses of performance measurement.

State and local government performance reporting to citizens is far from the norm. However, evidence of citizen interest in becoming involved in “measurably improving human well-being and community quality of life” comes from the many nongovernmental or cross-sector “citizen movements” that have emerged and are still active in the United States, known by such names as “Healthy Communities, Livable Communities, Safe Communities, Whole Communities, and Smart Growth” (Norris, 2001, p. 307). According to Norris, “the community movements that are able to create and sustain positive outcomes tend to . . . engage diverse citizen participation and widespread community ownership” and “benchmark and measure progress and outcomes” (pp. 311–312).

Use of Citizen Discussion Groups as an Appropriate Research Tool

The use of moderated discussion groups with open-ended questions for citizen response was an appropriate tool for the GASB to use for research on citizen interests in government performance reporting. Discussion group research is qualitative, so no quantitative judgments can be made about the general population’s opinions or perceptions based on the GASB’s discussion groups. The researchers believe that it is premature to attempt more-quantitative research, such as random sample surveys, on this subject. At this time, random sample surveys of citizens on their interests in government performance reporting could not be expected to be valid or practical. State and local government efforts to communicate performance information to citizens are not widespread or intensive enough to expect that a large enough sample of citizens familiar with government performance reporting could be found through typical random sampling techniques for such a survey to be valid. Also,

not enough was known before the GASB discussion groups were held about how citizens may respond to the subject of government performance reporting to formulate appropriate short-answer questions needed for quantitative survey results.

Moderated, open-ended group discussions, often called “focus groups,” have long been used in private-sector market research. As is the case concerning this topic, such qualitative market research “is designed to ‘get a handle’ on the problem. Therefore it is most frequently conducted in the early phase of research” (Assael, 1985). Moderated citizen discussion groups, such as focus groups of citizens, have also been used since at least the 1980s on public issues to allow more exploration of issues with citizens than sample surveys allow, and sometimes to help determine questions for a later survey. For example, the Community Foundation of Lorain County, Ohio, used focus groups to help develop a sample survey on perceptions of public education provided by the fourteen school districts in the county (Community Foundation, 1990). The Public Agenda Foundation in New York has used focus groups with surveys and other techniques to conduct research on public judgments about local and national policy issues, such as, for example, the public’s view of crime and justice (Doble, 1987). More recently, the Fund for the City of New York used focus group research to determine which New York City services should be the subject of new performance assessment efforts developed by its Center on Municipal Government Performance. Also, for its new street smoothness measures, the Center went back to some of the people in its focus groups to help calibrate the technical measurements to match citizen perceptions (Center on Municipal Government Performance, 1998).

METHODOLOGY

Introduction

The objective of this research was to obtain information from citizens and other users (for example, the media, governmental research organizations, oversight organizations, and appointed members of boards and commissions) about their knowledge and awareness of performance measures, whether they believed that this type of information was important to them for assessing accountability and making decisions, and, if so, what would make this information useful. The findings of the citizen discussion groups were expected to help identify elements that are important to include in a performance report and ways to communicate performance information effectively.

This research on the attitudes and interest of citizens and other potential and actual users of reported performance information is the third phase in the GASB research efforts on performance measurement and reporting funded in part by the Sloan Foundation.

The interest of citizens in the reporting of performance information is of primary interest to the GASB. Concepts Statement 1 identifies citizens as the primary group to which state and local governments are accountable and as primary users of state and local governmental financial reports.¹ Citizen involvement in state and local government is also a primary focus of GASB research sponsored by the Sloan Foundation that centers on the development of methods to effectively communicate the results of governments and their programs and services to citizens.

In order to obtain direct input from citizens about the reporting of performance information and what it should contain, how it should be communicated, and how citizens should be involved to form a basis for further work in effective communication, a series of citizen discussion group sessions were conducted as the third phase of the GASB's performance measurement research. Eight locations initially were selected; this was later expanded to fifteen locations, some of which held two discussion group sessions because of the level of interest in participating. In all, nineteen discussion group sessions were held with 133 individuals participating. Participants included 110 citizens who are not governmental staff, 13 participants who represented local governments or others who were separate from the management of the government being discussed, and 10 other participants with independent roles (such as independent audit staff and members of an oversight Board) with government organizations. The sessions were held across the United States in Arizona, Florida, Massachusetts, New York, North Carolina, Oregon, Texas, and Virginia. The governments were all of moderate or large size.

The research team, which participated in the selection of sites for the citizen discussion group sessions and the development of the questions to be used during the sessions, comprised two GASB staff members (with assistance from other members of the GASB staff on occasion), two professors from Georgia State University (Julia Melkers and Katherine Willoughby), two Ph.D. candidates (David Bernstein of George Washington University—now a Ph.D., and Laura Tucker of Georgia State University), and a consultant with experience in citizen involvement in government as well as the use of performance measures for management and reporting (Paul Epstein). Because of the knowledge gained during their research on the use and effect of using performance measures, the research team was able to provide valuable input as to what

¹Concepts Statement 1, paragraph 30.

locations had involved citizens and what questions needed to be raised in order to assess citizen knowledge of and interest in performance reporting, and what was necessary for that reporting to be effective in communicating with citizens.

Locations Selected

From the twenty-six state and local governments that were visited during earlier SEA research on the use and effect of using performance measures, five cities, two counties, and two states were asked to participate in this study. These entities were selected based on the level of citizen involvement gleaned during the previous visits, the desire to have participants from different areas of the country and different types of governments, the willingness of some individual at the location to coordinate the identification of citizen participants, the willingness of citizens to participate, and the willingness of the entity to host the discussion group meeting. After the discussion group sessions started, two additional cities were added because they expressed an interest in participating even though they were not among the twenty-six governments visited during the previous phase of the research. Another two cities and two states were added later to reach individuals involved in governmental research (who are a source of information to citizens) as well as state and local governments in the northeastern United States. In all, fifteen sites were selected at which nineteen citizen discussion groups were held—two discussion groups were held at each of two cities and two states.

List of Discussion Groups and Participants

<u>Location of Session</u>	<u>Number of Participants</u>
Local Governments:	
Austin, TX	9
Boston, MA	6
Multnomah County, OR	7
New York, NY—session 1	6
New York, NY—session 2	7
Orlando, FL—session 1	11
Orlando, FL—session 2	3
Phoenix, AZ	8
Portland, OR	7
Prince William County, VA	7

<u>Location of Session</u>	<u>Number of Participants</u>
Tucson, AZ	10
Winston-Salem, NC	7
Worcester, MA	17
State Governments:	
Massachusetts	2
New York—session 1	5
New York—session 2	5
Oregon	7
Texas—session 1	5
Texas—session 2	4

Local site coordinators—mostly state or local government staff—helped the GASB team organize the discussion groups at each site, invited citizens to participate, and hosted the discussions.

The local site coordinators were asked to identify and invite eight to ten citizens, or other potential or actual users of performance measures, to participate in each discussion group session. They were asked to concentrate on finding individuals who had experience with performance measures that had been reported. This proved to be very difficult at most locations because it was difficult to find citizens who had access to information about performance measures. However, there were exceptions such as Multnomah County, OR; Winston-Salem, NC; and to some degree Prince William County, VA. These local governments were already active in involving citizens in the use of performance reports. Because of the difficulty in finding citizens who had used performance measures, this criterion was broadened to include citizens who were somewhat familiar with and were interested in the government. The size of the groups varied because of the willingness of individuals to participate, with the smallest groups having two participants and the largest seventeen. Generally, the discussion groups comprised individuals with varying backgrounds and different interests in government, including:

- Members of neighborhood associations and homeowners' associations
- People representing particular interests (for example, senior citizens, people with disabilities, community center users, business improvement district members, chamber of commerce members)
- People from civic organizations such as the League of Women Voters, and civic research organizations such as independent municipal research bureaus

- People from public policy institutes and university centers focused on government affairs
- Media representatives, mostly from newspapers and one from public television
- Representatives of nonprofit community service, capacity building, or advocacy organizations including regional and local United Ways
- Consultants to governments and nonprofit community service organizations
- Members of appointed citizen committees advising local government, either as representatives of broader citizen interests or in a “blue ribbon” role to advise in improving performance
- Members of state citizen boards or commissions with some policy role.

Although each individual discussion group may not have been balanced with respect to types of people or interests represented, taken together, the nineteen groups provide a wide range of perspectives.

While each discussion group was organized with a particular jurisdiction as the frame of reference, many of the discussions ranged across multiple jurisdictions. Because participants in the discussion groups have experiences with overlapping jurisdictions and levels of government, they commented on, for example, city, county, and school district services. Also, as many state-funded services are provided mainly at the local level, most state-focused discussions also covered reporting the performance of local government service providers, such as local school districts.

Question Development and Testing

The research team developed a set of questions to be used in the discussion group sessions consistent with the objectives of this research (see Appendix A). The same questions were used in each discussion group to help ensure that information about the primary issues (identified by the research team) was obtained from each discussion group. The questions were then reviewed by several members of the GASB SEA task force and were modified based on their input. As a pretest, a pilot citizen discussion group was sponsored by the LBJ School of Public Affairs (University of Texas) as part of the GASB’s site visit to the state of Texas jointly with The Urban Institute and the National Conference of State Legislatures. The questions were revised based on an increased understanding of the level of citizen involvement in the use of performance measures and citizens’ knowledge and awareness of those measures. Results from that session indicated that a significant amount of outreach work needs to be done with citizens and citizen groups about performance measurement and

how to understand and use this information. Many citizen representatives were not aware of the performance-based budgeting initiatives in Texas state government, much less about how they could use this information.

Discussion Group Meetings

The discussion group sessions were scheduled for two hours, with the first fifteen minutes given to introduction of the participants and a brief overview of what the GASB is, its role in financial reporting, the SEA project, and what has already been done and what is currently being done including the SEA clearinghouse on the web, the case studies, and the plan to issue a research report on suggested criteria for reporting performance measures. The moderator used the same outline for this overview at each session in an effort to ensure consistency. The same two members of the GASB staff ran each of the discussion group sessions, with the same moderator for each session asking the questions and directing the discussion and the other staff member taking notes, observing participants, and ensuring that all issues were covered to the degree possible. Both GASB staff members also worked to ensure that all participants were given the opportunity to contribute. In most sessions, the site coordinator was also present at the session. The participants were told that the sessions were being videotaped to enable the GASB staff to transcribe the session and to review the video in order to ensure that comments were accurately recorded for the report that would be prepared. They were assured that while individual comments might be used in the research report, they would not be attributed to any individual.

In several sessions, time limited the discussion and not all questions were covered. In these cases, the session moderator covered as many questions as possible and then selected the questions that were considered essential for obtaining input on critical issues. The participants proved to be quite open in their discussion of performance measures and what they would like to see in the way of performance reporting.

Processing of Data

The videos of all sessions were transcribed soon after each discussion group session was held. The transcripts were reviewed by GASB staff and compared with notes taken during the sessions. The transcripts were then used as the basis for reaching conclusions about the general themes discussed in the sessions. Both GASB staff members reviewed the transcripts and identified significant findings that were consistently expressed by the groups. Although there appeared to be differences in the emphasis placed on particular issues among groups (one group might put more emphasis on verification of perform-

ance measures and another on citizen input into the selection of measures to be reported), the comments were generally consistent. Where there were differences in positions either within a discussion group or between discussion groups, the different positions were noted and have been reported in this research report.

The transcripts were then given to another researcher—not a member of the GASB staff—for preparing the initial draft report on the findings of the citizen discussion group sessions. The draft report was then compared with the items identified by the GASB staff. The transcripts were again reviewed and compared to the report. The report was then edited and prepared for production on the SEA website in November 2001.

Discussion (or focus) group research, while providing a means of gathering a great deal of information about the feelings of a large number of individuals, has limitations. First, it is not known whether the individuals in this study are representative of their communities or of the general population. In the case of these discussion groups, the locations were mostly selected from governments that had been using performance measures and that had previously been visited by GASB. No effort was made to obtain a representative group of citizens, so it cannot be concluded from the findings in this research report that citizens of all state and local governments would feel the same way. Therefore, it is not appropriate to draw conclusions about the general population based on the results of discussion group sessions.

Second, in discussion (focus) groups there is also the possible motivation for individuals to give responses that conform to the group norms, or what they perceive as the group norms. This could lead to responses that are more homogeneous than would be the case if individual opinions were obtained separately. The GASB staff members present during the sessions were aware of this problem with discussion group research. They made an effort not to allow any individual or small group to dominate the discussion, attempted to draw out individuals who were participating less, and tried to elicit differences of opinion whenever possible.

EXPLANATION OF FINDINGS FROM THE DISCUSSION GROUPS

Findings from the nineteen citizen discussion groups are summarized as answers to the following four questions:

- What performance information should be reported?
- How should performance information be communicated?
- How important are data verification and external review or evaluation?
- How can citizens use performance information?

The first two questions make a distinction between “reporting” and “communicating,” which was not lost upon the discussion group participants. Participants expressed interest in having many different types of information “reported,” as noted below, including various data disaggregations and comparisons that multiply the volume of information to be reported. But that does not mean they want all that information sent to them in printed volumes. By “reporting,” they meant that all the information of interest should be made readily and freely accessible (for example, on a website, at a library or recreation center). In their discussion of “communicating” performance data, they expressed a desire for a variety of communication approaches, including a “layering” of information reported, with, for example, printed summary reports with “high-level” data disseminated widely and more detailed information available on a website.

Precedents in Literature and Practice for Approaches Desired by Citizens

In the citizen discussion groups, some examples from current practices were brought to participants’ attention. A number of participants were familiar with current and recent practices in their jurisdictions, but no references were made to historical practices or the literature of performance measurement or citizen participation. Throughout the discussions, participants responded to questions and discussed issues, by and large based on their own personal experience and interests, their perceptions of their peers’ and neighbors’ interests, and their ideas of what would work well in their jurisdictions. Interestingly, there are precedents in the literature, as well as in current and historical practice, for many of the performance measurement, reporting, and communication approaches that citizen participants said they most wanted to see used for effective performance reporting to citizens and for engagement of citizens in using performance information. These precedents exist because the idea of engaging citizens in assessing government performance is not new. It goes back to at least the nonprofit Bureau of Municipal Research, based in New York City, which, as long ago as 1907, promoted “a concept of ‘efficient citizenship’ which posited that urban citizens owned their government and as owners had a duty to get involved in city affairs, help organized bureaus get information on political/administrative performance and instruct politicians and bureaucrats in shareholder demands for improvement” (Schachter, 1997). Because many of the general themes raised during the citizen discussion groups are consistent with existing literature, appropriate references to the literature are included along with the GASB research findings for these discussion groups.

QUESTION 1: WHAT PERFORMANCE INFORMATION SHOULD BE REPORTED?

Information That Citizens View as Important

Participants want to see performance information reported that citizens say is important, determined by involving citizens in selecting performance measures.

GASB Research Findings

In eighteen of the nineteen discussion groups, participants said that citizens should be involved in deciding what gets measured and reported.

Perhaps the strongest common theme across the discussion groups was participants' desire to have citizens involved in determining what performance information to report. This issue was raised and discussed in eighteen of the nineteen discussion groups, and participants supported citizen engagement in all eighteen of those groups, with only a few concerns voiced, as noted below. They stated that if citizens were to be expected to use the information, it is important that the information being reported be relevant to their needs and interests. They believed this could be best accomplished by including citizens in the process of selecting what to measure and report, which would increase their sense of ownership.

However, each group had its own approach on how that should be done, reflecting different citizen participation avenues in each jurisdiction. In five groups, participants emphasized the need to branch out beyond the usual active citizens on standing committees, or representing business interests and well-established civic organizations, to engage a broader range of citizens in deciding what to measure and report. They want to ensure that citizen involvement gets down to the "grass roots" and is representative of the make-up of the community. Participants in several groups suggested important roles for the "usually active" citizens and groups. For example, in two discussion groups, participants suggested that these more active citizens should reach out to others to create a broader base of participation. In another group, participants noted that citizens who have developed expertise on specific issues—often those on standing committees—can play useful roles with other "grassroots" citizens in processes to determine what to measure and report. Related to determining performance measures to report, one discussion group participant thought that citizens should be involved in developing questions for citizen surveys. A participant in another group supported the idea of citizens also being

involved in doing some of the measurement by collecting performance data. Citizens in several groups noted how involving citizens in this process will build citizen “ownership” of the performance measures.

Participants in four discussion groups indicated that citizens should not only be involved in determining performance measures, but should also be involved in setting performance goals, targets, or standards. In three groups, participants said this explicitly. Participants in one of these groups thought that citizens should be involved in setting performance goals in each neighborhood, and that the entire process should be overseen by a citizens oversight group with representatives from all neighborhoods. In the fourth group, participants said citizens should be involved in measurement through strategic planning meetings, which in that jurisdiction leads to goals adopted by the elected governing body.

Participants raised several concerns about citizen involvement in determining performance measures and targets. Participants in several groups indicated that citizens should not be the only stakeholders involved in selecting performance measures. They cited roles for elected officials, government managers, and employees in developing performance measures to report and in setting targets. From all the groups, only one participant suggested that citizens not be directly involved, but that they be represented by their elected officials in selecting measures. Generally, there was strong support across the discussion groups for citizen involvement in deciding what performance measures to report.

A Range of Different Types of Performance Information

GASB Research Findings

Participants want a range of different types of performance information reported. Participants’ interest in specific services and issues varied by site and by group. Education was mentioned most often. Public safety, transportation and traffic, condition of parks or lakes, and the impact of development were mentioned in more than one group, and many other issues or services were raised in one group or another, including a range of health and human issues and services. However, whatever their personal interests, participants generally felt that performance information should be available on *all* programs and services (or at least all major programs and services) provided by a jurisdiction. Discussions tended to focus on various *types of performance information* that should be reported, with participants using their service and issue interests as examples. While some discussion group participants focused on one or two types of data of special interest to them (for example, outcomes, unit costs, tax

burden), others expressed a need for a variety of types of information. For example, one participant suggested that a “dashboard” of a few key measures be reported on each agency. Another participant spoke of a “portfolio” of different types of measures needed to give a full picture of service effectiveness, efficiency, and impact or results.

Overall, there was commonality in the *types* of performance information of interest to participants across the discussion groups. *Across all groups, the most common types of performance information of interest to participants included outcomes, citizen and customer perceptions, and cost-related information (including efficiency and tax burden).* Summaries of the discussions for each type of performance information—including some concerns—follow. Some other interesting types of performance information mentioned less frequently are also listed.

Literature Review

Participants indicated in citizen discussion groups that citizens will be most interested in, and most likely to use, performance information about issues and services they believe is important to them. This is consistent with the idea of involving citizens early in the decision-making process in setting policies and goals, and then reporting performance measures consistent with those goals (Epstein, 1988). In current practice, Prince William County, Virginia, uses a variety of citizen involvement techniques to engage citizens in strategic planning when major plan updates are required by ordinance every four years. Citizen priorities then “flow through” policy planning to implementation, including how the county measures performance, as part of the county’s “governing for results cycle” (Marshall et al., 1999).

There are earlier precedents for engaging citizens to decide what services and conditions to improve, as in the Neighborhood Services Improvement Project of Washington, D.C., in the 1970s, in which citizens determined the priorities for improvement in their neighborhood, leading to significant measured performance improvements of priority services (for example, street-cleaning productivity, better compliance time on health code violations), better practices by citizens to improve the neighborhood (for example, a measured reduction in poor “trash put out” practices), and increased citizen pride in their neighborhood (District of Columbia, 1978). In another 1970s project, the citizens of Arlington, Massachusetts, were engaged in community-based planning to set local improvement priorities, including citizen involvement in determining the questions for a citizen survey (Grannan, 1988).

Since the 1980s, in community and regional efforts around the world, non-profit organizations have been involving citizens in determining what are important community outcomes to measure, and have been obtaining relevant data by whatever practical means (for example, from governments and private

sources, conducting their own citizen surveys) and producing reports of “community indicators” (Gahin and Paterson, 2001). One of the best known of these efforts in the United States is conducted by the Jacksonville (Florida) Community Council, Inc. (JCCI), which has been issuing annual reports since 1985 on “quality of life indicators” (for example, JCCI, 2001) developed and refined over the years through extensive citizen involvement supplemented by JCCI staff research to find indicators that are practical to report. JCCI’s David Swain said at a 1996 forum on community indicators, “The JCCI Quality of Life project is driven by citizen participation. . . . From a community building perspective, the annual process of updating and disseminating Quality of Life Information is as important as the product itself. Citizen involvement in the process is the key. In the long run, this transforms the annually published documents from the product of an organization called JCCI into a body of knowledge owned and used by the community” (Scruggs and Associates, 1996).

Measuring Outcomes Is Important

GASB Research Findings

Measures of outcomes were considered important by participants in all discussion groups, though they sometimes used other phrases to connote outcomes, such as measures of “impact on the lives of the citizenry,” “fulfillment of mission to each person,” “quality of life,” “effects on people’s lifestyles,” and “results that change people’s lives.” Participants mostly looked at outcomes in two ways:

- **Outcomes as broad indicators of state, community, or population conditions**, for example: “indicators of health, poverty” in the state, “community health and well-being indicators,” and “livability indicators.” Some people were more specific: “How many people in our city are hungry? How many are homeless?” “How much bad air are we fighting? How much bad water are we fighting?”
- **Outcomes as indicators of the impact or result of services**, for example: “The purpose is to see what has changed because we did something.” “Are [our youth services] making a difference? Are we seeing higher grade point averages? Are we seeing better school attendance, less delinquency?” “That thing way out here that you want to accomplish, not twenty different things that nobody cares about. . . . How many people got jobs?” Two participants raised the difficult issue of measuring the impact of *prevention* efforts. Their examples included trying to prevent fires by doing inspections, and trying to prevent disease by encouraging people to follow healthy diets.

Measures Based on Surveys of Citizens and Customers

GASB Research Findings

Measures based on surveys of citizen and customer perceptions and satisfaction were discussed in sixteen of the nineteen discussion groups, with participants in each of those groups showing strong interest in this type of information, and an occasional participant dissenting or raising a concern about survey data. In some groups, participants noted the difference between the perceptions of service “customers” or users, and citizens in general, who may not all use particular services. For example, one participant said it was important to ask the kids who use youth services about how they liked the programs and benefited from them. Another said it was important to survey customers of government-funded services provided by contractors. One participant questioned the value of surveying the general population on emergency services, raising concern about the response of people who have not had contact with those services. Another participant in that group disagreed, saying that even people who have not used ambulance, police, or fire services “know someone in their neighborhood who has.” This information could be used to support their perceptions. A participant in another group said: “If you define success for police as citizens’ feeling safe, then asking folks if they feel safe or not is important.”

People in several groups agreed with the participant who said, “Surveys are important . . . but take them with a grain of salt.” Participant concerns focused mainly on the need for care in crafting questions to obtain useful results, avoid respondent misinterpretation, and avoid bias. For example, one participant said he has been asked in a survey: “Would you like more money in your pocket to spend on your family, or would you like to see it used for wasteful spending?” Another participant suggested that “some commonsense limitations” should be provided to avoid obvious survey bias. All in all, however, there was general support in most discussion groups for surveying citizens and customers on their perceptions of community conditions and public services. One participant referred to state agencies that deal with large, broad customer bases—concerning motor vehicles and tax processing—when asserting “the best way to measure that is to ask the customers.” Some participants thought surveys offer a good check on data from other sources (see discussion on “some interesting comparisons” on p. 23).

Literature Review

Previous research has shown that surveys of citizens and customers can yield a wealth of information relating to a given program. “In the business of service delivery, customer perception is the reality” (Folz, 1996, p. 5). Surveys are a relatively low-cost way of obtaining citizen opinions regarding the effectiveness of public services and can provide helpful information for service improvement (Webb and Hatry, 1973). These opinions and perceptions can then be used, along with other performance measures, to assess program performance from several points of view.

Surveys can be tailored to meet the specific needs of the organization. They can be implemented through the mail, over the phone, or through face-to-face contact. Focus groups are also an option to test out survey questions and to determine whether there are concerns that need to be incorporated into the survey. Care must be taken, however, that the survey design is valid and reliable and will yield useful data, or the information obtained will not represent the true public opinion and as a result can lead to ineffective policies (Folz, 1996). Further, citizen and customer surveys should not be used in a vacuum. They should inform government decisions, not direct them (Webb and Hatry, 1973).

Measures Related to Costs

GASB Research Findings

Measures related to costs were of interest to participants in several contexts, including efficiency and tax burden. As one participant said, “I talk to a lot of people. One of the things they want to know is if their dollars are being used the way they should be—most efficiently. Are they offering the programs that they think should be offered?” Most discussion groups had at least one participant who voiced similar sentiments, with several saying they wanted to know whether they were “getting the biggest bang for the buck.” Types of cost- and tax-related measures raised included:

- Program or service costs—knowing where the money is going
- Unit costs, and other “input/output” efficiency measures, particularly for services that can be compared with private businesses
- Ways to relate efforts and spending to outcomes
- Project costs—for example, the full cost of capital projects, the cost to build a school
- Ways to relate major shifts in funding with changes in performance

- The cost to achieve performance goals, including whether more tax dollars will need to be raised to achieve stated goals
- An accounting of how government will use increased funds and taxes
- Tax burden per capita.

Other Types of Performance Information

GASB Research Findings

Other types of performance information also interested participants.

Many participants referred to the need to measure the “effectiveness” of services, which they left undefined. From the context of their statements, participants seemed to use “effectiveness” to refer to many different things, from “efficiency,” to “outcomes,” to whether the right services are being provided, to whether services are meeting their goals. They were somewhat clearer about the following types of performance information. While none of the types of measures below were mentioned as often as outcomes, citizen perceptions, and costs, the first four types (outputs, timeliness, customer service, and contractor service) were each raised in more than one group.

- **Measures of outputs** were mentioned in a number of groups, sometimes referred to as a substitute measure when outcomes were not available, sometimes as measures of importance on their own. One participant said that for years his citizen committee had been looking at outputs such as “How many miles of road did you pave, how many potholes have you attended to?”
- **Measures related to timeliness** were of interest to participants in several groups, from emergency response times, to a range of process and cycle times to serve customers such as the approval time for permits. One participant cited the actual time to start and finish capital projects versus the times announced to citizens.
- **Measures of aspects of customer service** were of interest to participants in several discussion groups. Among these participants, a fairly common interest was how well citizens are treated by public employees, especially the ease of getting useful information from a public agency.
- **Measures of the performance of contracted services** were seen as important. Some participants emphasized that as more services are done by contractors rather than government employees, it is important for government and citizens to evaluate contractor performance and hold service contractors accountable.

The remaining types of measures were not raised as often, generally in only one group each, but they seemed interesting enough to include here.

- Other types of performance information mentioned in at least one group include:
 - **Measures of demand**, to provide a context for funding and levels of service.
 - **Measures of how average citizens experience government**, including how long they have to wait for service, whether they receive an accurate and prompt reply to a question, and whether their garbage is picked up regularly and without trash being left behind.
 - **Strategic and operational performance measures**, including measures that convey objectives, strategies, and tactics.
 - **Measures of whether maintenance levels are adequate to keep public facilities in good condition**; especially when capital investments are made to improve a road, a park, or a public building, can that improved condition be sustained?

Disaggregated Performance Information

GASB Research Findings

Participants were interested in disaggregation of some performance information. Some participants in most discussion groups felt that statewide, countywide, or citywide data were of insufficient use for citizens for many aspects of performance. As some participants put it, citizens want to know how things affect “my neighborhood” or “my kids.” Broadly speaking, two types of disaggregation were of interest, as described below.

Participants in most discussion groups encouraged the use of geographic disaggregation, such as by neighborhood or other defined geographic district. A variation of this includes disaggregation by public facilities (for example, by school, by park, by library) that have geographic locations. Reports on student achievement in each school (“School Report Cards”) and school district were seen as popular and useful by participants in several discussion groups. Some participants noted the importance of disaggregating state health data by county, and other data by town or neighborhood. Neighborhood-based data was considered important in most discussion groups, and received the most discussion in groups with several representatives of neighborhood or homeowners associations. Participants in one of those groups raised the idea

that not only should measures of community conditions and services be broken down by neighborhood, but service standards or targets should vary by neighborhood district, depending on different conditions, needs, and wants in each district.

Participants in several discussion groups were interested in demographic disaggregation, such as by income level or ethnic background. For example, in one group participants were interested in the extent to which low-income people are displaced by development. Participants in several discussion groups were interested in measures broken out for minority groups, such as living or financial conditions (for example, wage levels), and how they are affected by services.

Literature Review

There are many examples of localities that already disaggregate performance information to make it more relevant to citizens living in specific districts. For example, during the 1980s and 1990s, the New York City *Mayor's Management Report* reported street cleanliness ratings and level of improvement or deterioration for fifty-nine districts, displayed on a map of the city (City of New York, 1978–2001). This enabled citizens to note the cleanliness of the streets in their vicinity and how they compared with streets in other districts, not just the average cleanliness for the entire city.

Portland, Oregon, employs a similar approach for a number of different performance measures. The Portland *Service Efforts and Accomplishments (SEA) Report*, which has been compiled since 1991, reports performance measures for various public services including fire, police, parks, transportation, environment, water, and housing, as well as more general measures of livability. Selected measures for several of these services are disaggregated into eight districts in the current report, and were disaggregated into seven districts in past reports, with data for different districts displayed on city maps. The districts in the *SEA Report* correspond to the boundaries of the city's main citizen participation districts. This breakdown gives citizens a more localized view of how services are functioning in their area (City of Portland, OR, City Auditor, 2001). Portland's budget disaggregates its capital spending data into the same districts, letting citizens know how much of the capital budget is being spent in their area (City of Portland, Office of Management and Finance, 2001).

In Jacksonville, Florida, many of the indicators in the nonprofit JCCI's Quality of Life Reports cover a five-county region, so a number of the indicators reported are disaggregated by county (JCCI, 2001). JCCI also uses demo-

graphic disaggregations. Some JCCI citizen survey indicators, such as those having to do with perceptions of racism, are reported with responses disaggregated by “people of color” and “white people” (“Social Environment Indicators” #1 and 5 in JCCI, 2001).

Performance Information in Comparative Contexts

GASB Research Findings

Participants want performance information reported in several comparative contexts. Across the discussion groups, participants agreed with the need for various types of comparisons of performance information to be reported. Five types of comparisons that were mentioned in most discussion groups are discussed below, followed by some other types of comparisons that were mentioned less frequently.

Comparisons of performance versus goals, targets, or standards set locally for specific measures were supported by participants in all nineteen discussion groups. This was the form of comparison mentioned most of all, with almost no dissent. One participant raised a concern about targets set by public agencies: “I think that the tendency in government is to set targets that are very modest. . . . It is pretty easy to manipulate goals.” However, even that participant felt that public performance reports over time could help resolve this problem. A more common sentiment supporting local targets was expressed by another participant: “As a citizen, if I see an agency or a local government has set a target, at least I know they are trying to accomplish a certain thing. They are trying to make a difference and move the needle.”

Comparisons of performance levels over time were discussed with interest by participants in fourteen of the nineteen discussion groups. The range of suggested time comparisons varied, from month-to-month to year-to-year comparisons, to longer historical trends over time periods that varied from five years to twenty years. One participant also mentioned a case where seasonal comparisons are important—for street cleanliness in a business district.

Comparisons between different geographic districts (for example, neighborhoods), different facilities (for example, schools), or different operating units (for example, work crews) within the same jurisdiction were considered important by participants in most discussion groups. This is consistent with their desire to have performance data reported by geographic district or public facility. Some participants were interested in differences in both levels of effort (for example, spending, staffing) and physical conditions by district or facility (for example, in major well-known parks versus neighborhood parks). At least one participant was concerned with measuring

different conditions in different business districts, and another in measuring customer perceptions of different facilities or service operating units. Neighborhood-to-neighborhood comparisons in efforts and outcomes were mentioned often, or as one participant put it, wanting to know, “What are you doing in my part of town versus another part of town?”

Comparisons between different jurisdictions (mentioned in eighteen of nineteen groups) and between government and private service providers (mentioned in one group) drew some of the most divided opinions. Some participants were very enthusiastic about the value of such data, while others had deep concerns about the difficulty of making real “apples to apples” comparisons and the potential for misinterpretation or abuse of noncomparable data that purports to compare different jurisdictions or sectors. However, some who raised such concerns said they would like to have such data reported if the difficulties in comparability could be overcome. As one said, “We would drool over that kind of information.” Public-private comparisons were raised primarily in the context of unit costs, to determine if government-provided services were as efficient or economical as privately provided services of the same type. Comparisons across states, cities, counties, or school districts were raised in a variety of contexts, from levels of effort (for example, percentage of budget spent on parks maintenance, school spending per student) to results or outcomes (for example, student achievement in different school districts, incidences of diseases in different counties). To obtain better comparisons, participants in three discussion groups mentioned taking care to narrow the comparisons only to “similar” or “comparable” cities or counties. Another participant wanted to be sure that jurisdictions did not self-select too narrow a comparative group, wanting to be sure comparisons could be made over a broad enough pool of jurisdictions. Participants in two groups felt that only comparing performance among American cities was inadequate, and that for some things European cities should be used as a standard of comparison. Another participant thought that difficulties in comparability could be more readily resolved among states if cross-state comparisons were limited to a small number of indicators for major common functions and services of state governments.

Comparisons of performance versus national standards (for example, set by the federal government) or other “third-party standards” were considered useful by participants in most discussion groups. As one participant put it, “We all look at consumer reports. We all know about the Good Housekeeping Seal of Approval. That may be farfetched, but as citizens we are looking at some of those things.” Federal standards were mostly cited with respect to federally funded programs carried out at the state or local level (for example, job training and placement, welfare-to-work).

Some interesting comparisons cited less often by participants included:

- **Salaries of key types of employees** (for example, police, firefighters, teachers) versus those of neighboring jurisdictions
- **Different kinds of taxes (especially on businesses) and tax rates** versus those of competing jurisdictions
- **Survey or perception data versus more “objectively” measured data for the same service or condition**, for example, trained observer ratings of street cleanliness versus citizen perceptions of cleanliness; welfare-to-work results reported by an agency versus a survey of what customers say their experience has been (that is, Did they really find jobs? Did their income and family security go up?); “benchmark trends” of major social, economic, or environmental conditions versus citizen perceptions of those trends; “victimization surveys” of crimes experienced by the general populace versus rates of reported crimes from police reports.

Literature Review

Performance information disaggregated geographically or demographically provides two of many kinds of performance comparisons possible. Citizen discussion group participants also expressed great interest in comparisons against locally set targets and comparisons of performance over time. There are precedents going back at least to the 1970s and 1980s for local governments to issue public reports showing comparisons over time (for example, City of Charlotte, 1988; City of New York, 1978–2001) and against local targets (for example, City of New York, 1978–2001).

Although citizen participants cited problems (for example, difficulty of comparing “apples and apples”) with comparisons across jurisdictions, at least some participants in most discussion groups expressed great interest in seeing such comparisons. Two current cross-jurisdiction comparative projects have staff in a central organization who conduct a level of checking to improve the comparability of data and also make efforts to provide appropriate comparative contexts. For example, the International City/County Management Association (ICMA) has a comparative project involving about 130 cities and counties in the United States and Canada, grouped by size category. Analyses include “service area descriptors” (for example, population, geographic area, household income, unemployment rate) for types of services so performance comparisons can be made in appropriate contexts (ICMA, 2001). The University of North Carolina’s Institute of Government (UNC IOG) runs a smaller-scale comparison project. In cooperation with the participating localities, they compare the performance of selected services of fourteen municipalities in North Carolina. In its

reports, the UNC IOG goes a step further, providing contextual information that helps identify whether differences are due to some local features (for example, terrain) or due to differences in policies or practices, such as backyard versus curbside trash pickup (UNC IOG, 2002).

Provide Explanatory Information along with Performance Data

GASB Research Findings

Participants want explanatory information reported along with performance data. The idea of reporting explanatory information as well as performance data was discussed in seventeen of the nineteen discussion groups, and supported by participants in all seventeen of those groups. Four broad types of explanatory information desired are contextual information for performance data; interpretations for performance levels; explanations of variances, decisions, and plans; and explanations of how government uses performance information. These types of explanatory information—which are not mutually exclusive—are described separately below, followed by some concerns raised about explanatory information.

Participants' main reason for wanting explanatory information was to have a context for understanding and using performance data. As one participant put it, "Without explanation, it really doesn't mean anything." Participants discussed three types of contextual information:

- Many participants saw explanatory information as *supporting narrative* to help citizens understand performance data. One participant said, "Having the narrative with the numbers provides a fuller picture." The types of explanatory narratives of interest to participants varied from the basic purpose or mission of a program or service, to key strategies or operating conditions, to conditions in different neighborhoods or jurisdictions reported, to differences in how services are provided in different places. In one group, two participants were interested in explanations about the differences between what government does and what the private sector does, suggesting that this is necessary for citizens to understand the difficult jobs government often takes on that "the private sector won't even touch." A media representative said that explanatory narratives are important "especially for the media. . . . The reporter needs to be a jack of all trades and to learn something quickly. So to get through the narrative and the explanation . . . is really important in telling the story to others."

- Some participants understood that useful “explanatory information” can also include *contextual numerical data, such as demographic data*. A common example used was the percentage of students who qualify for free lunch (or other demographic data) to put student achievement scores in context. Some participants thought it is valuable to have contextual numerical data—often combined with narrative—to explain factors beyond the government’s control, to establish a basis for picking jurisdictions for comparison or establishing other comparison groups, or to put comparisons of any type (for example, over time, versus goals) in context.
- Some participants also wanted “*definitional*” types of explanatory information, such as a glossary of terms, definitions of performance indicators, explanations for how measurement is done, definitions of local standards, and explanations for how comparisons are done.

Participants want to be provided with interpretations of what reported levels of performance mean. Participants in most discussion groups were interested in explanatory information that could be considered “interpretive,” helping citizens understand the implications of performance data for the community, and what it means for them. In several groups, participants were particularly interested in having interpretations provided by a party other than the government—or other than government management. Some saw government auditors as reliable sources to provide interpretation of performance data (see discussion on “verification,” beginning on page 37), and others were interested in having non-governmental groups, such as civic research organizations, provide the interpretations. While most participants saw interpretive information in the form of descriptive narratives and contextual data as noted above, one civic researcher in a discussion group talked about the need to develop “causal models” to explain what measurable factors lead to outcomes. That participant acknowledged that “there are not a lot of causal models out there,” so the starting point for interpretation is to provide descriptive explanations and data.

Participants want explanations of decisions, variances from targets, and future plans. Participants in several discussion groups were interested in having government “explain itself” in various ways. Participants in one group discussed how it is important for public officials to explain why it makes certain decisions in the context of public performance. One participant used the example of justifying a decision to raise water rates by showing comparative rates with other cities. Another used the example of explaining a decision to sacrifice a small amount of homeowners’ grass at the edge of the roadway to preserve the condition of the road and reduce capital maintenance costs. Participants in at least two discussion groups said that explanations of variances from targets or standards are important. As one said, “If you achieved the

target, great. If you didn't, give me an explanation why not." In several discussion groups, participants said that they want not only interpretive explanations of why performance levels are what they are, but also explanations from government of what they plan to do about it. They want to know if government intends to change future results, and how they intend to go about it.

Participants want to know that government is making good use of performance information. While a planned focus of all the discussion groups was how citizens can use performance information (see Question 4), in most groups participants raised ways they thought government should use performance information. *Examples raised include strategic planning, funding allocations, setting a direction for the organization, setting clear expectations for employees, providing incentives, operations analysis and decisions, flexibly shifting the use of resources based on data, identifying best practices, and creating partnerships among services based on shared performance data.* Several participants raised concern that measurement not be viewed as a way to punish management or employees, or as one participant said, "You have to deal with the threat of measurement . . . to avoid it [the fear of measurement] is important." Another participant stressed using performance measurement "in terms of [organization] learning. You can say, look, this intervention didn't work, so we need to change it to get the result we are looking for. We need to change it midterm. We need to have indicators early on that tell us we are off track." That participant later referred to indicators as "an early warning system" of whether the organization's strategy was working. Participants realized that managers often need levels of detail of data beyond what would be reported to citizens, and they want them using such data. As one participant said, "Every manager should be measuring the performance of their program even if . . . it won't make it into the state's overall performance report."

Clearly, many participants were interested in seeing performance information well used by government, particularly government managers, not just by citizens. As one participant said, "Managers have to use the information to manage." Another said, "The purpose, ultimately, is not only reporting to the citizenry about performance, but to sharpen management." In one group, a participant asked, "What are people using these for? Are we increasing or decreasing budgets because of performance measure information, especially outcomes? Are we using them to improve our service quality?" Two other participants, in groups across the country from each other, were explicit about wanting to know that government management makes good use of the information. One said, "It is important to know that the whole department is making decisions based on data." The other said, "I am interested in whether the management of the operation has the right kind of information to make the right kind of choices. I don't want it. I don't want to manage it. [But] it should be

available to anybody who wants it.” This seems to indicate that there is citizen interest in a government’s including in its explanatory information how it is using performance information to manage performance and improve results.

Participants raised some concerns about the use of explanatory information. Although explanatory information was broadly considered desirable in all discussion groups, a few participants raised concerns, which can be summarized as follows:

- **Concern about potential bias in explaining results** to cover for poor performance or not taking action to improve performance. One participant said that explanatory information “is important and it needs to be there even though it is prone to be misused and abused to explain away the performance problems.”
- **While explanatory information adds helpful context, it also adds complexity**, which can keep citizens from reading performance reports. Participants in several discussion groups urged keeping explanations brief. As one advocate of a simple School Report Card put it, “Some explanations of major trends are useful. What schools have done is to start putting in scads of demographic data, funding information, and you wind up with a phone book.”

Literature Review

The participants’ belief that explanatory information should be reported with performance data is supported in the literature. GASB Concepts Statement No. 2, *Service Efforts and Accomplishments Reporting*, states that in addition to performance data, service efforts and accomplishments (SEA) reporting should include explanatory information. The purpose of this information is to increase readers’ understanding of the reports. Such explanatory information should explain the measures that are used, help the reader interpret the organization’s performance, and explain any underlying factors that contributed to the performance (GASB, 1994). The contextual information reported by the University of North Carolina’s Institute of Government (UNC IOG, 2002), as noted earlier for cross-jurisdiction comparisons, is one form of explanatory information.

Explanatory information can include qualitative narration as well as quantitative information. Narrative information can help explain what the performance level being reported actually means, and the factors that may have led to the level of performance. Further, it can provide explanations for what is being done to change the performance level (GASB, 1994). New York City’s *Mayor’s Management Reports* have, for many years, included narratives discussing the

performance of city agencies reported upon (City of New York, 1978–2001). Since their inception in 1991, Portland’s *Service Efforts and Accomplishments Reports* have also included explanatory narratives (City of Portland, City Auditor, 2001).

The GASB describes two main types of quantitative explanatory information. The first involves factors that are largely outside the control of the organization (for example, the population density in a report on public transit). The second is factors over which the organization does have control (for example, the number of buses in service per route-mile) (GASB, 1994).

QUESTION 2: HOW SHOULD PERFORMANCE INFORMATION BE COMMUNICATED?

Multiple Modes of Communication

GASB Research Findings

Participants urged the use of multiple modes of communication with citizens about performance.

Multiple communication approaches were suggested in sixteen of the nineteen discussion groups, from distribution of printed information, to use of the Internet, to use of the press or other media (for example, public-access channels on cable TV), to public forums. As one participant put it, “You just can’t do enough communicating. There ought to be reports, communication with neighborhoods, websites, and local television. . . . There is so much noise out there that you have to communicate something ten times in order for people to hear it once.” Participants in several groups noted how people react differently to different styles of presenting information, and pay attention to different communication channels, suggesting that each community needs to use multiple modes of communication to get the attention of its citizens. There were even disagreements about whether to include graphs in reports.

Specific details and combinations of communication approaches suggested varied by discussion group, indicating that there may be different kinds of effective citizen communication channels in different communities. For example, in several discussion groups, the local major daily newspaper was seen as a good vehicle for distributing summary performance reports, either as inserts or as news stories. In one city where public performance reports are currently done, a participant said that each performance report “is important as a news hit. . . . It gets a lot of press.” But in two other discussion groups, the major press was seen as a problematic distribution

source, in one case because of a lack of credibility of the paper with citizens and in another because of a lack of identity of the papers with the jurisdiction doing the reporting. In three discussion groups, participants mentioned using small-circulation local community newspapers, or newsletters of neighborhood associations. Participants in several discussion groups suggested the use of television and radio to communicate with citizens on performance, from the use of local government or public-access TV stations, to appearances on regular local broadcast TV, cable, or radio talk and information shows. To gain media coverage, one participant urged “presenting the information in a format the media can make use of.” In another group, a participant lamented, “It is harder and harder to get the media engaged. . . . You really have to grab the media by the throat with some kind of report.”

There were differences of opinion on the effectiveness of special household mailings, though the idea of including a summary performance report in mailed tax or utility bills (“bill stuffers”) was supported in several discussion groups. One participant noted that a level of 5 percent of citizens reading a mailed report would be a favorable rate, as he cited a “2 percent read rate” for commercial direct-mail campaigns. One participant suggested including a request for people who read a mailed report to respond to a phone number or e-mail address as a way to get an idea of what percentage of mailed reports get read. As noted below, the Internet was cited as an important distribution channel in all discussion groups. Also, as noted below, participants in most groups wanted to go beyond conveying performance information *to* citizens, to engaging citizens in various types of public forums to discuss the information and its meaning for people and their community. Two important messages from these varied responses is that governments should use multiple modes of communicating performance information, and they should involve citizens in choosing those varied communication channels. Each of those ideas was explicitly mentioned by at least one discussion group participant.

Literature Review

The experiences of some governments to communicate about civic affairs generally with their citizens, not only about performance information, provide precedence for the idea of using multiple communication channels and methods. Fort Worth, Texas, for example, employs a multiple-methods approach. Rather than waiting for the local press to cover public issues the city thinks are important, the city government purchases advertising space in several local newspapers, including the local major daily and weekly papers read primarily by African Americans and Latinos. This space, called the “City Page,” is a non-partisan government vehicle for distributing important information on current issues, as well as noting successes and failures of certain programs. A video

version of the City Page is broadcast on cable television. Also, a radio program is produced to target different listening audiences, including African Americans, Latinos, and Evangelical Christians. Finally, the City Page is posted on Fort Worth's website. Charlotte, North Carolina, has similarly used multiple approaches to communicate with citizens, rather than waiting for media coverage. Spokane County, Washington, has taken issues directly to citizens for discussion in several creative ways, including "meeting in a box" kits people can use with neighbors in their homes and backyards. Spokane County generates media coverage of both the issues and the citizen events (Itell, 1998).

A common way for governments to report performance information is in their budgets. Whereas elected officials review and enact budgets, few citizens—except those advocating for particular interests or services—ever read public budget documents. In the 1990s, Glendale, Arizona, made special efforts to write its annual budget book with average citizen accessibility in mind, by avoiding fiscal jargon, using laypeople's terms, and including colorful graphs and charts. But still, they found that very few citizens even requested a copy, let alone read it (Lemov, 1997).

Glendale's experience supports citizen discussion group participants' call for using multiple methods for communicating performance information to citizens. Local commercial media provide other communication channels that reach citizens, but the traditional media are devoting less and less time to covering government. When they do, they often are more interested in the divisiveness of politics than in addressing performance successes or relevant issues. Since an educated public is essential to a working democracy, government needs to come up with creative ways to disseminate information (Itell, 1998).

More Than One Level of Detail

GASB Research Findings

Participants want performance information to be provided in more than one "layer" or level of detail, with different communication channels used for different layers. In almost all of the discussion groups, participants identified several different levels of detail that should be reported, with the information for each level, or layer, disseminated in different ways.

The principal approach to report on performance in layers that emerged from most discussion groups involves:

- **A highly summarized printed report that is widely distributed**

- **More detailed information available on the World Wide Web**, and also in printed reports that have only limited distribution but are freely accessible (for example, in many public buildings such as government offices, libraries, and recreation centers).

Participants in almost all discussion groups strongly asserted that any reports that are widely distributed (for example, through mailings, newspapers, newsletters, e-mail lists) must be at an “executive summary” level, and as short as possible, to get citizens to pay attention. However, participants also noted that such brief reports cannot be all data, but must include explanations to make the data clear and simple to understand. Several participants raised the popularity and ease of understanding simple School Report Cards distributed to parents and the media in some states. One approach discussed in several discussion groups was the use of letter grades (for example, “A-B-C-D-F,” as in *Governing* magazine) to give readers a quick interpretation of performance levels for specific services or issues. Some participants liked that approach, but some dissented or raised caveats. One participant said that would only work if the criteria for the grades were made clear. Another participant said that she would trust the grades if they were determined by the local government auditor, and not by management. Two alternatives to letter grades were suggested as performance rating formats that citizens could quickly grasp. A participant in one group suggested a “livability rating” similar to that used by *Money* magazine. In another group, a participant suggested a *Consumer Reports* format to quickly give readers a picture of performance levels. As another participant put it, “The results have to be as easy to understand as a temperature gauge.”

In fifteen of the nineteen discussion groups, the Internet was seen as an important reporting channel, especially for providing the more detailed “layers” of performance information. Participants in these groups supported the idea of having detailed performance information on all programs and services available on a government’s website, organized so a citizen can “drill down” to whatever level of detail is desired for a specific program or service. One participant noted that “the Internet is an ideal way to let people peel the onion without having to produce a lot of paper.” Participants in at least one discussion group also said they would want to be able to get detailed disaggregated data (for example, by neighborhood) on the web. Another participant suggested that the web-based data be provided in downloadable form, or also made available on CD-ROM, so citizens and organizations can analyze the data on their own, off line. Participants in four discussion groups expressed interest in an “e-mail notification” service, to which citizens can subscribe to get e-mail messages alerting them to new reports or types of data that have become available, including a web link to access the new information. Partici-

pants in some groups, concerned about people who do not have Internet access, said that printed versions of detailed information also should be available, including longer reports that can be accessible in a wide range of public buildings, and can be sent to neighborhood associations. In some groups, participants also stressed the importance of having locations for free public Internet access (for example, libraries, recreation centers), including staff available to assist users, where citizens can access public performance information on the web. Logically, participants in all groups said the widely distributed materials should include instructions on how to get more detailed information, including web addresses. Also, in several groups participants wanted information on reaching people for additional information or clarification. Most participants said they wanted phone numbers to call for information on specific programs and services. One participant also wanted e-mail addresses to communicate with public information staff. That participant said the names, phone numbers, and e-mail addresses should also be posted on (or linked to) the web pages in which detailed performance information is provided.

Public Meetings for Discussion of Performance Information

GASB Research Findings

Participants in most groups want performance information to be communicated through public meetings and forums of various types, including meetings of community organizations. Participants in two discussion groups mentioned budget hearings as well-attended public meetings in which performance information can be presented in a clear decision context. In most groups, participants felt public forums beyond traditional hearings should be used to communicate performance information. In particular, some participants wanted citizens to receive the information in settings and meeting structures that lend themselves to open and practical dialogue, such as “town hall discussions” or open forums “where people can go to be heard and to hear one another.” They also suggested scheduling meetings in places where people often normally congregate, such as community centers and churches. To reach more people and get performance discussed in a variety of contexts, participants in several groups suggested presenting the information in the regular meetings of existing organizations, ranging from local chambers of commerce, to neighborhood associations, to religious groups, to homeowner and tenant associations. Several participants looked at engaging such community organizations as an important public outreach approach. One participant stressed that not everyone is a member of such organizations, so it is important to have open public meetings in dispersed locations to give everyone an opportunity to participate: “Open it up district-wide and citywide so it is open to all.” Some

participants saw these meetings as not only giving citizens an opportunity to learn about performance information, but also giving them an opportunity, through their discussions, to determine what actions they may take based on what they've learned (for example, petition elected officials for service changes or improvements). In addition to using these forums for public outreach on performance, one participant urged providing feedback in later meetings in "a dynamic process" to show people what results were achieved, and how their comments from earlier meetings were used. She described actual feedback meetings in which people "saw their comments in quotes [and how they were used. The comments] may have been anonymous, but they saw them and said, 'Oh, they really did use my comments.'" She stressed the importance of "breaking down the process to the level of the community member and showing them that their time matters."

Communication Frequency

GASB Research Findings

Participants in about half the groups discussed the frequency of communication on performance, in various ways. Participants in several groups talked about annual reporting of information on all programs. Another participant suggested keying the reporting cycle to a jurisdiction's budget cycle—annual for jurisdictions with one-year budgets and biennial for jurisdictions with two-year budgets. By and large, participants suggesting annual and biennial reporting cycles were talking about the periods in which all of a jurisdiction's programs would have data updated and accessible, and perhaps when formal jurisdiction-wide summary reports would be widely distributed. But they were also open to more frequent communications, which several other participants wanted. Suggestions for communications frequency varied from quarterly to monthly to "a postcard every week." Some participants wanted more frequent communications to be more specialized than an annual jurisdiction-wide report, with, for example, each month's piece focusing on a specific issue, department, or related group of services. The use of e-mail notification, described above, can make communication frequency a flexible issue. In addition to having some regular cycle of public reporting (for example, annually), whenever performance information is updated on the web for a particular service or issue, citizens signed up on an e-mail list would be notified of the update in a message with links to updated web pages.

Ways to Make Written Performance Communications “User Friendly”

GASB Research Findings

Participants in several groups urged that written communications on performance—particularly the more widely disseminated information—be easy to read, easy to understand, visually attractive, and appear accessible to an average citizen who sees or hears it. Suggestions included:

- Have a section in reports on “How to Use This Report.”
- Keep it understandable: “Use language that people can understand.” Keep it “in very simple layman’s terms even a kid reading it would understand.” “Make it as understandable to the average person as possible.”
- Keep reported information simple “in order for people to get their arms around it.” Because “people just don’t want to spend a lot of time” trying to understand performance measures, “you have to make things so simple for them that sometimes it is embarrassing.”
- Focus on results, and use the word “results.”
- Do not include too many performance measures in one report, and keep reports from getting too long. For citizens, “focus on the one or two key things . . . that [agencies] are accomplishing instead of the multitude of information that a lot of agencies have.” “Trim down the size. They are not going to read a 400-page book.”

Citizen Education about Performance Information and Its Use

GASB Research Findings

Citizen education in understanding and using performance information was seen as important in most discussion groups. Participants saw citizens becoming “educated” in several ways—from their experiences coming to community forums and reviewing reported (or web-posted) information, to more structured education approaches. “Structured” approaches suggested courses in “citizen academies” (called a “Community Leadership Institute” in one jurisdiction), or workshops offered through community civic organizations or “a local United Way or community action network.” One participant suggested widely distributing a “four-page primer” on performance information and using it to train citizens at community meetings. In another group, a participant suggested that government be opportunistic in educating citizens about measures when there is a problem that has already gotten their attention: “Work with citizens when there is something wrong to get their interest pinned to outcomes and under-

standing why this is wrong.” Some participants said it was important to help citizens learn not only how to understand performance data, but also about various ways to use the information—from how to ask questions and evaluate performance, to how to influence public decisions. One participant referred to this as “increasing community capacity” of citizens and community organizations, and gave the example of outcomes training for nonprofit agencies and volunteers that the United Way has been sponsoring for several years. Another participant in the same discussion suggested helping advocacy groups learn “how performance measures could be helpful to them and what it means, [that] it would be worth their effort.” In another group, participants noted that it is important to inform citizens how they can be “empowered” by the information to influence specific decision processes, and also to teach them the limits of their power—tell them what they cannot control. Participants in that group suggested training citizens from every neighborhood, using a local government TV station to encourage involvement, and using “every possible way” to educate and involve citizens. Or, as a participant in another group said, “There have to be a lot of ways to help citizens be citizens.” In at least two discussion groups, participants discussed starting citizen education on public performance with children in school, with one participant advocating making it part of the high school curriculum.

Participants saw a range of different players from government, the nonprofit sector, the community, and the media as having important roles in educating citizens and community organizations. Participants in several groups from grassroots community organizations (for example, neighborhood associations), a local United Way, civic research organizations, and public policy institutes all felt they had a role in reaching out to inform and educate other citizens and organizations to widen the circle of citizens with interest and capacity in using performance measures. In addition, participants in several groups said many people with government connections have important roles to play in educating citizens. Participants mentioned neighborhood services staff, elected officials, and department heads as having important roles. In the case of state citizen boards or commissions with local counterparts (for example, on education, employment, children and families), state department heads were seen as having important roles in educating statewide citizen board members. State citizen boards, in turn, have a role in training local citizen board members. As noted above, some participants saw a role for schools in educating students about public performance. Participants in several groups saw a role for news reporters and others in the media to educate citizens about public performance. But several participants felt that reporters are not well informed on the subject, so one participant said it was important to educate the media so they can do a better job of informing the public.

Literature Review

Over the years, several local governments have taken the initiative to encourage citizens to learn more about how the government functions and performs, to develop a cadre of citizens educated about their governments. Glendale, Arizona's, answer to a lack of citizen interest in their award-winning, citizen-friendly budget book was to start "Glendale University," a free program of courses, provided in the evening, for interested citizens to attend (Lemov, 1997).

Sloan Foundation-funded training and technical assistance by the University of Dayton (Ohio) helped local citizens, working through the city's citizen Priority Boards, to develop and use Quality of Life Indicators. Dayton also provides citizens active in community affairs with opportunities to participate in an annual Neighborhood Leadership Institute (NLI), in which they learn about ways to work with local government and to organize and help lead citizen involvement in their neighborhoods. Each year, NLI alumni sessions are also held, giving graduates of previous NLIs an opportunity to update their knowledge, as well as network with peers active in other sections of the city. Prince William County, Virginia, in addition to involving citizens in strategic planning, offers a Citizen's Academy for citizens who express a strong interest in becoming active in community affairs. Since 1996, two twelve-week classes, with about twenty-five participants each, have been conducted each year (Epstein et al., 2000, pp. 27–28).

At least one state government has tried a web-based approach to educating citizens about state government. Kentucky has produced the "Kentucky State Budget Game," an application available from the state website in which citizens attempt to run for governor and complete such tasks as balancing the budget. Each participant is rated with a score. The idea behind it is to teach citizens that often there are tradeoffs associated with decision making; for example, you cannot slash the budget and increase services at the same time (Lemov, 1997).

QUESTION 3: HOW IMPORTANT ARE DATA VERIFICATION AND EXTERNAL REVIEW OR EVALUATION?

Independent Verification of Performance Information

GASB Research Findings

In all discussion groups, participants were concerned with the integrity of the performance information reported. They discussed it in terms such as reliability, validity, accuracy, or consistency. They also were concerned about the integrity of the systems that generate performance data. As one participant put it, "It is important that you can rely on the underlying systems to get accurate data." Another said, "It is important that it is done the same way every time. That it is consistent." In eighteen of the nineteen discussion groups, these concerns led to discussions of independent verification or auditing of performance information, as described below.

In each of the eighteen discussion groups in which verification was discussed, participants indicated that they would want to know that reported performance information had been verified by a party other than the agencies reporting the data. Participants in these groups felt that assurances of the accuracy and reliability of performance information are critical to its credibility and are needed if citizens are to take the time to review the information, take it seriously, and make use of it. Participants typically referred to verification as "important" or "critical." As one said, "Without it, you run the risk of everything you have put time and effort into being discredited." A senior newspaper reporter in one group gave a vivid example of the need for verification:

We did our own study of classroom size . . . for K-3. We did it because the legislative limit was supposed to be 25. [The Board of Education] kept reporting 24.5, 24.7. Yet every time you walked into a classroom there were 28 or 32 heads. How could this be? We went after this terribly rigorously. . . . Our numbers turned out to be 28.9, 27.2. The young reporter who was working with me would call the Board of Ed. They were actually quite cooperative. They put the reporter on the phone to talk with the person who was in charge of this. On the record the person explained that, "Well, it is really an estimate." It is listed as a survey. "Well, it is an estimate." How could it be an estimate? It is not listed as an estimate. "Well, we have this ceiling of 25, so we came in a little underneath it." They made it up. He said this on the record and was quite up-front about it. Well, the

young reporter came to talk to me about these conversations. It didn't quite compute. Well, it was a lie and it was a very convenient lie. Anyone with a child in public school knew it was a lie. I don't want to suggest that this is widespread.

A few participants raised concerns about verification costs. One who said independent verification is "critical" added, "The question is, can you do it without creating an overburden, a whole level of bureaucracy that weighs the whole process down?" In referring to independent audits, another participant said, "It is important that they not be too costly." In groups where audit costs were raised, some participants felt that independent verifications could be kept relatively simple to keep the cost within reason while protecting the integrity of performance reporting. Despite concerns about cost, of participants who voiced opinions on this issue, almost all said they want to know that performance data and systems are independently checked. As one put it, "You really need a second set of eyes looking at the data. You need someone who comes by on a periodic basis to make sure that they have the data and the systems that support accurate information. That is an assurance that needs to be in place." Several participants said that they wanted to be sure someone they trust—in some cases they mentioned a state or local auditor—had verified the data. As one said, "It should be a name that you recognize."

Literature Review

Citizen discussion groups indicated that collecting performance data is not enough. This is consistent with the position taken by earlier writers, who believed that some mechanism must be in place for assuring the validity and reliability of performance data. Otherwise, there is a chance that neither the public nor elected officials will trust the data's accuracy, and they will be less likely to use the data (Barrett and Greene, 2000). Although attesting to performance information is not yet a regular practice in most states and localities, there are several state and local audit offices that have been leading the way, by becoming involved in validating or verifying performance information and the systems that are used to collect, compile, and report the data (Grifel et al., 2000).

Independent Interpretations or Evaluations of Public Performance

GASB Research Findings

Some participants were interested in outside review beyond data verification and in getting independent interpretations or evaluations of public performance. The word “spin” came up in several discussion groups, as participants were concerned that, left to their own devices, some governmental organizations would spin the interpretation of data—whether verified or not—to their own advantage. As one participant said, “To me, leaving the report up to the agencies is one of the fundamental problems. . . . It is always being spun.” In another discussion group, a participant saw the local government auditor as someone who could provide an independent interpretation of performance data, so citizens would not have to rely on government management’s “spin” on what the data means. In a state-focused group, participants thought it would be valuable for the state auditor to provide evaluative comments on agencies’ reported performance results. Some felt the state’s legislative budget staff was too rigid in how it evaluated performance, so in some cases the state auditor’s independent evaluation may actually help an agency make its case to the legislative appropriations committee. As two participants described it, the legislative budget staff “will say for each agency that they either met their targets or they did not meet their targets but they will stop at that. They don’t do the evaluative piece that says this is what this means” so “if you make 94% on everything then you have completely failed.” In several other discussion groups, participants were interested in getting interpretations or evaluations by non-governmental groups with analysis capabilities and a good reputation in the community, such as local civic research organizations, public policy institutes, or university centers that focus their research on local affairs. In several groups, independent reports by these types of organizations on specific topics (for example, public transportation, the effect of corporate tax abatements) were seen as more credible than government performance reports.

QUESTION 4: HOW CAN CITIZENS USE PERFORMANCE INFORMATION?

Participants identified and discussed five main types of uses of performance measurement, listed here in the approximate order of frequency of mention:

- Increase government accountability
- Increase citizen engagement
- Enable citizens to analyze, interpret, and evaluate public performance

- Support citizen decision making
- Increase citizens' confidence in government.

These five uses overlap; some participant examples included several of these uses at once. For clarity, highlights of these five types of uses of performance information, based on participant comments, are presented separately below, followed by uses of performance information by citizens who play special roles.

Increase Government Accountability

GASB Research Findings

Participants most often cited uses of performance measurement related to *accountability*. In most discussion groups, participants either explicitly mentioned "accountability" as an important citizen use of performance measurement, described uses that amount to accountability, or both, as in this participant's narrow example: "Talking about end-of-year accountability, I would like to know, of all these plastic milk bottles that we are recycling, are we actually saving some money or doing some good?" Here is a sampling of some other ways participants thought citizens could use performance information for accountability:

- A "report card" for elected officials: "Were their promises kept?"
- "It reports back to me . . . about what you as an elected official are doing."
- Citizens can see what the policy really is, in measurable terms, which clarifies what the government thinks is important.
- Get "the political debate" back to policy and away from "political spin."
- Learn whether the government really implements citizen priorities.
- Allow citizens to "see the whole elephant," not just partial information on government.
- To know if the government met its goals.
- See if departments fall below standards.
- Obtain proof that something works or does not work.
- Standing citizen committees become accountable for their accomplishments.
- Make sure citizens are getting the work they are paying for from government employees.
- Learn how government affects citizens' pocketbooks, and how it is working for them.
- See what results government produces for the money it spends.

Increase Citizen Engagement

GASB Research Findings

Participants often cited uses of performance measurement to *increase citizen engagement*. Participants in most discussion groups saw various ways that performance information can be used to stimulate citizen involvement in government. A few participants saw involvement as increased voting participation. More participants spoke about performance information enabling citizens to participate more effectively between elections. Some participants felt that if citizens are engaged in determining what the measures are, that will increase their interest in reported information and the likelihood that they will stay engaged and want to use the information. As some examples below illustrate, several participants felt performance information can be used to improve civic dialogue, from public discourse with government officials to private conversations among family members. Here are examples participants used of how performance information could increase citizen engagement and make it more effective:

- “Performance information . . . that shows . . . I am really getting something for my tax dollars would have a number of rippling effects on interest in government, civic participation.”
- Performance information would “help citizens be active citizens and ask questions.”
- Citizens could use performance measures to testify at city council hearings.
- Performance data would provide backup information to citizens in dealing with public officials—to get them to call and write their government officials and not be afraid to make contact. One participant said parents who see their schools ranked low would challenge school officials to do better.
- Performance measures “would drive some kind of advocacy.”
- “Advocacy organizations often have an adversarial relationship with government. If they saw government as less withholding of information, it might change the relationship and dialogue.”
- “It could serve to increase civic participation; advance public discourse on certain issues.”
- “If you have these kinds of numbers, then citizens can join the conversation and all the talking about the game plan.”
- “One of the purposes is to spur conversations around family dinner tables, school board tables, and PTA meetings, and so on.”

- “Help communicate to citizens and allow . . . an effective dialogue with citizens about what they want government to do. When you talk about outcomes, that is something that people can actually get their hands around.”
- Performance measurement would help government and citizen organizations spur citizens to become engaged: “Come help us figure out another way to make it work.”
- Performance measures will give active citizens, like those attending the discussion groups, more ways to reach out and engage more citizens in public affairs.

Enable Citizens to Analyze, Interpret, and Evaluate Public Performance

GASB Research Findings

Participants in most discussion groups saw performance measures as helping citizens assess government performance and community conditions. One participant called performance information “a tool for further analysis” and added, “if you have the context, things that you measure, and the comparisons, if you have the bigger picture, then you can make some kind of statement with that. It helps you make the bigger argument and analysis.” Across the discussion groups, participants identified a variety of ways performance measurement can make citizens better at analyzing, interpreting, and evaluating public performance. For example, they said that citizens and citizen groups could make use of performance information to:

- Have a “more intelligible way to evaluate their state government”
- Evaluate departments based on how well they meet their standards
- Analyze performance data to identify customer service problems
- Determine “whether we are actually getting to an efficient and effective rate of doing things”
- Determine if plans and budgets are realistic, or if more resources are needed to achieve public performance goals
- To “ask why” and “dig deeper” into issues and alert people whether changes are needed, for example, to prevent an emerging problem.

Participants also thought performance information would give independent civic organizations and newspapers opportunities to:

- Do their own analyses
- Issue reports with their own interpretations and evaluations
- Publish performance-related stories.

Support Citizen Decision Making

GASB Research Findings

Participants cited citizen uses of performance information in *decision making*. Participants in several discussion groups saw ways that citizens can use performance information in making personal decisions, such as voting, and in participating in other community or government decision-making processes. Some examples follow:

- Advocacy groups can help citizens determine, “Where can we help shape policy? Where can we help improve?” and thus target citizen engagement more effectively to have an impact on policy decisions and service improvements.
- Citizens who get involved in public goal-setting processes can use the information for influencing how their government sets measurable goals.
- Participants in one group saw performance information generally helping citizens “inform the debate” on budget and policy decisions.
- Participants in several groups referred to citizen boards, committees, and task forces that can use performance data in making decisions, such as formulating their recommendations to elected officials or management. For example, they can review performance trends and recommend changes, potentially influencing budget, policy, and service decisions. One discussion group cited uses by that jurisdiction’s Citizen Budget Advisory Committee.
- Performance information may help some people decide how to vote. One participant saw performance information influencing voting in general by influencing “general perceptions.” Participants in several groups saw performance information especially influencing votes on special assessments or bond issues if citizens have good information on why the funds are needed and what the expected effect of the spending or special projects will be.
- Similarly, some saw performance information as helping citizens decide to support—or not oppose—increased public investments to improve performance. A participant who had worked on a committee that had analyzed and recommended improvements in government performance spoke about “having a vision that is articulated in a way that is meaningful so people understand and buy into it. Success factors showing what you have been able to accomplish is very powerful. It can persuade people to make that extra investment.”

Increase Citizen Confidence in Government

GASB Research Findings

Participants saw performance information as having the potential to *increase citizen confidence in government*. Participants in several discussion groups felt that performance information can help increase citizen confidence and trust in government. Some participants felt the act of effectively communicating clear performance information would increase confidence. As a newspaper reporter put it, a way “to increase public confidence in . . . government is to make it more transparent.” Others thought increased public trust would come only in time, as one participant put it “over the long term,” after “performance gets better.” Participants also said that performance information could help:

- “People perceive that they are being given the skinny rather than being spun all the time.”
- “Combat cynicism” in government.
- “Stop politics from being too influential.”
- “Get the word to citizens . . . that the government is improving [and] has a handle on all the problems that we really care about.”
- “Get folks back on track in caring about, feeling good about [government], confirming to their neighbor who is still cynical.”
- “Instill public confidence” in government operations.

One participant cited a long-term effect she hoped would come from increasing public confidence in government: attracting talented young people to the public service. She was particularly concerned because, she said, her state government is expected to have a high percentage of current employees retiring in the next three years.

Uses of Performance Information for Citizens with Special Governmental or “Quasi-Governmental” Roles

GASB Research Findings

A number of the discussion group participants were citizens appointed to government boards or committees by public officials, almost all serving on a volunteer basis. Most of them, especially at the local level, served on committees that have primarily advisory roles. Depending upon the jurisdiction, they may have more or less influence than citizens involved in grassroots organizations such as neighborhood or homeowners associations, who were also well represented in the discussion groups. However, two of the state discussion

groups had citizens appointed by public officials to state boards with stronger roles in overseeing agencies, where they have more influence on state agency budget and policy. Some were on boards or commissions that also oversee and assist local boards for the same functions (for example, workforce development) in counties or other state districts, where they can influence the use of technical assistance or punitive sanctions. So, even while they may be serving as volunteer citizens, their role is generally more influential than people on traditional advisory boards. Thus, some of these participants said they already used—or wanted to use—performance information in some of the same ways that policy-level public officials do.

For example, they identified using performance information to:

- Monitor state agency performance to identify and correct problems and keep things on track
- Determine whether to apply sanctions to local boards and help target technical assistance
- Testify before the state legislature on appropriations and performance.

WHAT'S NEXT?

In October 2000, the Sloan Foundation provided the GASB with an additional grant to allow us to continue our expanded and accelerated research on performance measures for three additional years. Using these resources over the next several years, we plan to:

- Conclude our analysis and evaluation of users' responses to performance measures, especially citizens, legislators, and the media
- Develop a set of methods for communicating performance measures and publish suggested criteria on reporting and effective communication
- Encourage experimentation with the suggested criteria by state and local governments
- Evaluate the effectiveness of the suggested criteria and whether performance measures possess the characteristics needed for inclusion in general purpose external financial reporting.

The research provided by these activities will allow us to begin considering, in 2004, whether performance measures have developed to the point that the GASB can begin the process of considering whether any SEA-related issues should be addressed as part of its current agenda.

Appendix A

CITIZEN DISCUSSION GROUP SESSIONS—ITEMS FOR DISCUSSION

1. What do you think about performance measurement for government? What do you believe its purpose is? How do you believe it should be used within government and in reporting to citizens and others?
2. What types of performance information (measures) do you believe should be provided to citizens and how?
 - a. What program areas should they cover?
 - b. Should comparison information be reported? If so, how?
 - c. Should there be targets set for performance (and compared to actual performance)?
 - d. What type of explanatory information would you be interested in?
 - e. Do you believe that citizens' surveys should be included as part of the information on performance?
 - f. Should information be provided about why the results were at the level they are, and what can be done to maintain or improve that level? If so, how and what information?
3. Do you believe that performance measures would be of more value to you if their reliability was checked in some way? Should the verification be done by someone independent of the organization reporting the performance?
4. How do you believe information about performance (information) measures should be disseminated and communicated?
5. What role do you believe the media should play in the communication of performance information?
6. Should this type of information be reported on the Web?
7. What uses do you believe citizens and citizen groups would make of performance measures?
8. What role do you believe citizens should play in developing, selecting, and reporting performance measures?
9. Do you believe that other citizens in your community would find performance measures to be of interest and helpful in understanding the government and its services or in making decisions?
10. What level of detail do you believe should be provided by reports on performance? Should there be several different reports containing different amounts of detailed information?
11. What do you believe should be done to help prepare citizens (and others) to use performance information?

REFERENCES

- Assael, Henry. *Marketing Management: Strategy and Action*. Boston: Kent Publishing Company, 1985.
- Benest, Frank. *Marketing Your Budget: Creative Ways to Engage Citizens in the Bottom Line*. Orlando, FL: The Innovation Groups, 1997.
- Center on Municipal Government Performance. *How Smooth Are New York City's Streets?* New York: Fund for the City of New York, September 1998.
- City of New York, Mayor's Office of Operations. *Mayor's Management Reports*. Two to three reports per year from 1978 until 2001; ongoing (two per year).
- City of Portland (Oregon), City Auditor. *Service Efforts and Accomplishments Report*. Portland: Office of the City Auditor, 2001. Also at www.ci.portland.or.us/auditor/audser/pdfs/280.pdf.
- _____, Office of Management and Finance. *Adopted Budget FY2001: Financial Summaries*. 2001. Also available at www.ci.portland.or.us/finance/ADOPTED/Vol1AdoptedFY01-02%20web/Vol155_CY_FinSum.pdf.
- City of Charlotte, North Carolina. *FY88–FY89 Objectives*. 1988.
- Community Foundation. *Lorain County: Community Perceptions of Public Schools*. Lorain County, OH: The Community Foundation of Greater Lorain County, 1990.
- De Tocqueville, Alexis. *Democracy in America*. New York: New American Library, 1956. (Originally published in 1835.)
- District of Columbia, Office of Budget and Management Systems. *Improving Productivity of Neighborhood Services, A Washington DC Case Study*. Washington, DC: U.S. Department of Housing and Urban Development (HUD), November 1978.
- Doble, John. *Crime and Punishment: The Public's View*. New York: The Public Agenda Foundation, 1987.
- Epstein, Paul. *Using Performance Measurement in Local Government*. Denver: National Civic League Press, 1988.

- Epstein, Paul, Lyle Wray, Martha Marshall, and Stuart Grifel. "Engaging Citizens in Achieving Results That Matter: A Model for Effective 21st Century Governance." Paper delivered at the Symposium on Results-Oriented Government of the American Society for Public Administration's Center for Accountability and Performance, February 2000. Available at www.citizensleague.net/cl/SLOAN/cover.htm.
- Folz, David H. *Survey Research for Public Administration*. London: Sage Publications, 1996.
- Gahin, Randa, and Chris Paterson. "Community Indicators: Past, Present, and Future." *National Civic Review*. Winter 2001.
- Governmental Accounting Standards Board (GASB). Concepts Statement No. 1, *Objectives of Financial Reporting*. Stamford, CT: GASB, May 1987.
- _____. Concepts Statement No. 2, *Service Efforts and Accomplishments Reporting*. Norwalk, CT: GASB, April 1994.
- Grannan, William J. "Citizen-Based Planning in Arlington Massachusetts." In Epstein, Paul. *Using Performance Measurement in Local Government*. Denver: National Civic League Press, 1988.
- Grifel, Stuart, Stephen Morgan, and Paul Epstein. "Evolving Roles for Auditors in Government Performance Measurement." *Local Government Auditing Quarterly*. December 2000. Also available at www.nalga.org/qrtly/art3d00.html.
- Harwood Group. *Citizens and Politics: A View from Main Street America*. Dayton, OH: Kettering Foundation, 1991.
- International City/County Management Association (ICMA). *Center for Performance Measurement Comparative Performance Measurement Data Reports (1996–2000)*. Washington, DC: ICMA, 2001. Also see www.icma.org/performance.
- Itell, Jeffrey. "Get Over It." *The New Public Innovator*. November 1998.
- Jacksonville Community Council, Inc. (JCCI). *Quality of Life in Jacksonville: Indicators for Progress*. Jacksonville, FL: Jacksonville Community Council, Inc., 2001. Also available at www.jcci.org/indic.htm.

- King, Cheryl, Kathryn Feltey, and Bridget O'Neill Sussel. "The Question of Participation: Toward Authentic Public Participation in Public Administration." *Public Administration Review* 58, No. 4. July/August 1998.
- Lemov, Penelope. "Educating the Elusive Taxpayer." *Governing Magazine*. September 1997.
- Marshall, Martha, Lyle Wray, Paul Epstein, and Stuart Grifel. "21st Century Community Focus: Better Results by Linking Citizens, Government, and Performance Measurement." *Public Management*. November 1999.
- Norris, Tyler. "Civic Gemstones: The Emergent Communities Movement." *National Civic Review* 90, No. 4. Winter 2001.
- Schachter, Hindy. *Reinventing Government or Reinventing Ourselves*. Albany: State University of New York Press, 1997.
- Scruggs, Patricia, and Associates. *The Colorado Forum on National and Community Indicators*. Proceedings Document. Oakland, CA: Redefining Progress, November 1996.
- University of North Carolina Institute of Government (UNC IOG). *Final Report on City Services for Fiscal Year 1999–00*. Chapel Hill: University of North Carolina Institute of Government, 2002. See also www.iog.unc.edu/programs/perfmeas/index.html.
- Webb, Kenneth, and Harry Hatry. *Obtaining Citizen Feedback: The Application of Citizen Surveys to Local Governments*. Washington, DC: The Urban Institute, 1973.

REPORT ON THE GASB CITIZEN DISCUSSION GROUPS ON PERFORMANCE REPORTING

Fountain and Others



