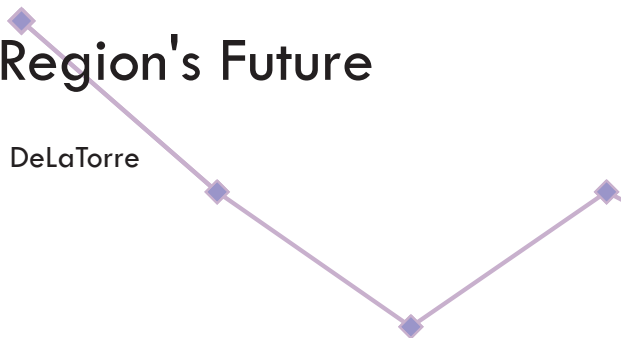


# Measure for Measure

## Benchmarking the Region's Future

By Don Barney and Alan DeLaTorre



Does the Portland-Vancouver region have an improved quality of life in its future? Are we making no headway? Are we slipping backward?

A decade ago, the authors of "Reinventing Government" David Osborne and Ted Gaebler said: If you don't measure results, you can't tell success from failure. If you can't see success, you can't reward it. If you can't see failure, you can't correct it.

Regions around the United States, Canada, and Western Europe are measuring performance results to determine progress at home to establish their competitive positions compared to other regions nationally and internationally, and to chart a course toward a livable future.

Outcomes of data gathering, usually captured as indicators or benchmarks, can serve other purposes: enlightening decision making on public policy and funding, and private sector management; establishing public priorities and agendas; and helping to explain future public opportunities and needs to constituents.

*Metroscape*

Through its Progress Board created in 1989 and Oregon Benchmarks, Oregon has been a leader in collecting and using data to discern statewide trends in dozens of different economic, environmental, and social arenas.

Oregon was among the first U.S. states to set targets for the future in each of these categories, allowing its citizens to see how much farther we have to go to achieve livability goals. These benchmarks are grouped under three major areas of a state strategic plan: quality jobs for all Oregonians; safe, caring and engaged communities; and healthy, sustainable surroundings.

Portland and Multnomah County established its own Progress Board in 1993 with a set of more than 100 economic, environmental, and social indicators to track and help assess progress toward realizing an adopted community vision.

Now Metro is developing a performance measurement system to identify the level of regional success in relation to Metro's growth management goals.

Other counties in the metroscape (including Clark, Yamhill, and Columbia) track Census Bureau updates and state inputs for their areas. Yamhill County, for example, collects much of its data on infrastructure information about roads, bridges, building sizes and uses, and land use permits. Clark County compiles considerable data to help the Columbia River Economic Development Council manage its top priority--business expansion.

Is there real value in all this data gathering? Is it useful not only to government planners, but to policy makers in both the public and private sectors? If so, will Metro's performance measurements be adequate to rate regional progress toward a better quality of life? If not, what more do we need to do?

#### **Selecting Performance Indicators**

Measuring performance begins by assembling data about indicators chosen for their importance and ease of measurement. In the 1980s, the concepts of sustainable development and healthy community brought integration and cross-referencing to the use of indicators. Today, sustainable development, or sustainability, is interpreted by many to include all three sets of economic, environmental, and social (or equity) issues. Some interpretations add governance, health, and other arenas. Data are both qualitative and quantitative.

Selection of indicators can occur from the top

down or from the bottom up. In Metro's case, its 2040 Growth Concept identifies eight fundamental or goal areas to be measured. Oregon State law also requires Metro to report regularly on a set of performance measures. Data in Metro's Fundamental areas (the environment; business, jobs and the economy; land use; housing; transportation; open space and recreation; arts and culture) were organized initially into 130 potential indicators. However, data availability and indicator prioritization has reduced the number to 87.

Metro has issued an initial summary report of its findings from the indicators, but it has not set benchmarks or targets. It has yet to evaluate cause and effect relationships between regional policies as described in Metro plans and actual performance.

#### **Setting Benchmarks**

The challenge for public and private sector organizations collecting data and tracking indicators is to communicate the meaning of the results effectively and to integrate the results into the management decision making process. One way to accomplish these objectives is to set benchmarks.

Simply put, benchmarking involves three steps: (1) defining what is to be measured, (2) comparing measurements with those of others, and (3) establishing goals for improvement based on best practices, professional standards, and policy direction available to decision makers. While the public sector can and does use the terms

benchmarks and indicators interchangeably, setting benchmarks usually connotes taking a next step with the data, pushing it beyond trend tracking to produce program decisions and policy change.

For the public sector, there are several attractions for setting benchmarks. The process requires determination of priorities, of what public services and programs are most important to improve if overall progress toward livability is to be most usefully illuminated. Further, benchmarking introduces comparisons, how agencies or jurisdictions stack up against one another, and how they are doing on the road to meeting a future target or goal.

#### **Using Benchmarks in Other Regions**

Interest in tracking indicators and benchmarks has expanded rapidly in the past decade. National columnist Neal Pierce recently reported that about 169 communities in the United States have formal performance measurement projects sponsored by

*"If you don't measure results, you can't tell success from*

Area Regional Leaders  
See Value in Setting Benchmarks

Some two dozen community leaders from the public, private, and non-profit sectors of the metroscape were asked their views about the value of setting benchmarks. Elected officials, corporate executives, heads of business associations, and other community leaders in the metroscape agree the region needs benchmarks to tell us whether we're getting to the desired destination of an improved quality of life.

Data on indicators, as currently being collected by Metro, will pinpoint our current position and begin to show trends. But translating the data into benchmarks, with future targets to hit on the road to achieving fundamental goals for the region, will provide the language decision makers and citizens need to talk productively about our quality of life and to take effective action to improve it, they observed. Former Oregon Governor Barbara Roberts says regional benchmarks could give public and private sector leaders more valuable information than do state and local level information.

What are the key criteria for establishing regional benchmarks, according to those interviewed? Contain the number of benchmarks to 10-15. Assure that benchmarks are oriented toward tracking the community's progress, not simply that of public agencies. Set benchmarks around those things that resonate and are intuitively important to people--their neighborhoods, their livelihood, their safety, health and well-being, and their pursuit of happiness. Be specific enough with benchmark outcomes to earn and compel trust in them, but not so detailed as to be confounding.

Does establishing benchmarks have a downside? Gathering and measuring data cost time and money. The biggest concern is not using them effectively or using them at all. Agreement on appropriate benchmarks and what the results of measuring them means may not be easy to achieve. Avoiding a bureaucratic approach to developing and maintaining benchmarks is essential.

There should be room for qualitative judgments as well as quantitative information. Benchmarking is not an exact science, and we can become obsessed with measurement for its own sake. Measuring progress on the issues and concerns tied most tellingly to our goals is critical, yet these areas do not always yield readily available, measurable data.

What are the first steps to creating regional benchmarks? Start by articulating clearly the purpose, the intended use of having regional benchmarks, leaders say. Achieve interest and investment in benchmarks, and, ultimately, a standing for them in the community by gaining initial agreement of how benchmarks will be used. Use the indicators developed by Metro, by the Oregon Progress Board, and by other counties and cities in the region as the foundation for setting benchmarks.

Other ideas incorporate an understanding of trends emerging from the data, and blend in public sentiment about benchmark issues that's gathered through community surveys. Determine the best way to use benchmarks as a decision making tool for growth management issues by discussing their creation with public and private sector managers in the region. Consider forming a regional partnership to measure the data and report on outcomes. Metro is the appropriate party to initiate the creation of regional benchmarks, especially in those issue areas where it has authority and experience (e.g., land use, transportation, environment).

For other areas such as jobs and business, public safety, the arts, and social services, producing a comprehensive set of benchmarks that enjoys solid investment and support may take partnership with other governments (including Clark County), the business community, non-profits, and academia.

state or local governments, public interest groups, universities, or foundations. Here are several examples of performance measurement in major metropolitan regions:

☞ The Boston Indicators Report 2002, a product of the Boston Foundation, the City of Boston, Metropolitan Area Planning Council and other public and non-profit agencies, is a good example of how tracking and analyzing key data closely can cause a region to discover new priorities and direction. In the previous 2000 report, Boston's economic success of the late 1990s came through the indicators, but the risk of "becoming a tale of two cities--one rich, the other poor" was also illuminated. The report expressed concern about "how to spread the wealth."

Two years later, the new report analyzes the data and concludes that "the area's prosperity is not assured." One reason is a "brain drain" of critical human capital--energetic young people, the drivers of innovation. The report concludes that Boston must address this concern by growing, attracting, and retaining talented young adults.

Up-to-date results of the Boston project on the web ([www.Bostonindicators.org](http://www.Bostonindicators.org)) provide citizens with a quick, readable snapshot of how the region is doing in 10 key areas including arts and culture, the economy, public health, and transportation.

☞ Five years old now, Vancouver, B.C.'s regional performance evaluation program features regular reports on progress. The December 2002 report showed positive improvement in most categories including improving air quality, increasing transportation choices, and protecting the green zone. Half of the indicators in two other goal areas--building complete communities and achieving a compact metropolitan region--showed no or negative change.



According to Christina DeMarco, a senior planner for the Greater Vancouver Regional District (GVRD), there's a need to improve the use of performance information by district citizens. She believes most people in the region don't know that the measurements, or indicators, exist. The information produced needs to reach a larger audience if it's to be truly useful in impacting the region's quality of life.

DeMarco adds that the measurement program enjoys only mixed success among the 21 municipalities the district serves. Some local officials pay close attention to the indicators; others dismiss them. The value of monitoring comes when the outcomes are trusted and inform district policy decisions, she says. Without that connection to the decision making process, "all the monitoring in the world will not fix problems."

**CS** In an attempt to help local leaders evaluate San Diego's competitiveness with other metropolitan regions and to pinpoint areas of relative weakness and strength, San Diego's Regional Planning Agency (SANDAG) has created a Sustainable Competitiveness Index. The agency serves as the forum for regional decision making in the 18-city and single county region.

The index benchmarks San Diego's performance against 20 regional competitors in four broad areas-- the economy, the environment, equity, and a balance score. Sustainable competitiveness measures a region's ability to maintain the human resources necessary to sustain economic prosperity, balanced with improved social equity and the preservation of environmental quality.

According to Michael Williams, a senior economist for SANDAG and a major contributor to the SCI project, preliminary motivation for the index came in the early 1990. At the time, the region was impact-

"You can't manage what you can't measure". That's the guiding premise behind the State of the Region project for the Buffalo-Niagara Region of western New York to "measure, monitor and propose goals and action steps for performance" in the region. Results focus on the region's "own account relative to its regional goals, needs and priorities."

Without good data, regions fall back on stories and anecdotal information to determine what's working and what's not, which the project directors believe may lead to mistakes or missed opportunities. "Assessing stories against objective data provides a foundation for region understanding and action," concludes the executive summary of the project report.

The Buffalo region performance evaluation, first published in 1999 after a Year's work, and regularly updated since, seeks to answer these questions:

- ☞ What performance trends define the region at the turn of the 21st century?
- ☞ How is the region doing in areas crucial to quality of life and competitiveness?
- ☞ What regional goals are appropriate in the next decade?
- ☞ What steps can the region take to build on strengths and achieve performance goals?
- ☞ What groups and organizations might take the lead to improve performance in specific areas?

A comprehensive undertaking, the evaluation covers eleven issue areas: the economy, environment, education, land use, government, public safety, health, human services and technology, and a variety of issues under equity (e.g., poverty, affordable housing, women in leadership) and regional assets (e.g., arts and culture, sports and recreation, parks and open space). "Action Steps", suggesting the means to reach goals and identifying parties who may be able to take the

lead on action.

The Institute for Local Governance and Regional Growth, University at Buffalo, State University of New York, is the fountainhead of the State of the Region project. Results compiled from tracking over 100 indicators are assembled in an accessible looseleaf workbook made available to public and private sector decision makers throughout the region.

Kathryn Foster, Director of Research for the Institute, says government and business managers and policy makers make repeated use of the workbook for facts on the region uniquely assembled and analyzed, and regularly seek updated and expanded data.

Data collection and analysis in each of the issue areas is guided by a task force including representatives from the public, private and non-profit sectors. Task forces are chaired by such individuals as the President of the regional United Way for human services, President of Key Bank's western New York district for the economy, a New York state senator for government and the President of Buffalo State College for education. Altogether, the task forces involve 200 such experts in the regional community.

Buffalo-Niagara's extensive reports are used actively by regional decision makers, reports Foster, for "insights on policy determinations." Another key use of the data is to support and strengthen grant proposals to initiate and sustain innovative public services. Setting benchmarks, Foster says, has "eliminated the need to spend time and energy debating the data and trends, and move on readily to the action steps, how we can make progress."



ed by the loss of many middle class jobs due to military downsizing and the substantial loss of jobs in the banking sector. Community leaders wanted to monitor regional progress in order to develop a strategy that would increase San Diego's regional advantages.

The fundamental roles of the index are (1) developing a consensus on essential elements of a sustainable and competitive region, (2) helping to move beyond the misconception that there is an internal conflict between economic, environmental, and social equity goals, and (3) acting as a spark to ignite political will and momentum necessary to move forward with initiatives to improve the region.

In the most recent report published (2002), San Diego's strengths included the ability to launch new companies via initial public offerings, to attract venture capital, to innovate, and to retain businesses that are leaders in technological innovation. Other strengths include water quality and capital outlays for certain environmental facilities.

Weaknesses of the region include housing afford-

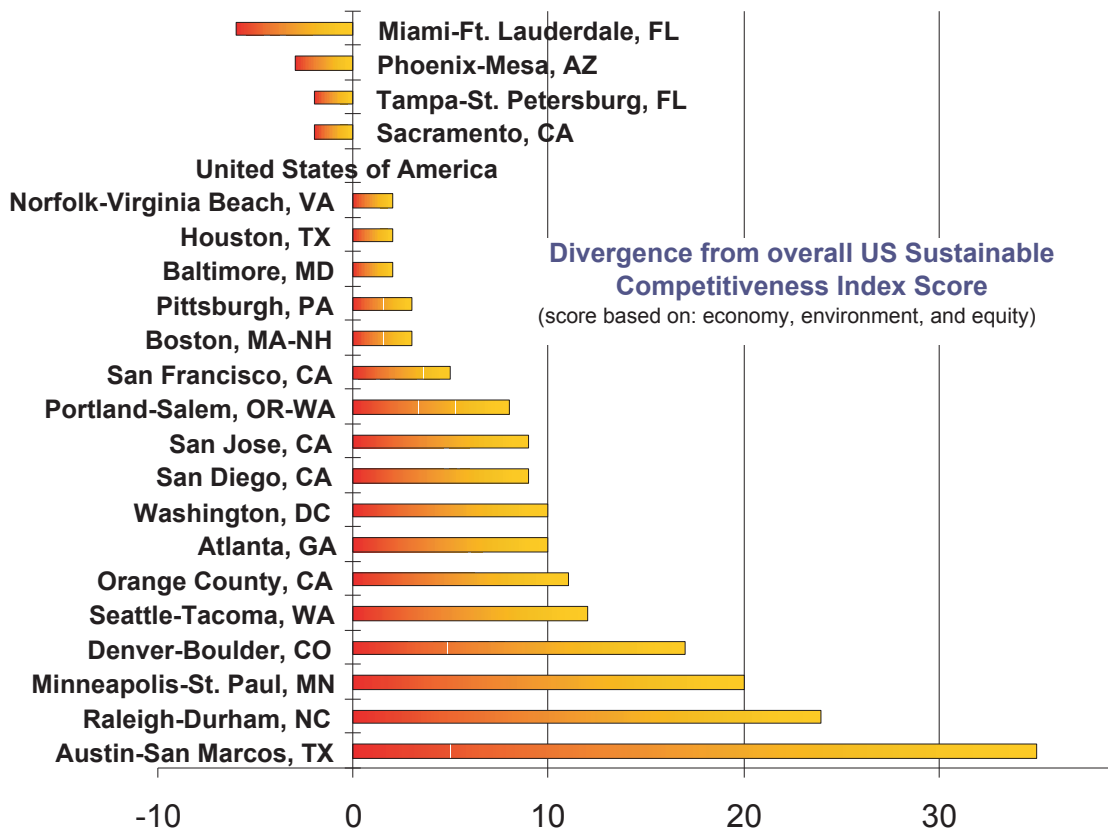
ability, growth in their standard of living, income distribution, traffic congestion, and capital expenditures on public transportation. Since one of the goals of SCI is to ignite political will and momentum, the report indicates that a concentration on equity needs to be taken up by leaders in the region.

### How Benchmarks Work in Oregon

Closer to home, the Oregon Benchmarks program focuses on 25 key priority concerns from data grouped in nearly 100 categories. These benchmarks are grouped in seven areas for a report card to Oregonians. They are economy, education, civic engagement, social support, public safety, community development, and environment.

The Portland Multnomah Progress Board works with more 100 indicators, or "benchmarks," to track progress on such community goal areas as "our thriving region," "fulfilling lives," and "safe and caring communities."

Experience from these two Oregon benchmarks programs tells a cautionary tale. Interviews with managers of the two performance measurement



Source: *Indicators of Sustainable Competitiveness—San Diego Region*, San Diego Association of Governments, 2002. [www.sandag.org](http://www.sandag.org)

### Comparative Report Card

<u>Indicator</u>	<u>Austin</u>	<u>Portland</u>	<u>San Diego</u>
<b>Economy</b>	C	D	D
Standard of Living	A	C	B
Business Investment	D	C	D
Capital Facilities Investment	A	C	B
Innovation	B	C	D
Educational Level of Attainment			

<b>Environment</b>			F
Air Quality	C	A	A
Water Quality	A	C	A
Capital Facilities Investment			

<b>Equity</b>			D
Income Distribution	A	D	D
Housing Affordability	C	F	F
Average Commute	C	C	A
Capital Facilities Investment	C	B	C
Education (Measures Children (3-4) Enrolled in Early Childhood Educational Programs	C	F	F

#### **Overall Report Card for the Region**

<u>Element</u>	<u>Austin</u>	<u>Portland</u>	<u>San Diego</u>
Economy	B	C	C
Environment	A	B	A
Equity	B	F	F
Balance*	B	C	C

Artwork by Nathan Meszarnos

Source: Indicators of Sustainable Competitiveness  
- San Diego Region, 2002. SANDAG





programs, as well as reflections among community leaders who have watched their progress, produced the following observations:

☞ Performance measurements and benchmarks must be fully integrated into the public budget making process; otherwise, the time and money spent creating and maintaining them are wasted.

Public agencies, for example, must be held accountable on results related to relevant benchmarks, and their budgets should be adjusted accordingly. To date, this has not been the case in Salem, observers say.

☞ Decision makers need to promote performance measurement. Public sector leaders have to be seen and heard using the benchmarks by their constituents. Otherwise, the apparent and real value of gathering and analyzing the data can fade and be lost.

Former Oregon Governor Barbara Roberts, a strong proponent of Oregon Benchmarks, concurs with these findings. She says that the effectiveness of performance evaluation "requires that leadership remain fully committed to its use in the public process. That's absolutely essential. Then, benchmarks can definitely shape policy and outcomes."

Roberts says benchmarks were embedded in the Legislature's budgetary process in the early 1990s. State agencies responded to the Executive's emphasis on performance evaluation, showing how their programs related to benchmarks as they sought legislative approval of proposed budgets. "There was real accountability," says

Roberts. "Nothing produces focus as effectively as the quest for dollars."

Since then, Roberts believes, Oregon Benchmarks have lost some steam. The Executive has been less committed to use of the benchmarking tool. The Legislature, as term limits have taken their toll, has lost representatives who were educated in the purpose and value of employing benchmarks.

"It will take serious commitment and education of leadership in Oregon at all levels of government" to revive Oregon benchmarking, says Roberts. Additionally, policy makers will need to do a better job of gaining media understanding of the program and public interest in the outcomes.

*"Nothing produces focus as effectively as the quest for dollars."*

— Former Governor, Barbara Roberts

The Oregon Progress Board and its benchmarks program have been sustained so far this year on emergency funding after the State Legislature threatened to eliminate them. Oregon Governor Ted Kulongoski is asking the 2003 Legislature to renew support for the landmark program. ■

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