

ANNOTATED MINUTES

*Tuesday, September 13, 1994 - 9:30 AM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland*

BOARD BRIEFING

- B-1** *Multnomah County Central Library Reconstruction Project Update. Presented by Ginnie Cooper, Jim Emerson and George Crandall.*

JIM EMERSON, GINNIE COOPER, MIKE HARRINGTON AND GEORGE CRANDALL PRESENTATION AND RESPONSE TO BOARD QUESTIONS AND DISCUSSION. BILL NAITO COMMENTS. BRIEFING/PRESS CONFERENCE REGARDING LIBRARY MOVE TO BE SCHEDULED FOR NOVEMBER, 1994. BRIEFING TO DISCUSS FINANCIAL UPDATE AND ADVERTISING SUBCOMMITTEE RECOMMENDATIONS TO BE SCHEDULED FOR JANUARY, 1995.

*Tuesday, September 13, 1994 - 1:30 PM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland*

PLANNING ITEMS

Chair Beverly Stein convened the meeting at 1:37 p.m., with Vice-Chair Tanya Collier, Commissioners Sharron Kelley and Gary Hansen present, and Commissioner Dan Saltzman arriving at 1:39 p.m.

- P-1** **DR 4-94** *Review the August 19, 1994 Hearings Officer Decision, APPROVING the Marquam Farms Appeal of an Administrative Decision, and DENYING Request for Final Design Review for the Expansion of an Existing Dog Kennel, (Sauvie Island Dog Kennel) Without Prejudice, for Property Located at 23200 NW REEDER ROAD*

DECISION READ, NO APPEAL FILED, DECISION STANDS.

- P-2** **HV 12-94** *Review the August 24, 1994 Hearings Officer Decision, APPROVING, Subject to a Condition, Requested Major Variance to Reduce the Required Road Width from 20 Feet to 12 Feet for Approximately 250 Foot Road Section of a Private Access Road into the American Hellenic Education Center, Located at 32149 SE STEVENS ROAD*

DECISION READ, NO APPEAL FILED, DECISION STANDS.

P-3

CS 5-94/CU 7-94/WRG 7-94/

HV 16-94 Review the August 24, 1994 Hearings Officer Decision, **APPROVING**, Subject to Conditions, a Community Service Request for a 28-Boathouse Moorage, 18-Houseboat Moorage, Plus a Variance from the Elevation and Pavement Standards for the Parking Area, Plus a Willamette River Greenway Permit, for Property Located at 25900 NW ST. HELENS ROAD

DECISION READ, NO APPEAL FILED, DECISION STANDS.

P-4

C 1-94a

First Reading of a Proposed ORDINANCE Amending the Comprehensive Framework Plan Volume I Findings to Include the West Hills Reconciliation Report, as Revised by the Board, in Partial Fulfillment of Periodic Review Work Program Tasks for Statewide Planning Goal 5 Resources in the West Hills

PROPOSED ORDINANCE READ BY TITLE ONLY. COPIES AVAILABLE. COMMISSIONER SALTZMAN MOVED AND COMMISSIONER HANSEN SECONDED, APPROVAL OF THE FIRST READING. SCOTT PEMBLE EXPLANATION AND SUBMISSION OF PROPOSED NON-SUBSTANTIVE AMENDMENTS TO RECONCILIATION REPORT. JOHN DuBAY RESPONSE TO QUESTIONS OF ARNOLD ROCHLIN. MR. ROCHLIN TESTIMONY IN SUPPORT OF RECONCILIATION REPORT, AS AMENDED. UPON MOTION OF COMMISSIONER SALTZMAN, SECONDED BY COMMISSIONER HANSEN, AMENDMENTS TO THE RECONCILIATION REPORT AND THE FIRST READING OF THE PROPOSED ORDINANCE AS AMENDED, WERE UNANIMOUSLY APPROVED. SECOND READING SCHEDULED FOR THURSDAY, SEPTEMBER 22, 1994.

P-5

C 2-94a

First Reading of a Proposed ORDINANCE Amending the Comprehensive Framework Plan Volume I Findings to Include the Howard Canyon Reconciliation Report, as Revised by the Board, in Partial Fulfillment of Periodic Review Work Program Tasks for Statewide Planning Goal 5 Resources in the Howard Canyon Area


PROPOSED ORDINANCE READ BY TITLE ONLY. COPIES AVAILABLE. MR. PEMBLE EXPLANATION. COMMISSIONER COLLIER MOVED AND

COMMISSIONER SALTZMAN SECONDED, APPROVAL OF THE FIRST READING. SUSAN FRY TESTIMONY IN SUPPORT OF RECONCILIATION REPORT. MR. PEMBLE AND MR. DuBAY RESPONSE TO QUESTIONS OF MS. FRY AND THE BOARD. PAUL HRIBERNICK SUBMITTED AND PRESENTED TESTIMONY OUTLINING VARIOUS CONCERNS AND REQUESTING CLARIFICATION REGARDING PARAMETERS OF REQUIRED TRANSPORTATION STUDY. BOARD DISCUSSION. MR. PEMBLE RESPONSE TO BOARD QUESTIONS CONCERNING POSSIBLE DLCD MEDIATION. STAFF DIRECTED TO ADDRESS ISSUES RAISED IN MR. HRIBERNICK'S MEMORANDUM AND PROVIDE RESPONSE TO SAME PRIOR TO SECOND READING. FIRST READING UNANIMOUSLY APPROVED. SECOND READING SCHEDULED FOR THURSDAY, SEPTEMBER 22, 1994.

MR. PEMBLE REPORTED ON STATUS OF PLANNING COMMISSION CONCERNING NEXT PHASE OF GOAL 5 PROCESS AND ADVISED PROPOSED ORDINANCES ARE SCHEDULED TO COME BEFORE THE BOARD ON OCTOBER 11, 1994 AND OCTOBER 18, 1994. MR. PEMBLE ADVISED LCDC HAS GRANTED THE COUNTY'S REQUEST FOR EXTENSION TO OCTOBER 21, 1994.

There being no further business, the meeting was adjourned at 2:25 p.m.

**OFFICE OF THE BOARD CLERK
for MULTNOMAH COUNTY, OREGON**



Deborah L. Bogstad

**Thursday, September 15, 1994 - 9:30 AM
Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland**

BOARD BRIEFING

- B-2 History of the Development of The Oregon Option and the Specific Objectives of the Meetings to be Held Starting September 19, 1994. Presented by Duncan Wyse, Executive Director of the Oregon Progress Board.**

**DUNCAN WYSE, MEGANNE STEELE AND PAM WEV
PRESENTATION AND RESPONSE TO BOARD
QUESTIONS AND DISCUSSION REGARDING THREE
DAY MEETING FOCUS, DESIRED OUTCOMES,
PROPOSED AGENDA AND SCHEDULED SITE VISITS.**



MULTNOMAH COUNTY OREGON

OFFICE OF THE BOARD CLERK
SUITE 1510, PORTLAND BUILDING
1120 S.W. FIFTH AVENUE
PORTLAND, OREGON 97204

BOARD OF COUNTY COMMISSIONERS
BEVERLY STEIN • CHAIR • 248-3308
DAN SALTZMAN • DISTRICT 1 • 248-5220
GARY HANSEN • DISTRICT 2 • 248-5219
TANYA COLLIER • DISTRICT 3 • 248-5217
SHARRON KELLEY • DISTRICT 4 • 248-5213
CLERK'S OFFICE • 248-3277 • 248-5222

AGENDA

MEETINGS OF THE MULTNOMAH COUNTY BOARD OF COMMISSIONERS

FOR THE WEEK OF

SEPTEMBER 12, 1994 - SEPTEMBER 16, 1994

Tuesday, September 13, 1994 - 9:30 AM - Board Briefing Page 2

Tuesday, September 13, 1994 - 1:30 PM - Planning Items Page 2

Thursday, September 15, 1994 - 9:30 AM - Board Briefing Page 3

Thursday, September 15, 1994 - REGULAR MEETING CANCELLED

Thursday Meetings of the Multnomah County Board of Commissioners are taped and can be seen by Paragon Cable subscribers at the following times:

Thursday, 6:00 PM, Channel 30

Friday, 10:00 PM, Channel 30

Saturday, 12:30 PM, Channel 30

Sunday, 1:00 PM, Channel 30

INDIVIDUALS WITH DISABILITIES MAY CALL THE OFFICE OF THE BOARD CLERK AT 248-3277 OR 248-5222, OR MULTNOMAH COUNTY TDD PHONE 248-5040, FOR INFORMATION ON AVAILABLE SERVICES AND ACCESSIBILITY.

Tuesday, September 13, 1994 - 9:30 AM

*Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland*

BOARD BRIEFING

- B-1 Multnomah County Central Library Reconstruction Project Update. Presented by Ginnie Cooper, Jim Emerson and George Crandall. 1 HOUR REQUESTED.*
-

Tuesday, September 13, 1994 - 1:30 PM

*Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland*

PLANNING ITEMS

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-

Thursday, September 15, 1994 - 9:30 AM

*Multnomah County Courthouse, Room 602
1021 SW Fourth, Portland*

BOARD BRIEFING

- B-2 *History of the Development of The Oregon Option and the Specific Objectives of the Meetings to be Held Starting September 19, 1994. Presented by Duncan Wyse, Executive Director of the Oregon Progress Board. 9:30 - 11:00 TIME CERTAIN REQUESTED.*



DAN SALTZMAN, Multnomah County Commissioner, District One

1120 S.W. Fifth Avenue, Suite 1500 • Portland, Oregon 97204 • (503) 248-5220 • FAX (503) 248-5440

M E M O R A N D U M

TO: Clerk of the Board
Board of County Commissioners

FROM: Dan Saltzman *D.S.*

RE: Absence from BCC Regular Meeting

DATE: August 29, 1994

I will be absent from the Tuesday, September 6 BCC Tour of the Restitution Center/Project Trade Briefing to observe Rosh Hashanah and the September 15 BCC Regular Meeting to observe Yom Kippur.

CLERK OF
COUNTY COMMISSIONERS
1994 AUG 30 AM 9:38
MULTNOMAH COUNTY
OREGON

DRS:pjp

MEETING DATE: September 15, 1994

AGENDA NO: B-2

(Above Space for Board Clerk's Use ONLY)

AGENDA PLACEMENT FORM

SUBJECT: Briefing on The Oregon Option

BOARD BRIEFING Date Requested:

Amount of Time Needed:

REGULAR MEETING: Date Requested: September 15

Amount of Time Needed: 9:30 - 11:00

DEPARTMENT: Chair's Office

DIVISION:

CONTACT: Meganne Steele

TELEPHONE #: 248 - 3961

BLDG/ROOM #: 106 / 1410

PERSON(S) MAKING PRESENTATION: Duncan Wyse, Executive Director of Oregon Progress Bd.

ACTION REQUESTED:

☒ INFORMATIONAL ONLY ☐ POLICY DIRECTION ☐ APPROVAL ☐ OTHER

SUMMARY (Statement of rationale for action requested, personnel and fiscal/budgetary impacts, if applicable):

The Oregon Option is envisioned as a partnership between federal, state and local governments to fundamentally redesign the inter-governmental system. Federal staff from seven cabinet-level agencies, the National Performance Review, the White House, and the Office of Management and Budget will be coming to Portland to meet with local and State staff on September 19, 20 and 21. Multnomah County will be hosting site visits on the morning of September 19.

Duncan Wyse will brief the Board of County Commissioners on the history of the development of The Oregon Option and the specific objectives of the meetings to be held starting on September 19.

SIGNATURES REQUIRED:

ELECTED OFFICIAL:

Beverly Stein

OR

DEPARTMENT MANAGER:

ALL ACCOMPANYING DOCUMENTS MUST HAVE REQUIRED SIGNATURES

Any Questions: Call the Office of the Board Clerk 248-3277/248-5222

0516C/63

6/93

BOARD OF
COUNTY COMMISSIONERS
1994 SEP - 8 PM 12:22
MULTNOMAH COUNTY
OREGON

THE OREGON OPTION

**A PROPOSED MODEL FOR RESULTS-DRIVEN
INTERGOVERNMENTAL SERVICE DELIVERY**

JULY 25, 1994

Federal, state, and local government attention should focus on mutually agreed-upon measurable outcomes for public service delivery. The intergovernmental relationship should be a partnership, not an adversarial or competitive system. Federal financial support should be provided to achieve broad goals, but also should provide latitude and flexibility in how to accomplish them and be tailored to real local needs. Rather than defining accountability by inputs, transactions, error rates, and failure to progress, the federal government should hold state and local governments accountable for performance. The system should support and reward what works, rather than imposing rules and sanctions on the majority because of errors or omissions by the minority.

— National Performance Review, 1993

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1. PROPOSAL SUMMARY

The Proposition

Oregon and its local governments propose a special partnership and long-range demonstration project with the federal government to redesign intergovernmental service delivery based on principles advanced in the National Performance Review. This intergovernmental, interagency initiative would focus on outcomes and treat outcomes as the principal measure of success. In the model we propose the federal government and our governments will mutually identify results to be achieved and we will be contracted to achieve them. To help us achieve these results, the federal government will merge funding categories and streams, create funding incentives which reward desirable results, and reduce micromanagement and wasteful paperwork. This collaboration will empower our communities to identify local needs to be met by federal and state programs, to make their own decisions about how to address those needs, and to be accountable for results.

This initiative would focus on outcomes and treat outcomes as the principal measure of success.

We recommend that this demonstration project, "The Oregon Option," focus on important elements of Oregon's top strategic priority, our human investment benchmarks. These benchmarks underlie a collective effort by state and local governments, civic groups, nonprofits, and businesses to appreciably improve the lives of Oregonians as self-reliant individuals, members of healthy families, and skilled, successful workers. They fit our strategy to enhance Oregon's economic prospects while getting more people off public assistance and reducing the human and financial costs of social dysfunction.

The Problem To Be Overcome

This proposal accepts the premise of the National Performance Review: that the intergovernmental system for delivering assistance and services through federal grants and mandates to state and local governments has broken down in a tangle of good intentions gone awry. There are too many funding categories, suffocating regulations and paperwork, a misdirected emphasis on remediating rather than preventing problems, and no clear focus on measurable outcomes. The system stifles initiative and squanders resources without achieving sufficient results. We have been attempting to correct similar problems in state government. We are delegating greater responsibility for program design, delivery, and results to the local level,

and we are encouraging more service integration and a preventive approach to problems.

Why Seize This Opportunity With Oregon?

Oregon is an ideal partner for this initiative. The test of an outcomes-based approach to intergovernmental services is likely to be more successful where state and local government are already using an outcomes model for establishing a long-range vision, setting public priorities, allocating resources, designing services, and measuring results.

Oregon is ideal for this initiative. Our systems are in place. We are ready to move. We know how to be a good partner.

We are well along in a pioneering state and local effort — Oregon Benchmarks — to do all of these things. Benchmarks cover issues as wide ranging as ecosystem protection, urban mobility, and industrial diversification. Our human investment benchmarks focus on such outcomes as reduced teen pregnancy, diminished crime and recidivism, lower unemployment, higher per capita income, greater early childhood immunization, and stronger K-12 student achievement, just to name a few.

We have already achieved notable success in the benchmarks process, and we will continue to pursue the progress made these past few years. However, these efforts would receive an immense boost if federal participation was also focused and structured to achieve results. Oregon offers an opportunity for the federal government to join the state and its communities in designing and demonstrating a more efficient, results-driven model of service delivery.

We are ready to move. Through our 20-year strategic plan and through Oregon Benchmarks we know what we want to accomplish. We have established systems to pursue and measure those accomplishments at state and local levels, and we have enlisted the involvement of local jurisdictions, nonprofit organizations, businesses, and civic groups. In just the first four years of our benchmarks process, we have already taken nationally heralded steps to achieve benchmarks outcomes in child and family well being, in K-12 education, and worker training. Moreover, we know how to be a partner in an undertaking of this nature. Oregon has a record of participating in creative federal-state efforts to improve services. Examples include a 1981 Medicaid waiver, which has improved services to seniors while saving nursing home costs, and the 1993 forest plan, which streamlines and consolidates federally funded services to workers and their communities coping with changes in the forest products economy.

Benefits

The most important benefit, and the ultimate test of The Oregon Option, will be results: higher rates of prenatal care and infant immunizations, lower teen pregnancy, higher K-12 skill levels, re-employment of dislocated workers, higher wages, safer neighborhoods. Other benefits include better use of public resources — money and people — at all levels, less client confusion and despair, and greater confidence in public services. The Oregon Option also offers a laboratory for federal, state, and local participants to learn from their efforts and act on what they learn to improve service delivery. The Oregon Option will advance the Administration's domestic policy agenda and the campaign to reinvent government.

What It Will Take

The Oregon Option demonstration will require a long-term commitment and a fundamentally different way of thinking about the mission and structure of service systems at all levels of government. The system envisioned here is focused on outcomes, customer-centered, decentralized, and accountable. In this partnership, participants must be willing to a) contract for measurable results, b) combine funding streams, c) renegotiate funding amounts and rates, d) eliminate rigid and costly program restrictions, e) provide multi-year funding, and f) empower those closest to front-line service to choose the delivery mechanisms, initiatives, and investment criteria they deem most suitable. The demonstration will require the waiver of a number of federal rules, and it will require financial and political support. It is essential that the project have the initial involvement and continuing support of cabinet or subcabinet officials.

The Oregon Option will require a long-term commitment and a fundamentally different way of thinking about service systems.

2. WHAT OREGON IS TRYING TO ACCOMPLISH WITH OREGON BENCHMARKS

Oregon Benchmarks are part of Oregon's long-range strategic response to a number of pressing challenges. Our state's population is increasing and our economy is diversifying as natural resource industries, primarily forest products, contract. Given our position on the Pacific Rim and our central location between two large West Coast economies, we must deal with fierce competition and technological changes in the global economy. Oregonians face particular challenges as individuals, family members, and workers. Our urban areas are growing rapidly. Poverty among young families and young children is on the rise. And our rural communities face deep economic dislocation. In both rural and urban areas, the economy now places a premium on high work skills. Wages are falling for those with fewer skills.

The Role of Oregon Benchmarks

In 1989 we developed a statewide, long-range strategic plan to face these challenges and shape our future. The three pillars of the strategy are to increase jobs and incomes by creating a diversified, productive economy, to protect and enhance Oregon's quality of life, and to invest in the capability of Oregonians. We created Oregon Benchmarks as the principal mechanism to assure that Oregon is making progress toward these broad goals. Benchmarks, introduced in 1991, measure progress toward these goals in such terms as infant health, K-12 student achievement, air and water quality, housing affordability, crime, employment, and per capita income. There are 272 benchmarks, including 43 classified as high-priority.

| | HISTORICAL | | TARGET | | |
|---|------------|-------|--------|------|------|
| STATEWIDE BENCHMARKS | 1980 | 1990 | 1995 | 2000 | 2010 |
| Pregnancy rate per 1,000 females age 10-17 | 24.0 | 19.6 | 9.8 | 8.0 | 8.0 |
| Percentage of 11th graders who achieve specified skill levels in reading | | 83% | 90% | 95% | 99% |
| Miles of assessed Oregon rivers and streams not meeting state and federal in-stream water quality standards | | 1,100 | 723 | 75 | 0 |
| Real per capita income of Oregonians as a percentage of U.S. real per capita income | 99% | 92% | 95% | 100% | 110% |

As these sample benchmarks illustrate, Oregon Benchmarks are indicators of social and economic progress. Every two years the Oregon Progress Board, a citizen panel chaired by the governor, publishes a new edition of Oregon Benchmarks, in effect, a report card of state progress.

Benchmarks do a number of important things:

- They take strategic planning out of the realm of abstraction, build consensus for it, and direct public and private resources to it.
- They focus public resources on measurable results and accountability. Typically, governments and institutions define success in terms of *inputs*: dollars spent, programs created, client contacts made. Yet additional dollars spent for, say, adult education are less telling than an increased proportion of adults who can read and comprehend a shipping order or a news report.
- They encourage collaboration among government agencies and public and private institutions in achieving outcomes or solving problems that are too big, complex, and stubborn to be tackled by any single organization.

Benchmarks have also proved beneficial in dealing with revenue constraints imposed by the electorate. In 1990 voters approved a severe statewide property tax rate reduction, and they have since rejected new revenue measures — sending a clear message that they expect state and local governments, and schools, to perform with tighter budgets. Benchmarks provide a tool for state and local governments to set budget and program priorities. State government, in fact, built its last biennial budget using high-priority benchmarks, and is now developing its upcoming budget using benchmarks.

| | HISTORICAL | | | | | | TARGET | |
|---|------------|-------|-------|-------|-------|-------|--------|------|
| PORTLAND-MULTNOMAH COUNTY BENCHMARKS | 1980 | 1989 | 90-91 | 91-92 | 92-93 | 93-94 | 2000 | 2010 |
| Number of crimes against people per 1,000 population (including murder, rape, robbery, kidnapping, assault) | | 31.84 | 30.23 | 30.03 | | | | |
| a. Arrests of people under 18 years old | | 727 | 945 | 1,141 | | | | |
| b. Arrests of people over 18 years old | | 5,088 | 5,254 | 5,223 | | | | |
| Percentage of citizens who feel safe and secure | | | 77% | 81% | 80% | | | |

Benchmarks are being adopted to set priorities and track results in local Oregon communities, too. This sample of benchmarks selected by the Portland-Multnomah County Progress Board, a citizen panel, reflects the priority of public safety in Oregon's largest urban area.

The degree to which our state government and local communities have embraced the benchmarks is remarkable. The benchmarks have been

adopted by the last two sessions of the state legislature. They are the framework for state agency budgets. Every county has used benchmarks for children and families, health, and work force initiatives. Seven of Oregon's 36 counties are voluntarily developing comprehensive, locally oriented benchmarks systems. Multnomah County, the state's largest county, and the City of Portland, the state's largest city, have adopted benchmarks. Multnomah County's budget, program initiatives, and action plans are built around high priority benchmarks. Benchmarks are also being used to make funding decisions by one of Oregon's largest foundations and by the Portland area United Way campaign.

3. HUMAN INVESTMENT: OREGON'S HIGHEST PRIORITY

We recommend that The Oregon Option demonstration project focus initially on what we call our human investment benchmarks. These benchmarks are intended to help Oregonians become self-reliant individuals, able workers, nurturing parents, and involved citizens. They deal with the full cycle of people's lives, beginning with stable families, healthy babies, young children ready to learn, K-12 school success, a smooth school-to-work transition, and skilled, self-reliant, able adults.

Human investment is our highest strategic priority. It is pivotal because it addresses both economic and social concerns. On one hand, investments that make individuals and families more healthy, self-reliant, and skilled increase our economic competitiveness. On the other hand, they yield able citizens who enjoy higher income and employment levels, all of which diminishes social distress and family dysfunction. This, in turn, reduces the individual tragedy and the community burden of remedial social services and criminal justice programs.

Human investment is our top strategic priority; it addresses both economic and social concerns.

These principles, published in 1991, lie at the heart of our human investment strategy:

- As Oregonians, we hold ourselves accountable for results in education and training. Specifically, we commit ourselves to become measurably the best educated and trained people in America by the year 2000 and equal to any in the world by the year 2010.
- We cannot afford to leave anyone behind: neither disabled Oregonians, seniors, women, racial and ethnic minorities, nor any other group historically underrepresented in high skill occupations or the self-reliant population.
- We will concentrate on imparting to Oregonians strong fundamental skills in communications, teamwork, math, science and problem-solving, and in serving the state's demands for a highly skilled work force.
- We believe that we must change the focus of human resource programs from "helping the needy" to "investing in people."

- We are committed to making investments in Oregonians today which will avoid the need for costly remedial and corrective programs in the future. We believe in creating family environments that allow every child to grow up with the opportunity to reach his or her full potential.

Oregon's Policy Framework

We have adopted a policy framework consistent with these principles. The preceding section describes how the Oregon Legislature has adopted benchmarks which set direction for Oregon. Four separate, yet inter-connected legislative initiatives on education reform, work force development, children and families, and economic development provide a policy framework for achieving the human investment benchmarks.

Our human investment policy framework: education, work force, children and families, economic development.

State education reform, adopted in 1991, creates a framework for creation of Certificates of Initial Mastery (CIM), and Certificates of Advanced Mastery (CAM) which every student is expected to achieve. In addition, the reform decentralizes decision-making in schools through site-based councils. Our K-12, community college, and higher education systems are collaborating on these reforms. As part of the reform effort, the State System of Higher Education is proposing for the first time competency-based entrance requirements to reflect our commitment to outcomes measurement.

Work force legislation, adopted in 1991, creates a state-level work force council to define strategies for achieving benchmarks relating to school completion, professional technical education, and continuing education. One of the council's explicit missions is to try to make sense of the myriad federal work force programs, and to make them work for Oregonians. The act creates regional work force quality councils to develop and implement strategies in cooperation with local business and labor.

Oregon's Commission on Children and Families creates county-based children and families commissions to develop and implement local strategies around state-identified benchmarks. The local commissions are currently in the midst of comprehensive planning, focusing on prevention activities and wellness for all children and families in their communities.

Finally, our Key Industry and Regional Strategies programs work with industry associations at the state and local levels to develop strategies for

building up 13 key industries in Oregon. One of the key areas of focus in industry development is work force preparation. Oregon's economic development strategies connect education and training services more closely with the needs of business.

Self-Sufficiency Through Employment

The framework described above sets the stage for improving outcomes at every stage of life. By achieving these outcomes, we expect to ultimately reduce the need for public assistance programs and corrections in Oregon. At the same time, whether people are on welfare, in prison, or simply unemployed, getting them back in the economic system serves economic development and reduces the public assistance burden.

Getting people back in the economic system serves economic development and reduces the public assistance burden.

For example, we have one of the most successful Job Opportunities and Basic Skills (JOBS) programs in the nation, with over 1,200 job placements per month. Unlike our neighboring states where welfare rolls continue to climb, we have seen a decline in recent months in the number of individuals on public assistance.

To reduce crime and cut the number of repeat offenders, we are working to help inmates prepare to return to their communities and find jobs. Efforts include drug and alcohol treatment, education and training programs, and improved community supervision for targeted parolees and probationers. We are also developing work release programs and other employment efforts for inmates making the transition from prison back to the community.

We also have made great strides in helping unemployed Oregonians get back to work at good wages. Since 1991 the Employment Department, Job Training Partnership Act Administration, and our community colleges have worked in tandem to provide consolidated, streamlined delivery of services to dislocated workers. The Oregon Legislature has provided substantial funding to fill gaps in federal funding to help dislocated workers. Local providers often rely on these state resources to provide services to dislocated workers while waiting for additional federal funds.

State funds also pay for a successful transition workshop called "Choices and Options" to help recently dislocated workers deal with the pain of job loss and to get them motivated and focused on a life goal and training

program. We have also approved extending unemployment benefits of up to 26 additional weeks for dislocated workers while they are enrolled in a training program. Dislocated workers who have received retraining assistance in the past three years have a 75 percent job placement rate by 13 weeks after completing training. Their salaries average from 50 cents to \$1 per hour less than their prior job earnings.

Community-Based Service Delivery System

In pursuing our human investment benchmarks, we are empowering communities and integrating services locally.

Many human investment services, including those for children and families, education, and work force development, are being identified, planned, and delivered at the local level. The state has identified counties as the overarching organization for such local decision-making. A number of counties, in turn, are taking service planning to the town, school district, or neighborhood level. In other cases, counties have joined together to identify the needs of each region.

With state government encouragement and support, local communities have already begun to design local models that build on community strengths and deliver services differently from the traditional centralized service system.

For example, in Multnomah County, the largest and most urbanized county in the state, an integrated family support services network is being developed to link social

Local, state, and federal governments must collaborate and reduce senseless red tape and rules so families can access cohesive rather than fragmented services.

services, schools, community policing, community action agencies, aging services centers, library branches, and other community resources. Six parent-child development centers in each part of the community provide integrated services in early childhood development, community health, youth services, and other social services programs.

In the City of Portland a host of resources were brought to bear to turn around a high crime rate surrounding a 178-unit apartment complex. A combination of new, nonprofit ownership, intensive community-sensitive property management, surrounding neighborhood organizing, and a mix of appropriate on-site social services reduced the arrest rate from 1.4 percent of *all* city arrests to virtually nothing. This freed up for other needs half a million dollars in annual police resources that had been tied up on this once-dangerous situation.

A program that successfully helps protect children from abuse is Tillamook and Clatsop counties' Healthy Start program. Tillamook County had since 1991 been providing tracking of high-risk infants through a state-funded program. Then, in 1993, the Legislature provided funds for pilot projects to create family wellness programs, similar to a successful project in Hawaii. Family support workers, paraprofessionals often recruited from the ranks of welfare clients, accompany public health nurses on home visits to at-risk families and provide a broad range of support services. Early results are excellent: none of the families aided under the program have been referred to child protective services.

The effort to shift service decisions and delivery to the local level is already revealing the need to decategorize funding to make it responsive to local priorities and plans. The community-based service experience also reveals that local, state, and federal participants must collaborate with one another and reduce senseless red tape and rules so families can access cohesive rather than fragmented services.

Examples of Oregon's Efforts

To Achieve Human Investment Benchmarks

We are making real progress in initiatives to meet many of our human investment benchmarks. Here are some examples of that progress.

Early Childhood Immunization

| Relevant Benchmark | 1980 | 1989 | 1990 | 1991 | 1992 | 1993 | 2000 | 2010 |
|--|------|------|------|------|----------------|----------------|------|------|
| Percentage of two-year-olds who are adequately immunized | | | | | 47% (91-92) | 50% (92-93) | 100% | 100% |

In the past two years Oregonians from all walks of life have joined together in an unprecedented campaign to increase levels of early childhood immunization, an important benchmark in early childhood development. Health professionals linked up with concerned citizens to form the Oregon Preschool Immunization Consortium. This brought together the medical and nursing associations, insurance companies, hospitals, service clubs and public agencies to pool existing funds, raise new money, and tackle the forgotten half -- the 50 percent of the state's two-year-olds who were not yet adequately immunized.

The consortium launched a massive, monthlong public outreach and education campaign that culminated in a statewide free immunization day May 14. With the help of hundreds of volunteers, nearly 7,000 children were added to the immunized rolls in just one day. Other projects already

under way include a baseline immunization survey of two-year-olds and a computerized statewide registry.

Teen Pregnancy Reduction

| Relevant Benchmark | 1980 | 1989 | 1990 | 1991 | 1992 | 1993 | 2000 | 2010 |
|---|------|------|------|------|------|------|------|------|
| Pregnancy rate per 1,000 females ages 10-17 | 24.0 | 19.6 | 19.7 | 19.3 | 17.9 | | 8.0 | 8.0 |

Oregonians have rallied around the benchmark to reduce teen pregnancy. Public and private partners working together have made important strides toward reducing this problem. In 1991 and 1992 the rate dropped, reversing a decade-long trend. In 1991, despite deep cuts in the state budget, Governor Roberts made teen pregnancy reduction a priority and pushed through an additional \$1 million toward the effort. In 1994 she announced that teen pregnancy would become one of her highest priorities for the remainder of her term. She hired a special assistant to focus on the issue and began a series of initiatives, culminating in a statewide planning session in June. She met with 35 of Oregon's 36 counties via the state's educational television network, along with 2,000 teens at 95 middle and high schools. This fall she will propose a comprehensive plan to combat teen pregnancy.

The Oregon Commission on Children and Families and the Department of Human Resources are working with communities to develop a comprehensive prevention strategy. The overriding goal of this coordinated effort is to enhance children's skills, their sense of self-worth, and their ability to make good decisions.

School-to-Work Preparation

| Relevant Benchmark | 1980 | 1989 | 1990 | 1991 | 1992 | 1993 | 2000 | 2010 |
|--|------|------|------|------|------|------|------|------|
| Percentage of high school students enrolled in structured work experience programs | | 3% | 3% | 3% | 3% | | 35% | 55% |

The school-to-work opportunities system is an integral part of education reform in Oregon, bridging the gap between education and work force development. We are requiring that our students meet world class standards of achievement and acquire real-world work skills. New curriculum to achieve that aim is already being developed with the involvement of business and labor. The statewide school-to-work system is being implemented through 15 regional work force quality committees. We plan to develop the bulk of this system through a five-year, \$17 million

State Implementation Grant recently received from the U.S. Department of Education.

The Oregon Legislature has appropriated funds to support this effort at several pilot sites across the state, and several of the regional work force quality committees have made school-to-work a high priority. Roosevelt High School in the Portland School District, for example, has revamped its curriculum and formed scores of business partnerships to help students choose careers and learn at work sites. A skills center in the North Clackamas School District is putting students into internships, certification programs, and youth apprenticeships.

The Path Ahead

While we are pleased with these initial accomplishments, our experience only underscores the work still ahead. We are discovering that a focus on results requires the redesign of systems from the ground up. This is no casual undertaking. Transformation of state and local systems will take years. However, federal support for that effort would greatly accelerate the development of results-driven government in Oregon.

4. WHY A NEW INTERGOVERNMENTAL APPROACH IS NEEDED

The Dysfunctional Intergovernmental System

In its 1993 report, the National Performance Review observes that a well-functioning intergovernmental system is central to Americans' quality of life and the national government's ability to pursue a domestic policy agenda. It also notes that thousands of dedicated employees work hard within this system to solve human and societal problems.

Unfortunately, the report adds, there is a widespread feeling that public institutions and programs are not working. At the same time, serious social and economic problems are deepening. These include low-birth-weight babies, single teenagers having babies, falling high school graduation rates, juvenile crime, declining household income, and the high number of Americans without adequate health care coverage.

The system intended to be a solution has become a major part of the problem.

At least a part of the reason for these trends, the report asserts, is an increasingly dysfunctional intergovernmental process. Grant and income transfer programs, notes the report, amount to over \$226 billion in fiscal 1994. The number of individual grant programs, now exceeding 600, continues to grow. Yet so do "problems of duplication and overlap." The report goes on to level this harsh assessment.

Unfortunately, the myriad of federal mandates and regulations that accompany grant programs are cumbersome and very costly to administer, lack a coordinated implementation strategy between levels of government, and are not achieving the intended outcomes. Each separate program has its own array of rules and regulations that must be observed, regardless of their impact on the effectiveness and quality of customer service. States and localities have limited ability to customize service delivery by integrating programs because of competing, often conflicting federal rules and requirements that accompany each program.

The NPR report cites telling examples of a grant and mandate system that is fragmented, burdened with overhead, focused on process rather than results, and paralyzed with rules, regulations, and paperwork. The system intended to be a solution has come to be a major part of the problem.

The Oregon Perspective

Not only are such problems familiar to our state and local governments as they view the federal end of the system, these problems are familiar to our localities as they view State of Oregon rules, regulations, and paperwork. This is why Oregon state government, aware of its own bureaucratic shortcomings, has been making an effort through the benchmarks process to identify and integrate a wide range of functions and responsibilities (both within state agencies and between state and local agencies) that can be better handled at the local level. The advantage of benchmarks, with their emphasis on measurable results, is that they make it possible to do this by measuring front-line performance in terms of outcomes.

Intergovernmental Barriers

To Efficient, Integrated, Client-Centered Service

In preparing this proposal, the Governor's Office surveyed state and local agencies to learn how they perceive their mission, the results they are trying to achieve, how the current intergovernmental system helps or stifles their efforts, and what features of a redesigned system would be most helpful to them. The themes that surfaced are presented in the remainder of this section.

At this point, however, a word of caution is in order. While the examples that follow are intended to illustrate one dimension of intergovernmental dysfunction, they do not tell the whole story of Oregon's relationship with the federal system. As explained in the next section of this proposal, there are many instances in which the federal government has been supportive in cutting red tape and improving federally funded services to Oregonians. We want to build on those successes. Moreover, we know that state government is far from guiltless when it comes to generating stifling rules, regulations, and red tape. The attempt through Oregon Benchmarks to simplify and integrate services is our own implicit acknowledgement that we, too, need to change the way we deliver services to Oregonians. That said, here are some examples of problems we hope to resolve with The Oregon Option demonstration project.

In many cases the federal government has been supportive in cutting red tape and improving services to Oregonians.

■ Too Many Federal and State Categories Add Overhead and Make Service Integration Difficult

The growing number of categories of federal programs confuse customers and waste resources. Every agency has a story to tell. For example, the

Douglas County Health Department was recently admonished in a finicky federal "technical assistance review" for allowing an office work station purchased with WIC (Women Infant and Children nutrition) funds to be partially used for non-WIC activities (which were related to family health). The county was asked to return a portion of the \$5,227 investment for furniture, a matter still under negotiation.

To manage among all of these categories, agencies must either keep elaborate (and expensive) accounting records, or (as is often the case), wastefully isolate administration and delivery of one program from another to avoid being penalized by auditors. Many community colleges, for example, run separate training programs for each federal program rather than merge classes because of different requirements and accounting complexities. Separate computer systems are set up for federal programs, at greatly added expense, rather than joining with existing systems. The prospect of federal sanction is intimidating.

In addition, each program generally requires separate planning and reporting requirements, all of which adds to costs. For example, Oregon is expected to provide five plans for five major federal programs in work force preparation. If these plans were consolidated into one, Oregon could provide more integrated services with less overhead.

Separate planning and reporting requirements add to costs and confuse customers.

More important, categorical programs confuse customers. In every area of social service delivery, from families and children to mental health to work force development, customers are confused by too many categories of services. For example, the state Legislature, in a report on Children and Families, reviewed the dizzying array of services from a client perspective. They found that services were scattered and difficult to access. The report envisioned community centers integrating services to make them more effective for clients.

We are attempting to address these concerns at all levels of government, and it isn't easy. In Multnomah County, for example, family planning, WIC nutrition support, maternal-child health and other primary care services are delivered through an integrated primary care delivery model. Multnomah County is recognized nationally for this efficient system which allows clients to receive many different services in one visit. While services have been integrated, there are still heavy administrative costs associated with the segmentation of funds and overlapping federal and state

reporting costs. The county estimates that it could save over \$800,000 were the systems to be simplified. These savings would be enough to accommodate more than 12,000 patient visits each year.

Multnomah County is not alone in its efforts. At the end of 1993, there were 33 Oregon communities working in cooperation with the Oregon Department of Human Resources to integrate services. One such project is in White City, a small timber town in southern Oregon. White City invited staff from the public assistance agency, child welfare, and the public health and employment departments to a coordination meeting. Each person was asked to bring a list of the 30 families in the area deemed most at risk. When participants compared their lists, they were stunned: There was a crossover of 25 out of the 30. These service providers were working with the same families, often at cross purposes, and none of them were aware of one another's efforts. They were so focused on the various state and federal requirements for individual programs, they were unable to view their customers in a holistic manner. Now in White City, like many other Oregon communities, there is a single location where customers can access all services.

■ Excessive Rules, Regulations and Oversight Add Cost and Stifle Service Capability

As the NPR points out so well, the intergovernmental system is driven by stifling rules and intrusive audits that add costs to the administration of programs and discourage innovation. These constraints are very expensive and have little value to customers. Indeed, much of the bureaucracy that Americans complain about can be directly linked to the way we manage our intergovernmental system. By focusing so much of our attention on the details of administration and the tracking of costs, our systems have become cumbersome and we have lost sight of the results that we are trying to achieve.

Much of the bureaucracy that Americans complain about can be directly linked to the way we manage our intergovernmental system.

The burden and costs associated with federal rules and paperwork are huge. Roughly one-fourth of Oregon's 40,000 state employees are primarily involved in implementing federal programs, and many more are partially involved with federal program requirements. Large agencies that are involved in delivering big federal programs such as public assistance and foster care estimate that 20 percent of their costs stem from unnecessary regulation. For example, our public assistance division files 550 reports

each year and navigates through volumes of federal eligibility manuals. Among smaller programs such as JTPA and Housing, more than 50 percent of staff time is spent dealing with federal rules and requirements. These are estimates just for state government. We have not yet been able to estimate the amount of unnecessary paperwork local governments must endure because of the current design of our systems. Nor do we know the number of federal employees absorbed in writing regulations and reading our reports. If we could streamline the intergovernmental system, thousands of public employees could turn their attention from paper-pushing to direct productive services to citizens.

With a streamlined system, thousands of public employees could turn from paper-pushing to direct services to citizens.

This regulatory overkill is demoralizing and at times absurd. For example, on an Indian reservation where no private child care providers existed, a proposal to remodel a garage into a playroom was rejected because of cumbersome regulations. The community had to settle for fewer child care slots. The Department of Consumer and Business Service has faced some microscopic monitoring by federal agencies. In 1989, Oregon submitted construction industry standards. *This year* a response arrived. Comments extended to typos and the observation that while Oregon's change of terminology from "flagman" to "flagger" was understandable, a complete comparison document would be required providing a rationale for this change.

One of the newer problems encountered by state agencies is the federal "first dollar" requirement. The Vocational Rehabilitation Division, for example, faces a federal requirement to look to other agencies and resources to pay for client services before using VRD funds. The problem develops when another agency with the same client, say the Job Training Partnership Administration, has the same requirement. In a situation where an employer is interested in an on-the-job-training contract, both agencies are paralyzed because neither can act until the other puts in the first dollar.

All these rules and requirements distract workers from their real priority, customer service, as they struggle to remain in compliance. The system squanders our greatest asset, the valuable time of front line workers, in a tangle of unproductive, unnecessary activities.

■ A Bias Toward Remediating Problems Rather Than Preventing Them

Besides too many categories with too many rules and regulations, there is one final problem with the intergovernmental system. Resources are directed at the wrong place. Indeed, the structure of federal program allocations often reward failure and penalize success.

We in Oregon believe strongly in the Clinton Administration's agenda to build strong families that can take care of children, to improve education, to provide preventive health services, and to create the kind of professional technical education and job training services that move Oregonians into high wage jobs. When we look at how federal dollars flow, however, we see a preponderance of expenditure on the kinds of assistance and remedial support services that could be reduced dramatically if we invested earlier in the life cycle.

Much of this misallocation of resources stems from matching requirements created in federal programs. For example, Oregon's efforts and expenditures in the JOBS program have helped reduce the state's ADC caseload. Because JOBS funding is allocated in direct proportion to the state's share of the national ADC caseload, performance in reducing the ADC caseload is penalized: better results bring fewer federal JOBS program dollars available to the state, while larger shares go to states that do not perform. Similarly, we receive substantial matching funds for foster care, yet limited funds for in-home care, even though many experts believe home maker services are cheaper and forestall the need for more expensive foster care. These examples are not atypical. In too many cases our investments in preventive programs that work *reduce* the total funds we receive from the federal government.

Our investments in preventive programs that work reduce the total federal funds we receive.

5. PROMISING PARTNERSHIPS WITH THE FEDERAL SYSTEM

Despite problems in the intergovernmental service delivery system, Oregon governments have forged a number of promising partnerships with federal agencies. Collectively, these successes provide a precedent and a foundation for a broader redesigned partnership between our state and local agencies and the federal government.

Here are prominent examples of successes to build on.

Senior Services

In 1981 Oregon applied for a waiver from the Health Care Finance Administration to allow Medicaid funds formerly dedicated for nursing homes to be used for home and community-based care for the elderly and disabled. We were the first state in the nation to use such an approach, and the results have been excellent, allowing a majority of long-term care clients to be shifted out of nursing facilities. This has afforded a greater independence and better quality of life for clients while saving the federal and state governments \$319 million between 1981 and 1993.

The number of Medicaid nursing facility clients has actually declined slightly over the past 11 years, despite rapid growth in the elderly segment of the population. Our population over 75 years old grew 50 percent in the 1980s. Yet during that period, nursing facility occupancy dropped from 93 percent to 88 percent. And the number of nursing facility beds per 1,000 Oregonians over 65 dropped from 48 to 38.

Oregon Health Plan Medicaid Waiver

We are working to expand health care coverage to all Oregonians. The federal government worked closely with the state in one key part of our strategy: the Medicaid reform component of the Oregon Health Plan, a Title XIX demonstration project. Under the plan, most Oregonians with incomes under the federal poverty level are covered by Medicaid. Clients receive care through a coordinated system of managed care plans, with benefits defined through a prioritization process that emphasizes cost-effective preventive care.

The program began on February 1, 1994. Today there are 260,000 people enrolled in 20 managed care plans under the health plan. Of the total 260,000 enrolled, 72,000 are new Medicaid eligibles who would not have been eligible for health care coverage without the health plan. Because of

our partnership with the federal government in designing this program, we are increasing the number of people covered, enrolling more of them in managed care plans, controlling Medicaid costs and improving health care to Oregonians.

The Forest Plan

The Northwest Economic Adjustment Initiative established a new partnership between Oregon and the federal government to assist dislocated workers, businesses, and communities that must adjust to economic conditions and land management decisions that adversely affect the forest products economy. The initiative provides for cooperative planning and decision making among local, state, and federal agencies as well as improvement in the distribution of federal funds. Moreover, it is long term, involving funding commitments of up to five years.

Although this initiative is still in its infancy, some promising results have begun to take shape. The initiative has fashioned a coordinated service delivery system for a package of assistance involving 18 federal programs, 12 federal agencies, and numerous state and local interests. Of nearly 50 recommendations for cutting red tape and streamlining delivery systems, over half have been adopted and only seven have been denied. The initiative has also been a catalyst in finding common ground among forest industry workers, communities, and state and federal governments to create a new kind of forest-based economy. The "Ecosystem Workforce Pilot Program" is redefining jobs in the woods through ecosystem restoration projects that provide dislocated workers family wages and benefits, long-term employment, and skills training.

The forest plan service system involves 18 federal programs, 12 federal agencies, and numerous state and local interests.

Developmental Disabilities

Before 1981 certain Medicaid dollars had to be used to house individuals with developmental disabilities in large, state-run institutions. But then the federal Health Care Financing Administration worked with Oregon to allow those dollars to pay for home and community-based care instead.

We were the first in the nation to receive such a waiver and the results have been excellent. More than 1,500 former residents of large institutions now live in community-based homes. And more than 100 people a year are able to stay in the community with new or enhanced services, rather than institutions. This change has been essential to the state's effort to reduce

the size of its largest institution for the developmentally disabled, bringing it back into compliance with Medicaid regulations.

These separate efforts demonstrate that Oregon is fertile ground for bold, innovative experiments that can yield big dividends. We have learned a great deal from these efforts and have built a promising track record in collaboration with our federal partners. Now it is time to take the next step — to build on these separate successes by implementing The Oregon Option.

6. THE OREGON OPTION

Oregon proposes The Oregon Option, the multiyear demonstration of a redesigned model of intergovernmental service delivery. It would be structured and operated to achieve benchmarks in human investment that are mutually desirable to the federal government and to our communities.

These are the principles of the recommended service delivery system:

- **Only results equal success.** The system should be structured, managed, and evaluated on the basis of results (i.e., progress in achieving benchmarks).
- **Customers come first.** The system should be oriented to customer needs and satisfaction, especially through integration of services.
- **Nip problems in the bud.** The system should be biased toward prevention rather than remediation of problems.
- **Cut red tape, empower front-line workers.** The system should be simplified and integrated as much as possible, delegating responsibilities for service design, delivery, and results to front-line, local-level providers, whether they are local agencies or local offices of state agencies.

Need for High-Level, Long-Term Commitment

To have a reasonable prospect of success, this delivery model must have high-level support at both federal and state levels, and a long-term federal commitment to funding. Because it will take time to put new systems in place and begin to see results, eight years should be considered a minimum time frame. Funding for this effort should be based on a formula that creates strong financial incentives for successfully improving the lives of Oregonians while reducing the need for public assistance and remedial program services.

This delivery model must have high-level support and long-term commitment to funding.

This delivery model will require consolidation of funding categories and streams, suspension of stifling regulations and wasteful paperwork requirements, management accountability by results rather than inputs, and a cooperative rather than adversarial relationship among government partners.

How the Parties Should Proceed

If there is strong federal interest in this proposal, the parties should proceed by further refining the recommendations contained here, with an aim toward two near-term accomplishments. First, we should develop a statement of principle that identifies what outcomes we want to achieve and the ground rules for redesigning the service delivery system.

We are moving on Oregon Benchmarks. We are ready to move on The Oregon Option.

Second, we should select a few benchmarks for immediate attention as the basis of system redesign. For example, the federal government may wish to join with Oregon to reduce teen pregnancy rates and increase immunizations. Each benchmark should generate a substantial list of actions to take, some of which can be done quickly, others over a longer time, perhaps in conjunction with a legislative strategy.

Next Steps

We recognize that a great deal of collaborative work lies ahead to take this concept forward. Team structure, benchmark outcomes, timelines, budgets, and organizational logistics need to be established. We are moving on Oregon Benchmarks already. We are ready to move on The Oregon Option.

APPENDIX A

A MENU OF HUMAN INVESTMENT BENCHMARKS

The following benchmarks illustrate the kind of results that Oregon seeks to improve the lives of its people.

| | HISTORIC | | | | | | TARGET | |
|--|----------|------|------|------|------|------|--------|------|
| Family Stability | 1980 | 1989 | 1990 | 1991 | 1992 | 1993 | 2000 | 2010 |
| 1. Pregnancy rate per 1,000 females ages 10-17 | 24.0 | 19.6 | 19.7 | 19.3 | 17.9 | | 8.0 | 8.0 |
| 2. Percentage of children living above 100% of the federal poverty level | 88% | | 84% | | 84% | | 92% | 100% |
| 3. Number of children abused or neglected per 1,000 persons under 18 | | 12.3 | 11.3 | 10.5 | 11.3 | 10.8 | 6.0 | 2.0 |
| 4. Spousal abuse: domestic violence calls per 1,000 households | | 47.9 | 46.1 | 45.3 | 45.7 | 56.9 | 30.0 | 20.0 |
| 5. Percentage of children who are homeless at some time in the past year | | 1.5% | | 1.8% | | 2.0% | 0% | 0% |
| 6. Of children born outside of marriage, the percentage who have legal paternity established in a given year | 33% | 37% | | 31% | | 49% | 80% | 90% |
| 7. Percentage of current court ordered child support paid to single parent families | 44% | 47% | | 50% | | 54% | 95% | 99% |

| | HISTORIC | | | | | | TARGET | |
|--|----------|------|------|------|------|------|--------|------|
| Healthy Babies and Preschoolers | 1980 | 1989 | 1990 | 1991 | 1992 | 1993 | 2000 | 2010 |
| 9. Percentage of healthy birthweight babies | 95% | 95% | 95% | 95% | 95% | | 97% | 98% |
| 10. Percentage of infants whose mothers did not use: | | | | | | | | |
| a.* illicit drugs during pregnancy | | | 89% | | | | 99% | 100% |
| b. alcohol during pregnancy (self reported by mother) | | 93% | 94% | 95% | 95% | | 99% | 100% |
| c. tobacco during pregnancy (self reported by mother) | | 76% | 77% | 79% | 79% | | 95% | 100% |
| 11. Infant mortality rate per 1,000 | 12.1 | 8.8 | 8.3 | 7.2 | 7.1 | | 6.0 | 4.0 |
| 12. Percentage of two-year-olds who are adequately immunized | | | | | 47% | 50% | 100% | 100% |
| 13.* Percentage of children entering kindergarten meeting specific developmental standards for their age | | | | | | | | |
| a. Language and literacy development | | | | | | | | |
| b. Physical well being | | | | | | | | |

*Data expected in September 1994.

| Schools Years | HISTORIC | | | | | | TARGET | |
|--|----------|------|------|------|------|------|--------|------|
| | 1980 | 1989 | 1990 | 1991 | 1992 | 1993 | 2000 | 2010 |
| 14. Student Skills: Percentage of eleventh grade students who achieve established skill levels | | | | | | | | |
| a. Reading | | | 83% | 82% | 83% | | | 99% |
| b. Math | | | 67% | 70% | 65% | | | 99% |
| c. Writing—Ideas | | | 83% | | 88% | | | 99% |
| d. Writing—Organization | | | 80% | | 84% | | | 99% |
| e. Writing—Conventions | | | 81% | | 86% | | | 99% |
| 15. High school graduation rate | | 73% | 72% | 76% | 74% | | 93% | 95% |
| 16. Percentage of high school students enrolled in structured work experience programs | | 3% | 3% | 3% | 3% | | 35% | 55% |
| 17. Percentage of students free of involvement with alcohol in the previous month | | | | | | | | |
| a. Eighth grade | | 77% | | 74% | | | | 99% |
| b. Eleventh grade | | 56% | | 63% | | | | 90% |
| 18. Percentage of students free of involvement with illicit drugs in the previous month | | | | | | | | |
| a. Eighth grade | | 88% | | 90% | | | | 99% |
| b. Eleventh grade | | 78% | | 81% | | | | 99% |
| 19. Percentage of students free of involvement with tobacco in the previous month | | | | | | | | |
| a. Eighth grade | | 87% | | 85% | | | | 99% |
| b. Eleventh grade | | 77% | | 81% | | | | 99% |
| 20. Juvenile arrests per 1,000 juvenile Oregonians per year | 32 | 36 | 38 | 39 | 42 | 44 | 20 | 10 |

| Adults and the Economy | HISTORIC | | | | | | TARGET | |
|---|----------|-----------------------|------|------|------|------|--------|------|
| | 1980 | 1989 | 1990 | 1991 | 1992 | 1993 | 2000 | 2010 |
| 21. Real per capita income as a percentage of U.S. real per capita income | 99% | 92% (1988: 91%) | 92% | 92% | 93% | 93% | 100% | 100% |
| 22. Percentage of Oregonians with incomes above 100% of the Federal poverty level | 89% | | 88% | | 91% | | 100% | 100% |
| 23. Percentage of displaced lumber and wood products workers re-employed within 24 months and earning at least 90% of previous income | | | | | 36% | | 70% | 75% |
| 25. Average rate of reincarceration of paroled offenders within three years of initial release | | | | | 41% | 41% | 20% | 15% |

OREGON OPTION/CITY OF PORTLAND TEAM

Memorandum of Understanding Principles

1. **There should be a "hold harmless" provision - not to penalize us in existing or new competitions for programs.** In such programs as the Empowerment Zone, the Homeless Initiative, and the Crime Bill, the fact of the Oregon Option should not preclude our eligibility for new funds or special programs. This provision should apply to state programs also.
2. **We should not be penalized for our successes.** The Empowerment Zone shows that we have already done many things well with limited resources. Will the feds take the attitude that we don't need federal help?
3. **Who is accountable?** How do we establish clear lines of responsibilities, especially for failures?
4. **We should insist that the MOU be signed by Clinton or Gore.** We need a fail-safe way to ensure this.
5. **We need to design a process for opting-out of the MOU during the negotiation process.** We should establish some clear parameters for our substantial investment of time and resources in this process.
6. **Principles for the combination of program funds and objectives:**
 - a. **We want the ability to combine funds from different federal departments.**
 - b. **When funds are combined, there should be one federal lead agency for reporting and auditing purposes.** We should not have to follow regular reporting and auditing requirements for all federal agencies participating.
 - c. **Combined funds should be as large a part as possible of categorical funds.** When only a part of program funds are used in the combined pot, there is no relief from management and auditing responsibilities for the remainder of the non-combined funds, unless we are specifically granted such relief.
7. **We should strive for statutory relief in the early phases of the process, not assume such actions should come later.**
8. **Encourage feds to grant their regional office staff the authority to approve**

waivers. To our knowledge, only HUD does so now.

9. **We would like a statement from the feds that the state is expected to provide flexibility in regulatory and statutory relief as well.**
10. **Ensure that possible relationships are articulated between and among all possible combinations of parties: federal/state/local, federal/local, federal/state, state/local, etc.**
11. **Preserve option to introduce additional program areas in the future, such as infrastructure, environmental, and transportation programs.**
12. **How do we ensure a real bottom-line analysis of efficiency.**
13. **Can we get the reporting year for programs lined up with our own fiscal years?**

Further points:

1. We have a long and close association with HUD, yet they are not well represented in the federal delegation.
2. "Present housing programs are not designed to work for Benchmarks, not designed to change fundamental conditions.
3. There should be stakeholders represented at the table during the MOU process.
4. There were concerns about the feds perception of dealing with a lame duck governor.
5. We should have a meeting with the state to work out our strategy together. We should have our state/local act together.
6. We are scared by the federal emphasis on A-87. City staff feels that A-87 represents good government practice, and that the obstacles to our program delivery are the departmental and agency regulations, not OMB.
7. We need to do some homework on what the federal agenda really is.
8. Empowerment Zone Application - articulates many of the ideas and experiences that the Oregon Option seeks. HUD is the lead agency on our application decision. As noted, above, HUD is not well represented in the federal delegation.

OREGON OPTION TEAM

ISSUES FOR THURSDAY, SEPTEMBER 15, MEETING IN SALEM

1. Finalize lists of attendees and attendance times:
(For name tags, packets, meals, Spirit of Portland, etc.)
 - Feds
 - State
 - Multnomah County
 - City of Portland
 - Other local
2. Finalize site visit information, including car assignments.
3. Finalize cluster papers.
4. Finalize agenda and arrangements:
 1. Room arrangements
 2. Seating arrangements at:
 - Monday breakfast
 - Monday p.m.
 - Tuesday breakfast and a.m.
 - Tuesday p.m.
 - Wednesday a.m.
5. Will there be a draft MOU?
6. Staff assignments for cluster groups.
7. Who is responsible for the accountability issue?
8. How to deal with the data and cross-cut people?

The Oregon Option
Portland, Oregon
September 18 - 21, 1994

Sunday, September 18

Meeting registration in hotel lobby 4:00 - 6:00 p.m.
 Registration packet to include tourist information, background materials,
 meeting agenda, maps of meeting places, meal tickets. Pre-paid charge of
 \$60.00 includes three breakfasts and one dinner cruise.

Federal officials will have dinner in Benchmark Cluster Groups on their own.

Monday Morning, September 19

| Time | Event | Hosts |
|-------------|---|------------------------|
| 7:00 - 8:30 | Welcome Breakfast The Heathman Hotel | Mayor Katz/Chair Stein |
| 8:30 | Leave for Site Visits | |
| 8:30 - 1:30 | Site Visits | Various |

Vision

Monday Afternoon

| Time | Event | Presenter/Facilitator |
|-------------|---|-----------------------|
| 1:30 - 1:45 | Welcome/Agenda | ????/Dimond |
| 1:45 - 2:15 | Context/Big Picture | Barbara Dyer |
| 2:15 - 3:15 | Oregon Benchmarks Overview Values and Principles Questions and Answers | Duncan Wyse |
| 3:15 - 3:30 | Break | |
| 3:30 - 3:40 | Small Group Set Up | Kathy Turner |
| 3:40 - 4:10 | Small Groups | Turner |

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Develop List of Up to
3 Values and Principles

| | | |
|-------------|-----------------------|--------------|
| 4:10 -4:30 | Report Back | Turner |
| 4:30 - 4:50 | Large Group Votes | Chuck Dimond |
| | -Agree | |
| | -I can live with it | |
| | -I have a better idea | |

| | | |
|-------------|---|--------------|
| 4:50 - 5:00 | Summary on Principles and Values to Guide Vision | Kathy Turner |
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~~5:00 - 5:15~~ ~~Break~~

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|------------------------|---|--------------------------|
| 5:15 - 6:15 | Review Memo of Understanding Work Team Assigned/Staff | Barbara Dyer/Duncan Wyse |
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| 6:15 - 6:30 | Overview Tuesday Agenda Announcements | Chuck Dimond |
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| 6:30 | Recess | |
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Monday Evening

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| 6:30 - 9:30 | Dinner Cruise on the Spirit of Portland | |
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Benchmarks and Strategies

Tuesday

| Time | Event | Presenter/Facilitator |
|-------------|---|-----------------------|
| 7:30 - 8:00 | Continental Breakfast Justice Center | |

(Governor Barbara Roberts and the Oregon Progress Board will participate from 8:00 until 9:30)

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|-------------|---|--------------|
| 8:00 - 8:15 | Open and Review of Monday Work and Memo (if necessary) | Chuck Dimond |
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|------------------------|---|---|
| 8:15 - 9:30 | Leadership Perspectives Benchmark Clusters Vision/Strategies/Stories | Mayor Vera Katz Comm. Bev Stein Chair Randy Franke Director Bill Scott |
| 9:30 - 9:45 | Break | |
| 9:45 - 11:00 | Diagnostic/Barriers Facilitated Benchmark Clusters (Dyer, Turner, other) Family Stability Early Childhood Health Workforce Training | |
| 11:00 - 11:30 | Large Group Reconvenes Each Cluster Reports | Chuck Dimond |
| 11:30 - 12:00 | Group Discussion | Dimond |
| 12:00 - 12:30 | Break/Get Lunch | |
| 12:30 - 5:00 | Reconvene in Cluster Groups Any Necessary Sub-groups | (clusters are facilitated sub-groups on their own) |
| 12:30 - 2:00 | I.D. Service Delivery Changes | |
| 2:00 - 3:30 | Discussion/Electronic Voting Rank Changes: Easy/Medium/Hard/Breakthrough | (working to make electronic voting available to all groups —might adjust times) |
| 3:30 - 5:00 | Develop On-Going Process Steps | |
| 5:00 | Recess | |
| Tuesday Evening | | |
| 7:00 - ??? | Bridgeport Pub | |

Conclusions**Wednesday Morning**

| | | |
|-------------|-----------------------|------------------------------|
| Time | Event | Presenter/Facilitator |
| 7:30 - 8:00 | Continental Breakfast | |

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Justice Center

| | | |
|---------------|--|--------------------------|
| 8:00 - 8:15 | Review of Earlier Work Today's Agenda | Chuck Dimond |
| 8:15 - 9:45 | Reports from Clusters and sub-groups | Dimond |
| 9:45 - 10:00 | Break | |
| 10:00 - 10:15 | Review Memo of Understanding | Barbara Dyer/Duncan Wyse |
| 10:15 - 10:45 | Small Group Discussion of Memo Missing Parts?--Consensus? | Kathy Turner |
| 10:45 - 11:10 | Report Back Discussion | Turner |
| 11:10 - 11:30 | Vote on any added items Prioritize Process Steps | Chuck Dimond |
| 11:30 - 11:40 | Next Steps What Happens Now? | Barbara Dyer/Duncan Wyse |
| 11:40 - 11:50 | Summary of Morning Work | Kathy Turner |
| 11:50 - 12:00 | Thanks/Closing Remarks | ??? |
| 12:00 | Adjourn | |

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9/15/94

POSSIBLE GUIDING PRINCIPLES FOR THE OREGON OPTION

Focus on results. The system shall be structured, managed and evaluated on the basis of results (agreed upon benchmarks and performance measures)

Customers come first. The system should be oriented to customer needs and satisfaction, specifically through ~~the~~ integrated ~~on~~ services.

Nip problems in the bud. The system should be biased toward prevention rather than remediation of problems.

Cut red-tape, empower front-line workers. The system should be simplified and integrated as much as possible, delegating responsibilities for service design delivery and results for front-line, local providers with they are local agencies or local offices of State agencies.

State systems need to change too. The intergovernmental system changes should involve how the state funds and regulates local government as well as how the federal government relates to the state. Specifically, if federal dollars are decategorized, then the related state dollars should also be decategorized.

Funding shall not be cut. Funding streams included in the Oregon Option should not be decreased due to reduced administrative costs or program success. For example, if the State succeeds in reducing the welfare caseload, then the State should be able to reallocate funds to more preventative program efforts such as job training.

Maintain federal protections and policy intent. Civil rights, other constitutional protections and federal legislative policy intent shall be respected.

Collaboration is essential. As part of this system redesign, there shall be requirements to identify and collaborate with partners at all levels.

**Federal Revenue to Multnomah County
by Granting Agency**

24-Aug-94

| | <u>Pass-Through</u> | <u>Direct</u> | <u>Pass-Through Agency</u> |
|--|--|-------------------|---|
| Department of Agriculture (USDA) | | | |
| FY 1992-93 | 1,631,953 | | OR - Dept of Human Resources |
| FY 1993-94 (Est) | 2,127,765 | | OR - Dept of Human Resources |
| Dept of Health & Human Services (DHHS) | | | |
| FY 1992-93 | 27,923,064 617,837 244,539 | 4,667,491 | OR - Dept of Human Resources National Institute on Drug Abuse City of Portland |
| FY 1993-94 (Est) | 69,004 42,943,955 714,103 386,027 | 8,388,801 | Oregon Health Sciences University OR - Dept of Human Resources National Institute on Drug Abuse City of Portland |
| Dept of Housing & Urban Development (HUD) | | | |
| FY 1992-93 | 89,930 75,933 230,587 | 1,013,838 | OR - Executive Department City of Portland Housing Authority of Portland |
| FY 1993-94 (Est) | 300,550 333,655 252,270 | 2,948,017 | OR - Executive Department City of Portland Housing Authority of Portland |
| Department of Justice | | | |
| FY 1992-93 | 155,399 | 782,228 | OR - Department of Justice |
| FY 1993-94 (Est) | 110,531 | 1,357,113 | OR - Department of Justice |
| Department of Transportation (USDOT) | | | |
| FY 1992-93 | 163,730 52,968 | | OR - Marine Board OR - Dept of Transportation |
| FY 1993-94 (Est) | 380,880 87,613 | | OR - Marine Board OR - Dept of Transportation |
| Department of Energy (DOE) | | | |
| FY 1992-93 | 587,739 | 75,000 | OR - Dept of Human Resources |
| FY 1993-94 (Est) | 579,343 | 114,500 | OR - Dept of Human Resources |
| Federal Emergency Management Agency (FEMA) | | | |
| FY 1992-93 | 41,831 | 350,794 | OR - Executive Department |
| FY 1993-94 (Est) | 56,000 | 390,000 | OR - Executive Department |
| Total (FY92-93) | 31,815,510 | 6,889,351 | |
| Total (FY93-94) | 48,341,696 | 13,198,431 | |

TO: The Oregon Option Visit Planning Team

FROM: Meganne Steele

DATE: September 13, 1994

SUBJECT: Site Visits on September 19, 1994

Please review the following listing of site visits and let me know by Thursday if you would like to participate. We are looking for one State person and one local person to participate in each tour, so please let me know if you have clear preferences. If you are willing to drive, I will be sure that you have directions to your sites.

And remember, unless you are the tour leader, please go on tours to programs which do not directly relate to your current program responsibilities.

| TOUR GROUP & SITES | TOUR LEADER [driver] |
|--|---|
| 1. Chemeketa Comm. College Bush School McClaren | Toni Petersen [driver needed] |
| 2. Various teen-parent jobs programs in Marion County | Debbie White [driver needed ?] |
| 3. Marion County Health programs | Ruth Johnson [driver needed ?] |
| 4. State Employment Field Office - Beaverton plus one other -- Ednet/Compass at OPB? | Tom McClenan [same ?] |
| 5. Northeast Workforce Center Mt. Hood Community College (dislocated worker visits) | Lisa Neisenfeld [same] |
| 6. East County Caring Community Eastwind (children & family services) | Commissioner Sharon Kelly ** [same] |
| 7. Portland Impact Brentwood/ Darlington Family | Commissioner Tanya Collier ** [same] |
| 8. Touchstone Target Cities | Norma Jaeger (?) [same?] |

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|-----|---|---|
| 9. | North Portland Health Clinic - WIC Program Roosevelt School Health Clinic | Tom Fronk [same?] |
| 10. | Iris Court King Facility | Derrick Foxworth [driver needed] |
| 11. | Columbia Villa Roosevelt Family Resource Center | Norm Monroe [same] |
| 12. | School to Work Programs -- Roosevelt and David Douglas | Marsha Douglas [same?] |
| 13. | Ryles Center Regional Acute Care Coordination | Rex Surface (?) [same?] |
| 14. | ADAPT Vol. of Amer. Drug & Alcohol Program (for parole/probation) | Joanne Fuller (?) [same?] |
| 15. | Regional mental health and A&D services in the jails (Multnomah & Wash. Counties) | Kathy Page (?) [same?] |
| 16. | PIVOT Program, Portland Public Schools Parent - Child Services | Anna Street [Norm Monroe] |
| 17. | CARES plus an integrated services site | Commissioner Dan Saltzman** [same] |

** tour arrangements will be made by Multnomah County staff

Other tour leaders/drivers not yet assigned : Carol - Linda Casson