Operationalization of the Strategic Plan: An Analysis of Lane County through a Fiscal Stewardship Lens

Photo Credit: Lauren Raab / Los Angeles Times

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UNIVERSITY OF OREGON | Institute for Policy Research and Engagement

About the Institute for Policy Research and Engagement

The Institute for Policy Research and Engagement (IPRE) is a research center affiliated with the School of Planning, Public Policy, and Management at the University of Oregon. It is an interdisciplinary organization that assists Oregon communities by providing planning and technical assistance to help solve local issues and improve the quality of life for Oregon residents. The role of IPRE is to link the skills, expertise, and innovation of higher education with the transportation, economic development, and environmental needs of communities and regions in the State of Oregon, thereby providing service to Oregon and learning opportunities to the students involved.

About the UO – Lane County Policy Lab

The University of Oregon's School of Planning, Public Policy and Management and the government of Lane County started a partnership in 2018 to provide applied learning experiences for students, applied research settings for faculty and staff, and technical assistance to the Lane County government.

This project was funded in part by the UO – Lane County Policy Lab.

Land Acknowledgement

The University of Oregon is located on Kalapuya Ilihi, the traditional indigenous homeland of the Kalapuya people. Following treaties between 1851 and 1855, Kalapuya people were dispossessed of their indigenous homeland by the United States government and forcibly removed to the Coast Reservation in Western Oregon. Today, descendants are citizens of the Confederated Tribes of Grand Ronde Community of Oregon and the Confederated Tribes of the Siletz Indians of Oregon, and continue to make important contributions in their communities, at UO, and across the land we now refer to as Oregon.

IPRE operations and projects take place at various locations in Oregon, and wishes to acknowledge and express our respect for the traditional homelands of all of the indigenous people of Oregon. This includes the Burns Paiute Tribe, the Confederated Tribes of the Coos, Lower Umpqua and Siuslaw Indians, the Confederated Tribes of the Grand Ronde Community of Oregon, the Confederated Tribes of Siletz Indians of Oregon, the Confederated Tribes of the Umatilla Indian Reservation, the Confederated Tribes of Warm Springs, the Coquille Indian Tribe, the Cow Creek Band of Umpqua Tribe of Indians, and the Klamath Tribes. We also express our respect for all other displaced Indigenous peoples who call Oregon home.

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Summary

Lane County's 2018-2021 Strategic Plan puts forth three strategic lenses including Financial Stewardship, Equity, and Collective Impact. This report focuses on the use of financial stewardship, the prudent and transparent management of funds, as a strategic lens for setting the perspective from which goals should be viewed. The report outlines ways to approach and efficiently improve the budgetary process through citizen participation that cultivates validation, technology that increases transparency, and the budget process that assures accountability.

Summary of Key Findings

Based on the definition of financial stewardship published in the strategic plan, we focused on researching how Lane County could improve its accountability, transparency, and use of analytical tools in decision making, and how:

- citizen participation would improve accountability to the public
- technology can improve the transparency of Lane County finances, and
- performance measurements can improve the budget process.

Citizens can currently interact with the government through various channels. The impact of the communication or participation isn't always effective. Ways to increase validation among community members are reshaping the hierarchical structure of meetings and using fiscal intelligence to safeguard efficiency for the expenditure of taxpayers' dollars. Citizen participation is a collaborative process between community members and government that assures financial stewardship through validation, accountability, and trust. Accountability is best achieved when the political culture of the community is correctly assessed. Finally, in conjecture with validation and accountability, holding additional meetings early in the budget formulation process, and changing the financial language through community finance education will install the institution of trust in the collaborative process.

Transparency is accomplished through direct information and communication between constituents and government administrators. Currently, Lane County applies minimum transparency requirements by publishing all transactions in a list. An open data portal that makes the transactions organizable or interactive would encourage participation and improve transparency. The data portal could also use geo-referenced maps to display where public projects are occurring so that citizens can have high quality data to help structure their feedback and best recommendations for the projects. Lane County already has existing open data software- Tableau and Geographic information system- that could be better utilized for these outcomes.

Lane County's budget process has only three meetings for public hearings or comment. The budget committee is made up of the county administrator and citizens appointed by the county commissioners. Changes to each year's budget occurs after meetings where department heads give presentations. The department heads propose a budget after receiving one annual budget training. Performance information is then selected at the manager's discretion. The budget process and committee members would benefit greatly from standardized performance information when deciding on awarding more or less funding to government programs.

Introduction

Lane County adopted the 2018-2021 Strategic Plan in 2018. This plan is a collaborative effort to manage resources and deliver services that involve The Board of Commissioners, county staff, and communities across the county. The plan is designed to address four strategic priorities to increase engagement through three strategic lenses to ensure thorough, insightful, and intentional processes to implement public policy. These three lenses are Financial Stewardship, Equity, and Collective Impact. This report examines the Financial Stewardship lens and outlines ways to approach and efficiently improve the budgetary process through citizen participation that cultivates validation, technology that increases transparency, and the budget process that assures accountability. Multiple literature reviews and personal interviews were conducted to analyze and recommend how Lane County can employ citizen participation, technology, and budgetary prudence to efficiently design and implement the budget through the Financial Stewardship strategic lens.

Literature Review

Citizen Participation Advisory

Ebdon and Franklin (2004) analyze new methods of engaging citizens in the budget process to create efficient financial stewardship. Research shows that when local governments use multiple channels of communication and education, participation is increased. Survey's alone are not enough; they do not allow for fluid constructive dialogue and if citizens feel their opinion is undervalued then the survey most likely will produce under representing preferences. Local governments that educate early in the process and conduct budget simulations with the public showed more efficient involvement in the budget process. The main takeaway is that getting citizens involved is not an exact science. Following a simple model will stimulate understanding of the complex political environment that will lead to defined goals for public engagement. These clearly stated goals will permit effective tactical mechanisms that gather preferential inputs resulting in equitable implementations to achieve greater fiscal efficiencies during budgeting.

Ebdon (2000) investigates the relationship between structures and cultures in local municipalities and their effects on citizen participation in the budgetary process. She explores the question: "does citizen involvement have equal value in all cities?" Qualitative methodology was utilized to answer this question, issuing surveys to city managers across the U.S. with a sample size of 1,150. Three values were hypothesized to affect citizen participation: political structure, heterogeneity, and homogenous cultures. Political structure was measured by three representational regions across the U.S.; moralistic (northern) and traditionalistic (southern) reported the highest participation rates compared to individualistic (middle). Heterogeneity characterizes more populace, diverse cities and was found to have a greater need of participation in

the budget process compared to the homogenous demographic, especially to resolve conflictual diverse issues. Ebdon concludes that political and demographic structures are important elements to increasing citizens participation in the budget process and public managers need to understand their own local cultures and structures to execute policy to allow fiscally efficient stewardship.

Berner (2001) examines citizen participation in the budgeting process in North Carolina's cities and counties. She used qualitative methodology to survey 67 municipalities and 56 counties to answer broad questions such as: "do managers think it is necessary to involve citizens in budgeting and what are the most common methods used to engage citizens in the fiscal budgeting process?" Berner's study found four conclusions. Firstly, local government supports participation, but the budget board has the final say which lowers future participation. Secondly, local governments looking to get citizens involved do not have clear and consistent methods of informing and educating the public for productive participation. Thirdly, educating the public to participate in the process is difficult due to a "lack of financial expertise." Lastly, the most significant conclusion is timing- public hearings that are held late in the process tend to invalidate the public's influence in the process. Timing is critical no matter the fiscal subject, and having well-advertised, less legally structured public hearings increase participation in the fiscal stewardship process of local government budgets.

Technology and Efficiency

Lindquist & Huse (2017) nicely discuss accountability and monitoring in digital-era government. They begin to outline accountability concerns produced by a system of disorganized, overlapping transparency reforms, with some being the "cost of reporting to overseers and watchdogs; opaqueness of reporting, contending accountability values or 'multiple-accountability disorder'; accountability overloads; blurry accountabilities among ministers and officials," etc . A crucial statement they make is that "increased reporting has not necessarily led to more accountability or better organizational performance; rather, it might crowd-out other forms of assessment such as evaluation and reduce the ability of legislatures to hold the executive to account." Therefore, information reporting and publishing must take an organized and effective approach. They go on to discuss that policy statements with increased transparency can have three different functions: improving service delivery and policy, better informing of government policies, and improving deliberative democracy. Approaching an effective transparency system, then, must be multi-faceted, "balancing competing values, with the significant tensions among efficiency, equity, and democratic accountability." The literature presents some approaches to achieving an effective transparency system:

- "Targeted transparency and mandating disclosure"
- "An optimal mix of information for budget oversight to address the vertical, horizontal, and external needs for oversight and accountability
- Cultivating "a sustained culture of transparency"

These approaches require not only better designing of government websites, ensuring the right mix of information, and increasing government and bureaucratic acceptance, but also increasing accessibility, empowering citizens and groups, building trust and social capital, and increasing literacy."

Open data initiatives are instrumental in developing an effective transparency regime. Lindquist and Huse discuss that when governments use minimum transparency requirements in publishing data, the government communicating of the data is left "out"- that is, the information & data have little impact on public participation. It is crucial, then, to make certain that data published to these open portals are "good" data as opposed to "bad" data, which have failed to be adequately checked for quality and relevance. It is important to make sure that one publishes high quality data and that any relevant data is not left unpublished, as is often the case. A step of encouragement into developing more effective open data portals is to work with the Open Government Partnership (OGP), which is a global platform encouraging governments, both national and local, to work towards improving citizen participation, government transparency, and integration of new technologies for said efforts. OGP does government transparency work between states, but OGP Local helps local governments in their transparency efforts, as the platform recognizes the valuable position local government is in to integrate many levels of citizen participation into its functions. The government of Edmonton, Canada collaborated with OGP to create a comprehensive, easy to navigate open data portal which contains dashboards and information analytics on almost all aspects of amenity, services, and performance. The main page of the portal can be seen in Appendix A.

Kahn, Baron, & Vieyra (2018) address the different ways in which one can design open data portals as interactive platforms. A first approach is by using target transparency, which is the practice of sharing information effectively so as to allow consumers and users of public services to better understand and evaluate government performance and help them make better decisions based on the information. To expand on this, the literature defines targeted transparency as "government compelling companies or agencies to disclose information in standardized formats to reduce specific risks, to ameliorate externalities arising from a failure of consumers or producers to fully consider social costs associated with a product, or to improve provision of public goods and services." A second approach is by using geo-reference maps of public investment projects. Through GPS technology, the platform gives users the ability to see how resources are spent in their area and compare those data. The implementation of these tools also engages collaboration across different government entities to collect and process data for public consumption, which strengthens the abilities of information management. In Peru, the interactive portal INFOBRAS shares data on over 70,000 public works projects. In 2017, the use of INFOBRAS to monitor projects resulted in cutting project costs in half. The main page of INFOBRAS can be found in Appendix B. Using geo-referenced maps, Colombia's Mapa Regalias interactive platform proved to significantly increase the rate of project completion; its main page is found in Appendix C.

Reporting and Processes

Ibrahim provides a discussion of four approaches to budgeting their history, concept, procedure, advantages, and disadvantages. Line item budgets facilitate expenditure control but do not incentivize money saving. Program and performance budget systems provide rationale in spending, but standards must be set and performance measured. Planning programming budget systems specify goals, search for relevant alternatives,

measure costs, and then evaluate the outputs. Lastly, zero based budgets cause managers to prioritize programs and be evaluated from a zero base but is very costly. Ibrahim points out that each system is not a complete solution to budget problems, but each has particular strengths. The benefits of a performance budget led us to examine if it could be applied to Lane County.

Dimitrijevska-Markoski (2019) measured the impact of performance measurement systems, information, and results. She studied 29 local governments across Florida to measure how effective performance measuring is on organizational performance. Through the results of surveys, it was concluded that performance measurement influences the use of performance information. The use of performance information in decision making also impacts organizational performance. The process of applying benefits of performance measuring systems required research into the process of creating performance standards.

Mischen and Sinclair (2017) worked with a county government in New York in adopting a performance budget. Schuler County had a line item budget, but the legislature commissioned a project to change it in 2005. The researchers used a process of collaborative inquiry to begin and structure the implementation. A newly elected treasurer and newly hired county administrator reached out to the researchers for assistance with the implementation. A knowledge audit found that the department heads lacked capacity, training with their budgets, experience working with performance measures, and tasks were not organized into identifiable programs. The county administrator used the budgeting process as an opportunity to get the word out on the work they were doing, help managers apply resources to high priority programs, and make a case for additional resources. Communities of Practice were created by separating department heads into three teams with different research goals. The county administrator attended each meeting of the three groups to guide and define the end goal of a finished budget. The leadership of each of the three groups changed at each meeting to give each manager agency in the process. One team consolidated the line item budget into categories that were useful to them. A second team worked on what the public needed to know about them and made an outline that included department function, programs, graphics, narrative, mission statement, goals, accomplishments, and personnel costs. The final team created a document that provided guidance on developing performance measures. The teams came together as a council to peer review each other's findings that had produced a team-oriented problem-solving approach by giving them a common purpose. The growth of innovative capacity contributed to the adoption of innovative practices by the department heads. Lastly, communicating the benefits and encouraging the adoption of a performance system led to the next article.

Melkers' and Willoughby's research examines how performance measurements are utilized in the budget process. They found that measurements alone did not lead to effective use; instead, information had to be integrated throughout the budget process to be effective, and were especially impactful for county governments. Performance measurements were also useful for governments that had citizen involvement in the budget process. This was particularly useful as the Lane County budget committee is made up of appointed citizens and the county administrator. The research affirms the benefits of performance measurement in the budget process for improving organizational performance and transparency.

Findings

Citizen engagement and advisory is a collaborative process that is essential to fiscal responsibility. This collaboration is not an exact science, following a simple model that incorporates multiple approaches can boost participation. Political culture is important as well. If public administrators can assess and allow for diverse and inclusive ideas to be heard, public contribution will increase aiding in fiscal efficiency. The citizen participatory process has three key components for fiscal stewardship: accountability, validation, and most importantly, trust. Research shows that when any of these elements are omitted, the collaborative process between citizens and government can fail. Local governments have an imperative role to allow citizens to feel that their concerns are valid. Establishing multiple channels of early communication through preliminary budget meetings while encouraging citizen advisory through advertisements, social media, and surveys are some ways to increase citizen engagement (Ebdon and Franklin, 2004). Education has been successful as well as not all citizens are "financial experts'' and many do not participate because of inferior financial background. Getting rid of the hierarchical structure of public meetings and simplifying financial terminology is effective in involving citizens to make rational recommendations to safeguard fiscal efficiency in the budget process. These engagement tools used by administrators effectively will promote transparency that empowers citizens and gives them personal stakeholdership and accountability that cultivates trust for local government administrators. This trust is the foundation for local governments as stewards of the public's money to budget efficiently and effectively.

Lane County releases monthly expenditure and revenue reports. However, navigation of these lengthy reports can be overwhelming for its citizens. Lane County's publishing of these reports is "designed to meet the reporting requirements of Oregon Revised Statute 294.250." However, utilizing minimum transparency requirements in publishing data, tends to leave the government communicating "out"- that is, the information & data have little impact on public participation. Improving the consumption of these datasets for the public, then, will have great results, such as increased citizen participation and feedback on government projects. Launching open data portals and publishing comprehensive, high quality data is the best use of technology by governments to push toward fiscal transparency, providing a foundation of accountability on the use of allocated budgets in many different aspects of government work. We developed this paper knowing that, though a lot of the budget for technology services goes to data processing services, Lane County is lacking the time and resources to enter data into dashboards. However, we believe that providing comprehensive, high quality data for citizens through a friendly portal will prove beneficial for the government's budgeting, especially in regard to saving time and costs on county-wide projects.

Lane County utilizes a line item budget as laid out by the state of Oregon (C. Moody, personal communication, May 11, 2020). The process is displayed in Appendix D and Appendix E has a schedule that correlates with color to the second chart (Figure 5) in Appendix D. Citizens make up the budget committee and Lane County chooses to make the county administrator the budget officer. The budget officer and committee hear from

department heads on budget requests throughout four meetings that do not have public hearings. The citizens are appointed and do not receive budget training or receive standardized performance information, requiring them to rely solely on the administrator, commissioners, and department heads. The budget office conducts one training annually on budgeting for department heads and the budget committee would benefit from attending (C. Moody, personal communication, May 11, 2020). Through the processes laid out in the literature review, Lane County would benefit with organizational performance and additional transparency from performance budgeting while still being compliant with state law.

Conclusion

Citizen participation, technology, and budget prudence are three key aspects of financial stewardship that need to be utilized for the operationalization of Lane County's strategic plan. To develop best practices in each aspect, we recommend that the county: work towards open and inclusive communication with its citizens, implement early budget meetings to build transparency, validation and trust; work toward a comprehensive open data portal to encourage citizen feedback of government performance; and measure, report, and publish the performance data of all units in the process. We applaud the introduction of the data visualization software Tableau into Lane County local government, and look forward to the further implementation of the software in growing departments and into the budget process from this year (2020) onward.
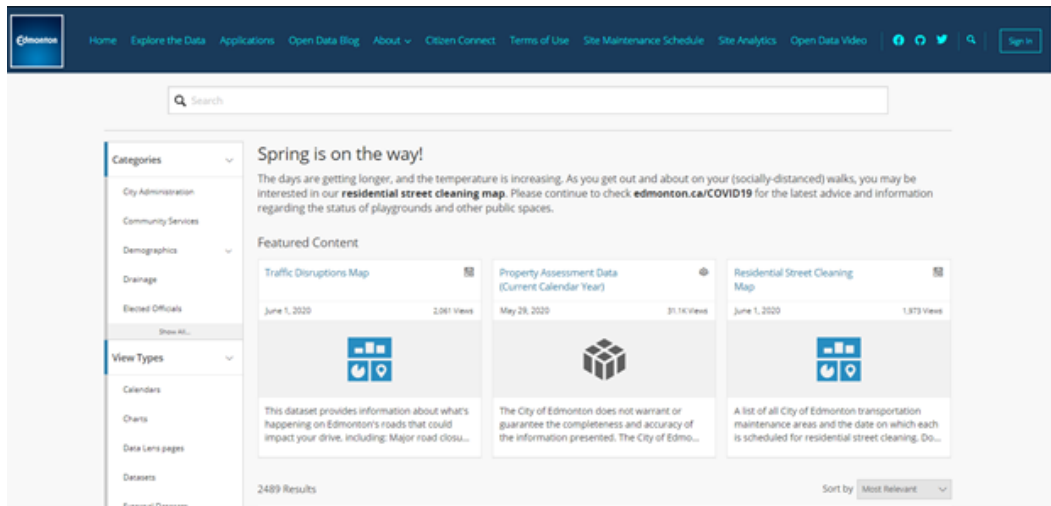
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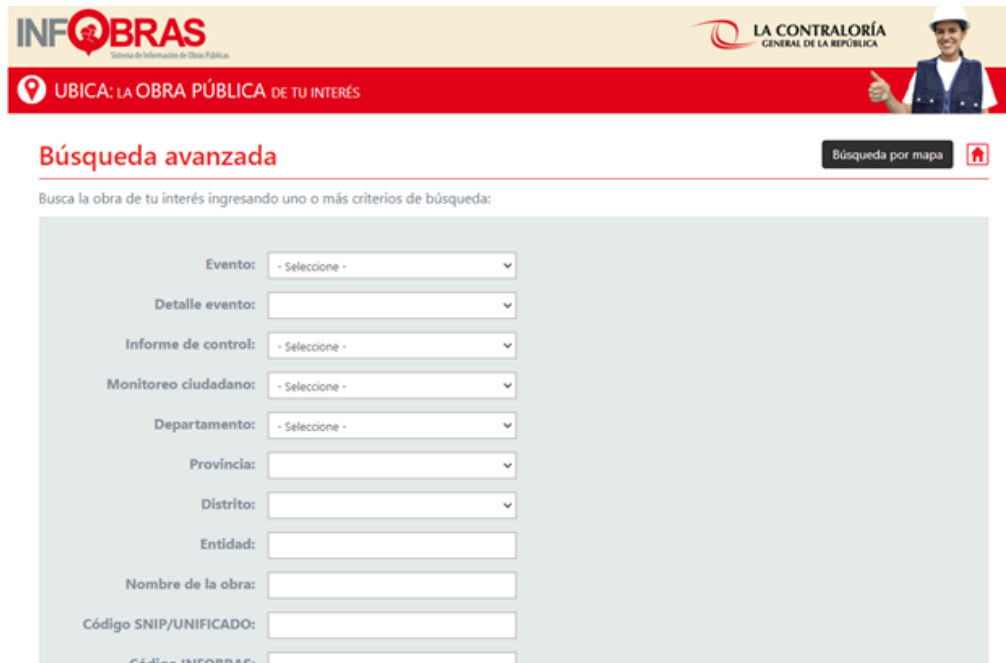
Appendix A

Figure 1: Government of Edmonton, Canada's open data portal developed in collaboration with the Open Government Partnership.
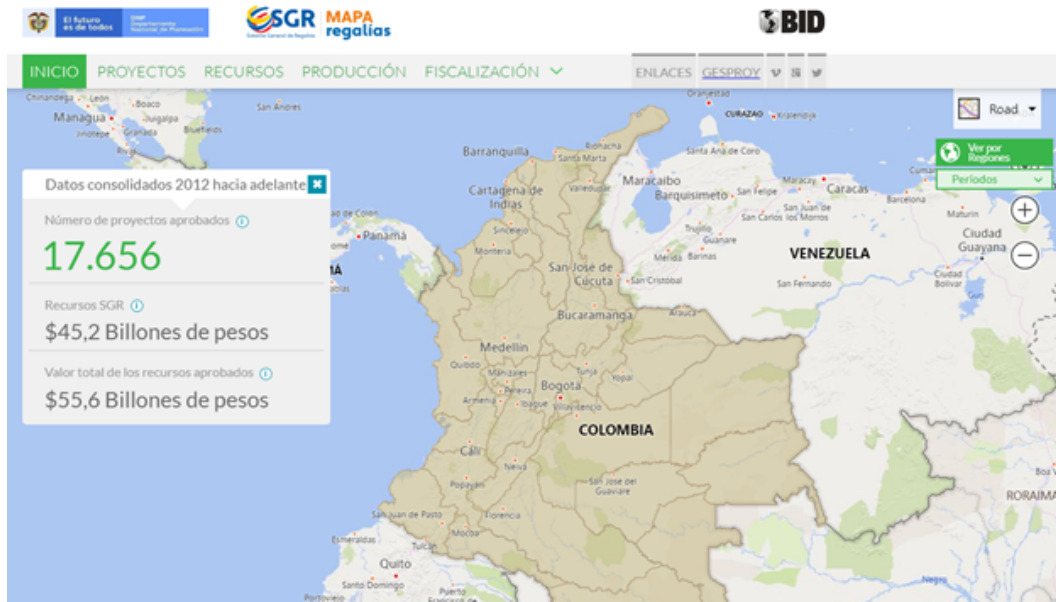

Appendix B

Figure 2: Government of Peru's INFOBRAS open data portal.

Appendix C

Figure 3: Government of Colombia's geo-referenced open data map portal.
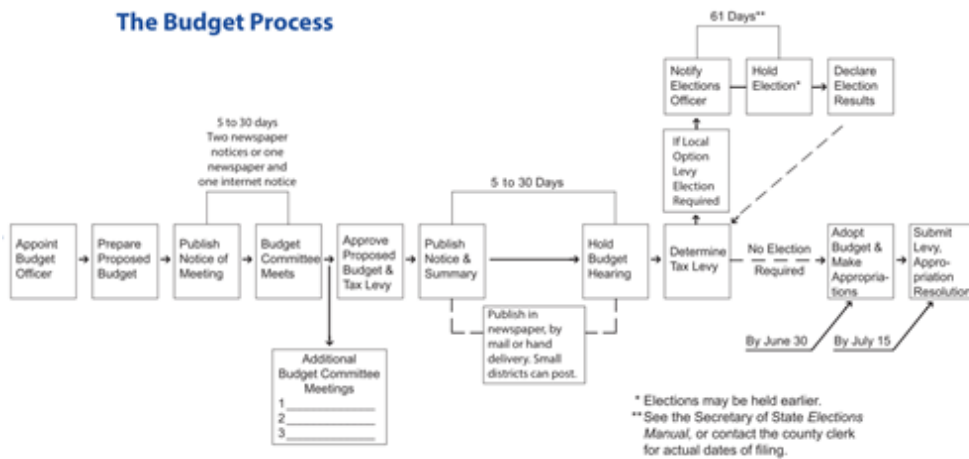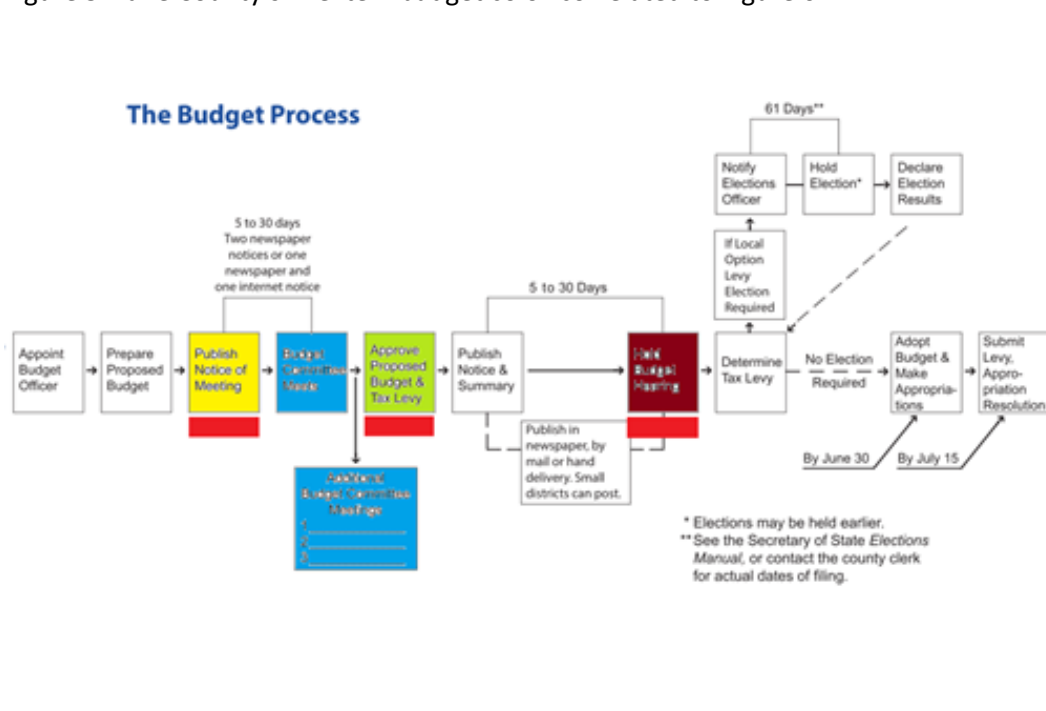

Appendix D

Figure 4: Lane County's line item budget.

Figure 5: Lane County's line item budget color-correlated to Figure 6.

The Budget Process

Appendix F

Figure 6: Lane County budget committee schedule that correlates by color with Figure 5.

FY 2020-2021 LANE COUNTY BUDGET COMMITTEE SCHEDULE			
Budget Cmt Pre-Meeting	**April 28, 2020**	**Remote**	**TBD**
Budget Document & Materials available for pickup on Tuesday, April 28th			
Budget Message & Public Hearing	**May 5, 2020**	**Remote**	
Agenda Item	*Presenter*	*Total*	
Committee Business (Elect Chair /Vice Chair)	Committee	15 min	5:30-5:45
Budget Message	Steve Mokrohisky	40 min	5:45-6:25
Budget Overview	Christine Moody	25 min	6:25-6:50
Break		10 min	6:50-7:00
Public Hearing		**60 min**	**7:00-8:00**
Budget Work session	**May 7, 2020**	**Remote**	**1:30-4:50 pm**
Agenda Item	*Presenter*	*Total*	
Committee Business	Committee	5 min	1:30-1:35
District Attorney's Office	Patty Perlow	30 min	1:35-2:05
Break		5 min	2:05-2:10
Sheriff's Office	Sheriff	60 min	2:10-3:10
Break		5 min	3:10-3:15
Health & Human Services: Behavioral Hlth & Yth Svc	Karen Gaffney	45 min	3:15-4:00
Break		5 min	4:00-4:05
County Administration: Parole & Probation	Greg Rikhoff	30 min	4:05-4:35
Budget Committee Business	Committee	15 min	4:35-4:50
Budget Work session	**May 12, 2020**	**Remote**	**2:30-5:00 pm**
Agenda Item	*Presenter*	*Total*	
Committee Business	Committee	5 min	2:30-2:35
Health & Human Services	Karen Gaffney	80 min	2:35-3:55
Break		5 min	3:55-4:00
Technology Services	Mike Finch	25 min	4:00-4:25
Break		5 min	4:25-4:30
Human Resources	Alana Holmes	25 min	4:30-4:55
Budget Committee Business	Committee	5 min	4:55-5:00
Budget Work session	**May 13, 2020**	**Remote**	**1:30-5:00 pm**
Agenda Item	*Presenter*	*Total*	
Committee Business	Committee	5 min	1:30-1:35
Public Works	Dan Hurley	70 min	1:35-2:45
Break		5 min	2:45-2:50
Assessment & Taxation	Mike Cowles	30 min	2:50-3:20
Break		5 min	3:20-3:25
County Counsel	Steve Dingle	15 min	3:25-3:40
Break		5 min	3:40-3:45
County Administration	Greg R. / Steve M.	40 min	3:45-4:25
Break		5 min	4:25-4:30
Emergency Management	Patence W.	15 min	4:30-4:45
Budget Committee Business	Committee	15 min	4:45-5:00
Budget Work session	**May 14, 2020**	**Remote**	**2:00-5:00 pm**
Agenda Item	*Presenter*	*Total*	
Committee Business	Committee	5 min	2:00-2:05
Board of County Commissioners/Performance Auditor	Steve M.	20 min	2:05-2:25
FY 20-21 Challenges & Opportunities	Steve Mokrohisky & Directors	90 min	2:25-3:55
Break		5 min	3:55:-4:00
Budget Committee Business/Pre-Deliberation Discuss	Committee	60 min	4:00-5:00
Budget Committee Deliberation	**May 21, 2020**	**Remote**	**5:30-8:00 pm**
Public Comment		**60 min**	**5:30-6-30**
Budget Committee Discussion/Deliberation	Committee	90 min	6:30-8:00
Budget Committee Deliberation (if needed)		**Remote**	**5:30-7:45**
Budget Committee Discussion/Deliberation	Committee	2 hr	5:30-7:30
Approve Budget*	Committee	15 min	7:30-7:45
Board - Public Hearing on Approved Budget	**June 9, 2020**	**Harris Hall**	
Board - Budget Adoption	**June 16, 2020**	**Harris Hall**	