

Speaker warns state officials about tough times ahead

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The public treasuries of Oregon and other states might be flush now, but one prominent government analyst said Monday that states ought to be preparing for even tougher times than they faced a few years ago.

David Osborne said elected officials, agency leaders and public workers are going to have to maximize government performance on budgets that are unlikely to get help from Washington, D.C., as federal fiscal problems grow.

"For the rest of your careers, you are going to be managing in an environment of fiscal scarcity that is going to be quite severe," Osborne told a gathering of managers and others at Willamette University.

But Osborne said the looming federal crisis offers opportunities for state and local governments.

"Politically, you can get away with things in a crisis that you cannot get away with in normal times," he said. "This is making it easier to use all of the innovations and tools that we've developed in the past 20 years to squeeze more value out of our tax dollars."

As a senior partner in the Public Strategies Group, Osborne has made a name for himself in injecting elements of entrepreneurship and risk-taking into the public sector, where they have not normally been found.

His presentation distilled parts of several books he co-authored, including 1992's "Reinventing Government," 1997's "Banishing Bureaucracy," and 2004's "The Price of Government."

Mike Marsh, the deputy director for central services at the Oregon Department of Transportation, said he uses Osborne's "Reinventor's Fieldbook" in courses he teaches at Willamette's Atkinson Graduate School of Management.

"It's very practical and helps connect us to customers," said Marsh, who attended the presentation.

"By using performance, you focus on what the customer wants and share expectations about whether you can accomplish it or not. In government, sometimes we haven't made that clear."

In one example based on work his group did in Washington, Osborne said 50 percent of health outcomes can be linked with personal behaviors such as obesity, physical inactivity, and use of alcohol, tobacco and drugs. But only 4 percent of health spending went to prevent or moderate those behaviors.

Meanwhile, he said, 88 percent of health spending went to access to care, although those services had less influence on health than personal behavior, the environment and genetics.

When Washington was faced with cutting health spending a few years ago, Osborne said, lawmakers ended up shielding prevention programs and primary

Links

The Public Strategies Group:

<http://www.psg.us>

Willamette University, Atkinson Graduate School of Management:

<http://www.willamette.edu/agsm>

Public Management Association:

<http://www.open.org/pma>

Oregon Progress Board:

<http://www.oregon.gov/DAS/OPB>

Oregon Public Performance Management Association has no Web site. Contact: jefftryens@comcast.net

care as a result.

Since Gov. Ted Kulongoski took office in 2003, the Legislature has attached performance measurements developed by the Oregon Progress Board to virtually all state agency budgets.

There is a risk for managers in shifting the public and legislative debate about how programs are funded with an eye toward outcomes, Osborne said.

"There is no higher level of performance than the fact that if you cannot document that your program produces results at a good price, it might go away," he said.

Osborne said federal fiscal problems center largely on an aging population and the growing costs of Medicare and Social Security, which together with Medicaid and interest payments on existing debt will consume most federal spending in a decade. He said he had no good answers for those problems.

But Osborne also said the public should care about better state and local governments.

"If we do not win that support, poor children do not get the kind of education they will need to become part of the economic mainstream, the crime rate goes up, and our air and water will get worse," he said.

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