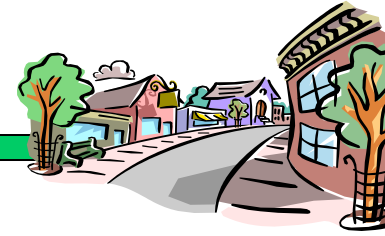# CPD Outcome Measurement System

U. S. Department of Housing and Urban Development

Office of Community Planning and Development

Overview

- **Why outcome measurement now?**

- **Approach to developing the CPD Outcome Measurement System**

- **Key elements of the System**

- **Federal Register Notice**

- **Process for implementation**

Section 1: Why Outcome Measurement Now?

What is Outcome Measurement?

- **Process of identifying goals and measuring whether goals were achieved**

- **Focused on answering the question:**
  - *How did this program make a difference?*

- **Not:**
  - Individual grantee productivity review
  - Monitoring
  - Benchmarking

Why is Outcome Measurement Important?

- **Facilitates local grantee decisions about:**
  - Program design
  - Personnel
  - Resource investment

- **Helps build a high performing team**

- **Required by Federal law**

Federal Requirements

- **Government Performance Results Act**

- **President's Management Agenda**
  - OMB/PART

- **Common purposes**
  - Management reforms to improve Federal program results
  - Strive to link budget decision-making with performance results

What is the PART?

- **OMB management tool**

- **Assesses program effectiveness**

- **Informs management and funding decisions**

- **Based on standard set of factors**
  - Rates and compares performance across all Federal programs

Components of the PART

- **Four key elements:**
  - Program Purpose and Design
  - Strategic Planning
  - Program Management
  - Program Results

- **Rates programs on a scale 1-100 and determines whether programs are "effective"**

How'd We Do So Far?

- **Mixed results:**
  - CDBG: Ineffective
  - HOME: Moderately Effective
  - HOPWA: Results Not Demonstrated
  - ESG: Program has not been PARTed

- **Formula grant programs with broad goals are particularly difficult to review**
  - Many activities
  - Numerous entities involved
  - Needs are long term and varied across communities

Why Address Outcome Measurement *Now*?

- **All CPD programs will be PARTed again in next few years**
  - PART scores were discussed in the current budget negotiations

- **HUD and grantees need to explain how these programs help families and communities**

- **To do this, need a common outcome system across all grantees**
  - Data that can be nationally aggregated
  - Need consistency of reporting type, frequency

Status of CPD Outcome Measurement System

- **Developed/approved by Working Group**

- **Briefings About System - Conferences and Congress**

- **HUD issued Federal Register Notice (June 10, 2005)**

- **Regional Feedback Sessions in July & early August**

- **Final Notice issued by year end**

- **HUD is working on how to implement the system**

Affected HUD Programs

- **Community Development Block Grant Program (CDBG)**

- **HOME Investment Partnerships Program (HOME)**

- **Housing Opportunities for Persons With AIDS Program (HOPWA)**

- **Emergency Shelter Grants Program (ESG)**

Section 2: Approach to Developing the CPD System

Why is Performance Measurement Important?

- **Now required by Federal law**
  - Government Performance Results Act (GPRA)
  - President's Management Agenda (OMB/PART)

- **Facilitates management decisions about:**
  - Program design
  - Personnel
  - Resource investment

- **Important to "telling our story" about our accomplishments to Congress**

Implications for HUD CPD Grantees

- **We must report on our accomplishments in a new way**
  - Describe not only outputs (such as units or households) but also the outcomes, results of our programs

- **The proposed Outcome Framework will help HUD to better demonstrate CPD program effectiveness**

Grantee Organizations Responded

Over the past 2 years:

- **COSCDA group developed draft Outcome Measures Framework to provide starting point for bigger group**

- **Working group formed to further refine the framework – over 25 people**

Working Group

- Council of State Community Development Agencies (COSCDA)
- National Community Development Association (NCDA)
- National Association for County Community Economic Development (NACCED)
- National Association of Housing and Redevelopment Officials (NAHRO)
- National Council of State Housing Agencies (NCHSA)
- State Grantees
- Entitlement Grantees and PJs, including cities and counties
- Key HUD Staff from HUD's Office of Community Planning and Development
- Key OMB Staff in charge of evaluating our programs

The Reason

- **We needed a way to tell our story**

- **To support and strengthen CDBG, HOME, HOPWA and ESG programs by depicting value through outcomes**

- **To respond to the assessment of CDBG and HOME by OMB "performance assessment rating tool" (PART)**

- **To comply with HUD CPD Notice 03-09**

The Reason (cont.)

- **To create a way for HUD grantees to report on their individual program outcomes while simultaneously participating in a nationwide reporting process**

- **To provide framework for positive change of Con Plan process and current reporting means (PERS, CAPER)**

The Task

- **Performance Measures for HUD Con Plan Programs- All Four CPD Formula Programs!**
  - HOME Investment Partnership
  - Community Development Block Grant
  - Emergency Shelter Grant
  - Housing Opportunities for Persons With AIDS

What Happened in the Last Year?

- **Working Group met several times to develop outcomes and indicators**

- **Innovative consensus building process**

- **Extensive participation by Grantees:**
  - Selected outcomes and indicators, using stringent screens and criteria to assure system will enable us to better tell our story to Congress without overburdening grantees
  - Selected data sources
  - Tested Framework on real activities and projects

How did we approach the problem?

- **Ground rules used to create Outcome Framework and Performance Outcome Reporting System:**
  - System had to maintain program flexibility and reflect bottom-up approach to project development by grantees (local choice)
  - System had to differentiate our programs from other federal programs that fund similar activities
  - System had to work for all Con Plan programs
  - System had to reflect true program(s) purpose

How? - continued

- System had to recognize opportunity for multiple outcomes

- System had to recognize similar projects funded for different purposes

- System had to utilize readily available data collected at application stage or close-out stage

- System had to define outcomes, not impacts

How? - continued

- System had to allow for "roll-up" of data to national level to show accomplishments and value

- System had to minimize change in data collection

- System could not create additional work that has no value

Ties to Con Plan, Annual Action Plan, IDIS and CAPER

- **Group also made several recommendations on how to Incorporate into IDIS And Con Plan**

- **A proper planning system:**

  Plan > Measure > Report >Plan, again

- **Reduced burden – redesigned annual Action Plan and redesigned CAPER/PERS**

- **Focus reporting on outcomes instead of outputs**

- **Symmetry between project timelines and Consolidated Plan versus project timelines and annual year**

Outcome Indicators

- **17 Indicators to chose from**

- **Some indicators are required given the activity**
  - Other indicators will be chosen by the Grantee given the specific activity and the Grantee's intended outcome from the project
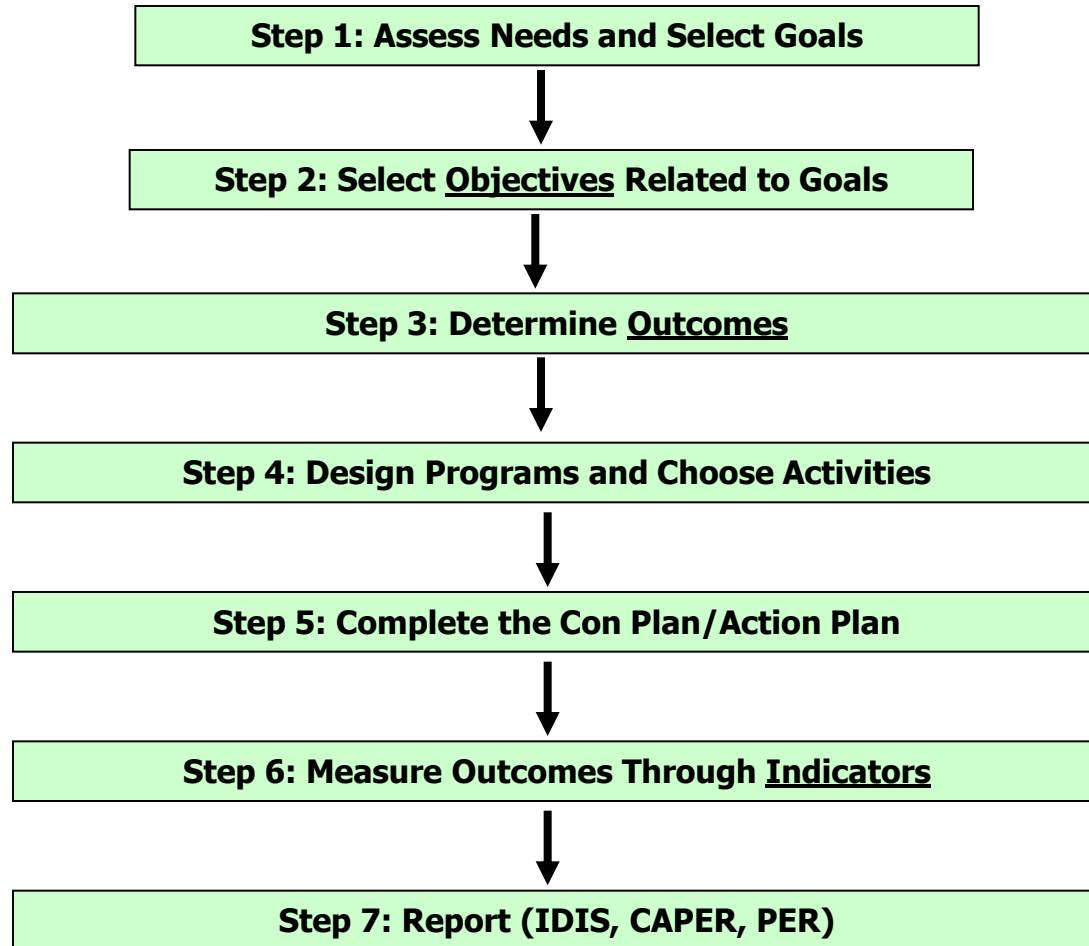
Section 3: Key Elements of the System

Outcome Measurement System: Key Elements

Three Main Components

- Objectives
- Outcomes
- Indicators

Outcome Measurement Framework Steps

Step 1: Assess Needs and Select Goals

↓

Step 2: Select Objectives Related to Goals

↓

Step 3: Determine Outcomes

↓

Step 4: Design Programs and Choose Activities

↓

Step 5: Complete the Con Plan/Action Plan

↓

Step 6: Measure Outcomes Through Indicators

↓

Step 7: Report (IDIS, CAPER, PER)

Outcome Measurement System: Selecting a Objective

Step 2: Select <u>Objectives</u> Related to Goals

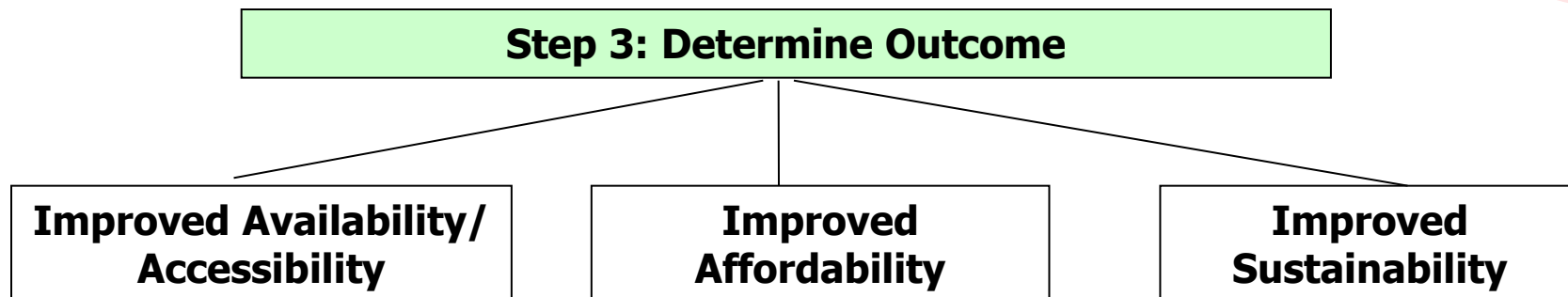| Suitable Living Environment	Decent Housing	Economic Opportunity

■ **Choose a objective based on:**
  – Type of activity
  – Funding source
  – Local program intent

Outcome Measurement System: Selecting an Outcome

Step 3: Determine Outcome

Improved Availability/ Accessibility	Improved Affordability	Improved Sustainability

- **Choose an outcome based on:**
  - Purpose for the activity
  - Answer the question: *Why did the grantee fund this activity?*

- **Can have more than one outcome per activity**
  - Example: housing project in target neighborhood that both improves affordability and sustainability

Defining the Outcomes

- **Availability/Accessibility:**
  - Make basics available to LMI persons
  - Example: providing clean water where none existed before

- **Affordability:**
  - Makes an activity more affordable for LMI persons
  - Example: providing low interest loans to LMI homebuyers

- **Sustainability:**
  - Using resources in a targeted area to help make that area more viable
  - Example: a downtown improvement project in a LMI community

Determining Results – Outcomes & Outcome Statements

■ **Together objectives and outcomes result in outcome statements**

– Combine the objective and outcome to identify the outcome statement

■ **Example:**

– Objective: Decent housing

– Outcome: Affordability

– Resulting Outcome Statement: Create decent housing through improved affordability

Link Between Objectives, Outcome, and Outcome Statements

	Outcome 1: Availability/Accessibility	Outcome 2: Affordability	Outcome 3: Sustainability
Objective #1 Suitable Living Environment	Enhance <u>Suitable Living Environment</u> Though Improved/New <u>Accessibility</u>	Enhance Suitable Living Environment Though Improved/New Affordability	Enhance Suitable Living Environment Though Improved/New Sustainability
Objective #2 Decent Housing	Create Decent Housing with Improved/New Availability	Create <u>Decent Housing</u> with Improved/New <u>Affordability</u>	Create Decent Housing with Improved/New Sustainability
Objective #3 Economic Opportunity	Provide Economic Opportunity Through Improved/New Accessibility	Provide Economic Opportunity Through Improved/New Affordability	Provide <u>Economic Opportunity</u> Through Improved/New <u>Sustainability</u>

Outcome Statements

Measuring Outcomes – Using Indicators

What are indicators?

- **Indicators tell whether an outcome is occurring**

- **Can be direct or indirect measures (proxy)**

- **A set of indicators is often used to measure an outcome**

- **Individual indicators can be used for more than one outcome**

Measuring Outcomes – Using Indicators

Indicators used in this framework:

- **Five common indicators are relevant to most activities**

- **Remaining 17 specific indicators used when apply to the:**
  – Activity; and
  – Intent (i.e., outcome)

- **Some indicators have several elements**

Common Outcome Indicators

- **For most activities, grantees report:**
  - Funds leveraged
  - Number of persons, households, units
  - Income levels of persons or households by 30%, 50%, 60% or 80% of an area median income
  - Number of communities/neighborhoods assisted
  - Current Racial/Ethnic and disability categories

- **For some CDBG activities, not all will be required depending on national objective**

What are the Specific Indicators?

- **Vary depending on activity**

- **Some indicators are similar across activities**
  - For example: Number of 504 accessible units is reported for both rental rehab and rental new construction

- **Some activities will have multiple outcomes and multiple types of indicators**

Types of Specific Indicators

- **Infrastructure or public service (indicator 1):**
  - Persons with new or improved access or increase in standard service

- **Targeted revitalization (indicator 2):**
  - Report on range of outcomes such as jobs, businesses, households etc. in target area

- **Other physical improvements (indicators 3, 4, 5):**
  - Addressing slum/blight, commercial facades, acres of brownfields

Types of Specific Indicators

- **Rental Housing (indicators 6, 7)**
  - Report on units and accessibility, as well as topics such as years of affordability, units for chronically homeless persons

- **Homeowner rehab (indicator 8)**
  - Indicators such as standard units, units meeting IBC and Energy Star energy standards, units in LBP compliance

- **Homeownership (indicator 9)**
  - Answer series of yes/no questions about homebuyers and assistance

Types of Specific Indicators

- **Job creation/retention (indicators 10, 11)**
  - Report on health benefits, type of job, employment status

- **Business assistance (indicators 12, 13, 14)**
  - Indicators such as number of businesses, DUNS number, NAIC code, whether business serves neighborhood
  - Business operations (13) will be determined by HUD

Types of Specific Indicators

- **Homebuyer units developed (indicator 15)**
  - Report on indicators such as number of units, years of affordability, number 504 accessible, number subsidized by program

- **TBRA (indicator 16)**
  - Indicators such as number of units, number of units for persons with AIDS

- **Homeless shelter (indicator 17)**
  - Number of persons stabilized

Selecting Specific Outcome Indicators

- **Key questions**
  - What is the intent of this activity?

  - What types of entities will benefit from this activity?

  - Does this activity benefit a specific, targeted geographic area?

  - Does the activity have a physical impact on a site or area?

  - Does this activity create jobs or create/sustain businesses?

  - Is this activity targeted at a particular population (e.g., persons with AIDS, homeless persons, disabled persons)?

Implementation of the Outcome Indicators

- **Depending on the activity, IDIS will offer list of available indicators**

- **Indicators will be required if they apply to the activity**
  - For example: if doing job creation activity will not only report on number of jobs but also on:
    - Employer health benefits
    - Type of job
    - Employment status before job

Selecting Outcomes & Indicators – CDBG Example

- **Example #1: Road to industrial park**
  - Objective – Economic Opportunity
  - Outcome – Improved Accessibility
  - Outcome Statement – Provide economic opportunity through improved accessibility
  - Examples of Indicators:
    - Number of new businesses assisted
    - Good or service that business provides to meet community need
    - Number of jobs
    - Of these, jobs with health benefits
    - Employment status before before taking job

Selecting Outcomes & Indicators – CDBG Example

- **Example #2: Housing rehabilitation in target area**
  - Objective – Suitable living environment & decent housing
  - Outcomes – Improved sustainability & affordability
  - Outcome Statements –
    - Create decent housing with improved affordability
    - Enhance suitable living environ. with improved sustainability
  - Examples of Indicators:
    - Number of units brought from substandard to standard condition
    - Number of units brought into compliance with lead safe housing rule
    - Number of units meeting IBC or Energy Star standards

Selecting Outcomes & Indicators – CDBG Example

- **Example #3: An after school gang prevention program (public service)**
  - Objective – Suitable living environment
  - Outcome – Improved accessibility
  - Outcome Statement –
    - Enhance suitable living environ. through improved accessibility
  - Examples of Indicators:
    - Amount of money leveraged
    - Persons assisted
    - Number of communities assisted
    - Number of households assisted with new access to a service

Selecting Outcomes & Indicators – HOME Example

- **Example: Rental rehab project**
  - Objective – Decent housing
  - Outcomes – Improved affordability & availability
  - Outcome Statements:
    - Create decent housing with improved affordability
    - Create decent housing with improved availability
  - Examples of Indicators:
    - Total number of units assisted with HOME Program funds
    - Number of years of affordability guaranteed
    - Number of existing units rehabbed
    - Amount of money leveraged
    - Number of units made 504 accessible

Selecting Outcomes & Indicators – HOPWA Example

- **Example: Services for persons with HIV/AIDS**
  - Objective – Suitable living environment
  - Outcome – Improved accessibility
  - Outcome Statement:
    - Enhance suitable living environment with improved access
  - Examples of Indicators:
    - Amount of money leveraged
    - Number of persons or households (HH) assisted
    - Number of HH with improved access to service or benefits
    - Income level by HH (30%, 50%, 60%, 80%)

Selecting Outcomes & Indicators – ESG Example

- **Example: Transitional housing for the homeless**
  - Objective – Decent housing
  - Outcomes – Improved availability & affordability
  - Outcome Statements:
    - Create decent housing with improved availability
    - Create decent housing with improved affordability
  - Examples of Indicators:
    - Number of affordable units rehabbed for the homeless
    - Number of affordable units rehabbed for the chronically homeless
    - Total number of units assisted with ESG Program funds
    - Number of years affordability guaranteed

Outcome Measurement System – Keep In Mind

1. **System will evolve and be refined over time**
   - These outcomes and indicators were most common and least burdensome
   - Working Group recognizes that not all activities are covered

2. **Grantees encouraged to develop additional outcomes and indicators for use locally**
   - Helps to tell the story locally
   - Local decision – do not have to report to HUD

Using the Outcome Measurement System

- **Grantees will need to:**
    1. Determine <u>goals</u> of activities/projects
    2. Select <u>objectives</u> and <u>outcomes</u>
    3. Indicate anticipated outcomes in Con Plan (annual)
    4. Indicate outcomes and report on applicable indicators in CAPER/PER/IDIS

- **HUD will aggregate data and report on outcomes at a national level**
    – Report outcomes to public, Congress, & OMB
    – Grantees present results locally

Why These Indicators?

- **New data and reporting will be required**

- **Carefully selected**

- **Recommended indicators – compromise and consensus**

Summary

- **Performance measurement is now mandatory**
  - Collecting and reporting performance data will not be optional but individual outcomes indicators will vary depending on activity

- **Proposed Outcome framework will not change the activities chosen by grantees but may require new ways of reporting data**
  - Added data collection burden has been minimized

- **Program flexibility is maintained - Objectives and outcomes are determined by grantees based on the intent of the activity**

- **Grantees can add other objectives and outcomes specific to their state or local initiatives or priorities**

Timing is Crucial

- **The Working Group encourages grantees to offer refinements to these proposed indicators during this process**

- **Constructive input encouraged**

- **Recommend implementation in FY2007**

Section 4: Federal Register Notice & Process for Implementation

Federal Register Notice (June 10, 2005)

- **Outlines purpose & key features of proposed CPD outcome measurement system**

- **Solicits comments**

- **Key sections:**
  - Part I – Background
  - Part II – Performance Measurement Objectives
  - Part III – Opportunities for Public Participation
  - Appendix – Proposed Outcome Measurement System

Process for Implementation

- **Federal Register Notice**

- **Regional Sessions July & August 2005**
  - Education
  - Facilitated feedback

- **Issue final notice December 2005**

- **Offer training on final system & its use**

- **Trial run of updated IDIS - Spring 2006**

- **Revised IDIS system available Fall 2006**

Process for Implementation

- **Grantee transition**
  - Provide feedback
  - Final HUD Notice issued
  - Grantees attend training, receive additional guidance from HUD, use trial version of IDIS
  - Identify the selected outcomes and indicators in their next Con Plans with a transition period (next Annual Plan or 5-year Plan, whichever comes first)
  - Transition to reporting on applicable indicators during 2007 Program Year through CAPER, PER, and IDIS

Working Group Implementation Recommendations

- **Reduce grantee burden – design changes for:**
  - Consolidated Plan
  - Annual Action Plan
  - CAPER/PER

Working Group Implementation Recommendations

- **Suggested Changes to Con Plan**
  - Create a template to include performance measures

- **Suggested Changes to Annual Plan**
  - Annual plan to only be updates to 5 yr
  - Move some 5 yr items
  - Delete listing of individual projects

Working Group Implementation Recommendations

- **CAPER/PER & IDIS**
  - Numbers reported throughout year
  - Narrative still submitted annually
  - Summary report on performance at end of Con Plan period (3 to 5 yrs)
  - IDIS will take the place of paper reports
  - IDIS will be updated with a trial period and "test users"

Working Group Implementation Recommendations

- **National Training**
  - Performance Measures
  - IDIS
  - Con Plan

- **Anticipate offering training in Winter 2006**

Section 5: Today's Session – Gathering Your Feedback

This Feedback Session

- **Join any break out session**
  - All sessions same
  - States encouraged to go to identified room
  - Urban counties and HOME consortia may wish to join states, others also welcome

- **In the break-out session**
  - Ask questions about the outcome system
  - Share your feedback on the system and indicators
  - Ask questions about HUD plans for implementation
  - Provide feedback on the implementation process

This Feedback Session

- **As you provide comments, consider:**
  - Does the system (outcomes and indicators) cover most of the key activities you fund?
  - What about the proposed system needs to be changed or further clarified?
  - What barriers do you see to the implementation of the system and how can these be overcome?

This Feedback Session

■ **Also consider these questions:**

– What information regarding Consolidated Plan changes do you need most?

– What information regarding changes to IDIS, CAPER, and PER do you need most?

– What types of outreach materials or training would most help you to implement this system?

Next Steps

- **Select a break-out group**

- **Break-outs will last from 1:15 until 5:00**
  - Includes 30 minutes at end for break-out wrap-up

- **After all five regional sessions:**
  - HUD will summarize comments and make available
  - Working group and HUD will review comments and make changes
  - Final notice will be published
  - Training and implementation will begin

Questions?

- **Come to microphone for any questions on:**
  - Reasons for system
  - Working group approach
  - Structure of the framework
  - Implementation

- **Lunch from 11:45 to 1:15**
  - See restaurant list in packet

- **Thank you for attending and sharing your insight!**