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 choose 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

1. Step 1: Assess Needs and Select Goals
2. Step 2: Select Objectives Related to Goals
3. Step 3: Determine Outcomes
4. Step 4: Design Programs and Choose Activities
5. Step 5: Complete the Con Plan/Action Plan
6. Step 6: Measure Outcomes Through Indicators
7. Step 7: Report (IDIS, CAPER, PER)
Outcome Measurement System: Selecting a Objective

Step 2: Select Objectives 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

Objective #1: Suitable Living Environment
- Enhance Suitable Living Environment Though Improved/New Accessibility

Objective #2: Decent Housing
- Create Decent Housing with Improved/New Availability

Objective #3: Economic Opportunity
- Provide Economic Opportunity Through Improved/New Accessibility

Outcome 1: Availability/Accessibility
- Enhance Suitable Living Environment Though Improved/New Accessibility
- Create Decent Housing with Improved/New Availability
- Provide Economic Opportunity Through Improved/New Accessibility

Outcome 2: Affordability
- Enhance Suitable Living Environment Though Improved/New Affordability
- Create Decent Housing with Improved/New Affordability
- Provide Economic Opportunity Through Improved/New Affordability

Outcome 3: Sustainability
- Enhance Suitable Living Environment Though Improved/New Sustainability
- Create Decent Housing with Improved/New Sustainability
- Provide Economic Opportunity Through Improved/New Sustainability

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 a 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 the 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 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
Example #3: An after school gang prevention program (public service)

- Objective – Suitable living environment
- Outcome – Improved accessibility
- Outcome Statement –
  - Enhance suitable living environment 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
Grantees will need to:
1. Determine goals of activities/projects
2. Select objectives and outcomes
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
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/POR
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?
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!