



10-YEAR PLAN FOR OREGON

BUILDING THE FOUNDATION FOR THE FUTURE

10-Year Plan for Oregon Initiative

In August 2011, Governor Kitzhaber created the 10-Year Plan for Oregon initiative. The 10-Year Plan for Oregon represents the foundation for implementing the Governor's vision to "Rebuild Oregon's House." With citizen input and participation, Oregon state government is designing a strategic planning process to make state spending decisions more transparent and results-focused.

The state's budget is currently prepared without a long-term framework to guide it. The 10-Year Plan will connect actions with the planned investment of funds. Each budget will build on prior public investments to improve services, achieve specific results and provide savings that can be reinvested in service delivery.

Prevention investments and cost cutting measures that take more than two years to implement and materialize will be possible to achieve because the process will change the incentives for policy makers and managers of programs. A long-term focus on results will be rewarded. No successful business, public organization or household can achieve its long-term financial objectives without a plan to identify and achieve those desired outcomes; state government should be held to similar standards.

The 10-Year Plan will be joined by the creation of a new outcome-based budget process. Together, they form a common action. A results-focused budget that builds on a progression of decisions from one budget to the next to achieve the goals is central to achieving the success of the 10-Year Plan.

Anticipated Outcomes

The initiative will deliver a framework to create a new strategic plan, implement a 10-year outcome-based (results-based) budget, and achieve the following:

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| Common Vision | Develop a statewide vision around the needs of Oregon citizens now and in the future. |
| Defined Outcomes | Define specific outcomes for state government services with clear accountability to Oregon's citizens. |
| Fiscal Sustainability | Deliver programs and services efficiently within available resources. |
| Innovative Solutions | Prioritize investments in areas of change and innovation. |
| Informed Decision Making | Rely on evidence-based information to inform policy decisions and decision makers. |

STRATEGIC FRAMEWORK

Outcome Areas

The 10-Year Plan for Oregon identifies six high-level outcome areas that focus on results that state government should strive to deliver on behalf of all citizens:

EDUCATION	Oregonians are prepared for lifelong learning, rewarding work and engaged citizenship.
HEALTHY PEOPLE	Oregonians are healthy and have the best possible quality of life at all ages.
ECONOMY AND JOBS	Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians.
HEALTHY ENVIRONMENT	Manage Oregon's air, water, land and wildlife resources to support a healthy environment that sustains Oregon communities, Oregon's economy and the places Oregonians treasure.
SAFETY	Oregonians will be safe where they live, work and play.
IMPROVING GOVERNMENT	Government will be trustworthy, responsive and solve problems in a financially sustainable way.

Together, the 10-Year Plan outcomes should provide the citizens of Oregon with all of the qualities that embody the essence of livability. Achieving these results will define Oregon as a place of opportunity for all, that represents our well-being as a people. These outcomes will make Oregon a better place to live, work and play.

The strategic framework calls for each of the outcome areas to be looked at through three lenses. These are concerns of citizens that extend into all outcome areas. As we look to implement specific strategies to achieve these outcomes, the lenses are a test for assurance that these needs of all Oregonians are not overlooked:

- Fiscally sustainable, high quality and affordable public services
- Prosperity opportunity for all Oregonians
- Equity for all Oregonians

The outcome areas guide the management of state government to prioritize investment in programs and services that are most important to Oregonians. The framework's foundation is built on an ongoing commitment to make government work better.

The 10-Year Plan's framework is integral to the success of developing an outcome-based budget because each biennial budget should contribute to ongoing progress in achieving specified outcomes.



OUTCOME-BASED BUDGETING

Focus on Results

Development of an outcome-based budget allows state government to strategically invest in improving Oregon's systems of education, health and safety while securing greater value from limited public resources.

Such a framework will provide new means to define and measure improvement in program operations. It will provide a structure to stimulate and match private sector initiatives and meet needs throughout Oregon.

The new outcomes-based budget will be designed to achieve defined spending priorities through specific policy strategies. This overall fiscal process will be guided by and designed to answer one fundamental question about state spending:

*Are we getting the
outcomes we want?*

Governor's Recommended Budget

Today the budget is allocated to agencies and the legislature debates one agency at a time. The Governor's new outcomes-focused budget process will end the practice of prioritizing spending by agency and institute a process of prioritizing programs for available funding because they deliver results, regardless of which agency delivers the service.

All state programs, regardless of agency, have been mapped or associated to the outcome area with which the program has the greatest affinity. Programs that are

preventative and recognized as essential to improving future outcomes, avoiding future spending, or saving money will be prioritized for future investment.

The Governor has asked citizen teams, called "Program Funding Teams", to advise him on how to prioritize these programs based on the program's contribution to achieving citizens' goals.

The new Governor's Recommended Budget will be delivered for legislative consideration with recommendations tied to specific outcomes.

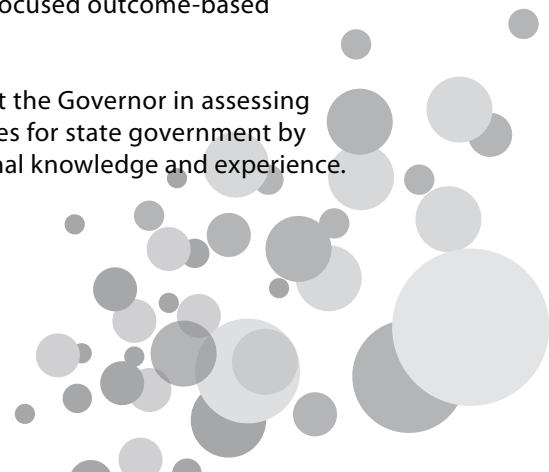
Program Funding Teams

It is the Governor's responsibility to recommend a balanced budget to the Legislature – Program Funding Teams will serve as advisors to the Governor.

Program Funding Teams exist for each outcome area in the strategic framework of the 10-Year Plan. Characteristics of the teams include:

- Citizen volunteers were selected by the Governor for their leadership, experience and general familiarity with Oregon.
- Members represent the geographic and cultural diversity of Oregon, bringing fresh voices and perspectives to inform the Governor's process to create a focused outcome-based budget.

Teams will assist the Governor in assessing funding priorities for state government by applying personal knowledge and experience.

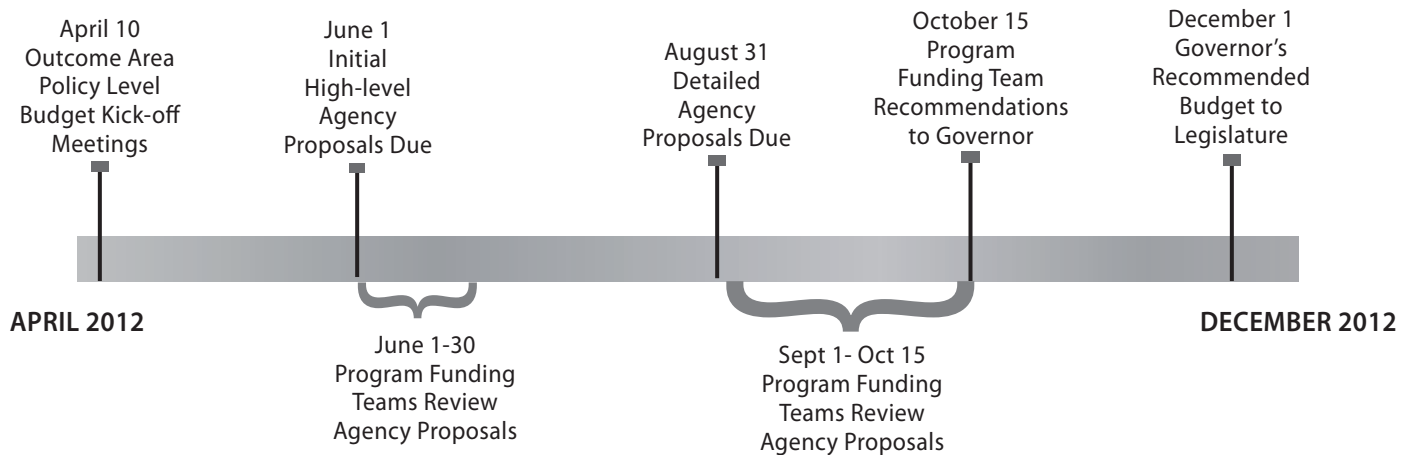


BUDGET DEVELOPMENT TIMELINE

The timing of the 2013-15 Governor's Recommended Budget process continues to evolve. In the past, the process of developing the budget has included only state agencies, professional budget analysts and the Governor – the process was entirely driven by state government. The Governor proposes that the budget development process will continue to become even more open and transparent over time.

The Governor is required to submit a balanced budget by December 1, 2012. He will rely on the expertise of state agencies to provide the basis for his recommendation. However, the new process inserts feedback from citizen program funding teams to the Governor and the budget proposals will be tied to outcome areas.

As the budget development discussions continue into the legislative process, there will be opportunity for extensive public engagement.



Over the next year, the 10-Year Plan and the outcome-based budget will continue to develop and change. The Legislature will have an opportunity to consider and refine these ideas and to engage Oregonians in defining outcomes and future progress of the 10-Year Plan. The 10-Year Plan will mirror Oregonians' aspirations for services and reflect their values for how available state government funds are best spent to achieve desired results.

To learn more about the 10-Year Plan for Oregon, visit our website:

www.oregon.gov/COO/TEN





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Outcome Areas and Associated State Agencies

This list identifies which agencies have programs in each outcome area. Many agencies appear in more than one outcome area.

EDUCATION

Business Development
Commission on Children and Families
Community Colleges & Workforce Development
Early Learning Council
Education Investment Board
Education Department
Employment
Health Authority
Higher Education Coordinating Commission
Human Services
Military
State Library
Student Access Commission
Teacher Standards and Practices Commission
University System, and OHSU
Youth Development Council

HEALTHY ENVIRONMENT

Agriculture
Columbia River Gorge Commission
Energy
Environmental Quality
Fish and Wildlife
Forestry
Geology and Mineral Industries
Land Conservation and Development
Land Use Board of Appeals
State Lands
State Marine Board
State Parks
State Police
Water Resources
Watershed Enhancement Board

HEALTHY PEOPLE

Commission for the Blind
Human Services
Health Authority
Justice
Public Utility Commission
Revenue
State Library
Veterans' Affairs

ECONOMY AND JOBS

Agriculture
Aviation
Bureau of Labor and Industries
Business Development
Commission for the Blind
Community Colleges & Workforce Dev.
Construction Contractors Board
Employment
Energy
Environmental Quality
Fish and Wildlife
Forestry
Human Services
Liquor Control Commission
Racing Commission
State Marine Board
State Parks
State Police
Transportation
University System
Veterans' Affairs
Water Resources

SAFETY

Accountancy
Aviation
Board of Nursing
Bureau of Labor and Industries
Chiropractors
Clinical Social Workers
Criminal Justice Commission
Consumer and Business Services
Corrections
Dentistry
Energy
Geology and Mineral Industries
Health Licensing Agency
Human Services
Justice
Licensed Professional Counselor & Therapists
Long Term Care Ombudsman
Medical Board
Medical Imaging
Military
Mortuary and Cemetery Board
Naturopathic Medicine
Occupational Therapists
Parole and Post Prison Supervision
Pharmacy Board
Public Safety Standards and Training
Psychiatric Security Review Board
Psychologist Examiners
Public Utility Commission
Real Estate Agency
Speech Language Pathology and Audiology
State Marine Board
State Police
Tax Practitioners
Transportation
Veterinary Medical Examiners
Youth Authority

IMPROVING GOVERNMENT

Administrative Services
Advocacy Commissions
Agriculture
Business Development
Commission for the Blind
Community Colleges & Workforce Development
Corrections
Education
Employment
Employment Relations Board
Energy
Environmental Quality
Fish and Wildlife
Forestry
Government Ethics Commission
Governor's Office
Health Authority
Human Services
Justice
Liquor Control Commission
Military
Public Employees Retirement System
Public Safety Standards and Training
Public Utility Commission
Revenue
State Library
State Marine Board
State Parks
State Police
Student Access Commission
Transportation
Veterans' Affairs
Youth Authority