

**TESTIMONY OF ANN EBBERTS
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**BEFORE THE JOINT PERFORMANCE EVALUATION AND EXPENDITURE
REVIEW COMMITTEE
PENNSYLVANIA STATE SENATE
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Harrisburg, Pennsylvania**

Senator Folmer, Senator Eichelberger, Senator Williams and Members of the Committee, thank you for the invitation to discuss the importance of capturing and analyzing data, and then reporting on government program performance.

My name is Ann Ebberts and I am the Chief Executive Officer of the Association of Government Accountants. I want to first provide you a bit of background on AGA so you understand our mission and why we believe so strongly in the need and value of performance reporting. AGA, founded in 1950, is a 501 (c)(3) not for profit national association located in Alexandria, VA. We represent the only association supporting nearly 15,000 professionals who work in, for and with federal, state, local and tribal agencies. AGA is recognized as *the* member organization for financial and performance professionals in government, with nearly than 45% of our members being state and local government employees. Most financial management disciplines are represented in our membership including, accounting, auditing, performance reporting, budgeting, financial reporting, grants management, contract management and business information systems development and implementation. AGA members range from entry-level employees to elected officials and senior officials. We have chapters in all but one state, as well as Guam, Mexico, and Japan. Here in the Commonwealth of Pennsylvania, AGA supports chapters in Central Pennsylvania and Philadelphia. The local chapter, with its 120 members in Harrisburg,

provides value priced training and education to not only its members, but also non-members. Fall and spring professional development training sessions are now being planned.

We come here today to talk about reporting that focuses on performance and accountability for spending tax payer dollars. AGA has two primary programs that focus on performance and accountability – the Certificate of Excellence in Accountability Reporting or CEAR -- at the Federal agency level, and the Citizen Centric Report, which today is being prepared by the State and local governments as well as some federal agencies and shared broadly with the public.

AGA's Certificate of Excellence in Accountability Reporting or CEAR© Program, has been helping federal agencies improve their Performance and Accountability Reports or Agency Financial Reports since 1997. The program was established in conjunction with the Chief Financial Officers Council and the U.S. Office of Management and Budget to improve financial and program accountability by streamlining reporting and improving the effectiveness of such reports. The program was designed to review individual reports and provide recommendations for improving their presentation and usefulness, and publicly recognize the agencies and train individuals who prepare and review the reports. For the past 18 years, the reports have been evolving and the CEAR program has also evolved to stay current.

High-quality Performance and Accountability Reports do more than provide a comprehensive understanding of an agency's fiscal and programmatic accomplishments. They provide readers the opportunity to assess financial stewardship and evaluate program performance. Exceptional Performance and Accountability Reports can help leaders rethink the way agencies do business and they also receive intangible benefits from achieving the distinction of a Certificate of Excellence in Accountability Reporting. Specifically, the taxpaying public, Congress, public interest groups and financial management professionals recognize the Certificate of Excellence in

Accountability Reporting as an outstanding accomplishment for a federal agency and its management.

AGA has been asked to provide testimony on our **Citizen Centric Reporting** initiative. The initiative began eight years ago when a group of AGA members met to discuss a template for governmental entities to produce a concise, four page document that spells out basic facts citizens need to get a full picture about the performance of their government. With over 88,000 governmental entities in this country, from states to municipalities, to school boards and sewer districts, AGA believes that the Citizen Centric Report is the answer to the reporting dilemma because it helps the reader answer the question, “Are we better off today than we were last year?”

So why produce a Citizen Centric Report? In the 1967 film, Cool Hand Luke, the Captain famously announces to the prisoners, “Now what we’ve got here, is a failure to communicate.” Financial reports the size of phone books, while informative, are not effective means of communicating with the public in today’s data-on-demand-driven society. Effectively and efficiently communicating the business and value of government to the public is an on-going challenge. Surveys past and present indicate many citizens are inclined to mistrust government or simply cannot grasp the immense volume of technical information produced. Citizens are not satisfied with, and do not understand, the information they receive from all levels of government. As legislators you can certainly relate to the volume of reading material you receive and the challenges of determining, and then retaining, the salient facts that are necessary to make decisions. Government entities fail miserably in communicating to the public and leave the reporting to media outlets, which often do not paint a very positive or representative picture..

Today, progressive entities at the state and local levels are being proactive instead of reactive and reporting annually in plain language.

So what is a Citizen Centric Report or CCR? In essence, it is a snapshot or a “Reader’s Digest” condensed version of government financial and program performance. It is a four page, visually-appealing, plain-language summary reporting providing an array of valuable information. We developed a template to foster simplicity of use and communication while providing valuable information with web links to offer more information to those inclined.

Page one of a CCR typically displays demographics, governance structure, mission and goals of the entity while page two presents key service and activity performance information regarding achievement of specific goals. Page three provides financial information, predominantly costs and revenues; and page four identifies the organization’s major challenges, and provides a look forward to the year ahead. Links to websites and other resources are included. The report meets these tenets: it is simple, direct and honest, but it is not considered a public relations document.

Several state agencies have produced CCRs, with one of the earliest adopters being the **Idaho State Police**. They are in the process of preparing their eighth annual CCR. They frequently use the CCR when meeting with legislators, and have received favorable comments about the content in the report. The publication is also a great reference tool utilized by the Idaho State Police Colonel each year when making the budget presentation to the Joint Finance and Appropriation Committee. The CCR is used as a “takeaway” when representatives are meeting with community groups. District offices have the CCRs available for visitors and many agency managers carry the CCR when making visits to other agencies or to various meetings. The office of the **Idaho State Controller** also produces a CCR for the entire state.

In Guam, with the enactment of PL 30-127, effective January 1, 2010, a total of 53 entities were required to submit a CCR and post on their website, including the Office of the Governor, Judiciary of Guam, and Guam Legislature. The Office of Public Accountability (OPA) has been designated as

the repository of certain information, such as the agencies' quarterly financial reports and Citizen Centric Reports (CCRs).

The Governor of Guam has a special interest in page two of each CCR. Informally, the governor has stated that he believes a CCR should be published on a quarterly basis as a vehicle for tracking efficiency and accountability, in other words, how funds are being spent in pursuit of the mission. The University of Guam is also producing a CCR, and disseminates the report to constituents, legislature, and citizens. It is posted on the university's website.

The office of the **State Comptroller in Texas** produces a CCR for the entire state. The office has been preparing a report for five years and the current newly elected comptroller is continuing the tradition. A challenge for the state is paring down the information into a succinct four pages. States find that providing key data is not difficult, but it takes time to distill the text down to insure the right tone and message are conveyed. The primary distribution is online via the GovDelivery public communication service and over 20,000 individuals have signed up to receive the report. Hard copies of the report are also distributed by the leadership when making presentations.

Other examples of state agencies producing a CCR are the Idaho Department of Health and Welfare, Massachusetts Developmental Disabilities Council and the New Mexico Department of Human Services. The Idaho Department of Transportation (IDT) has just finished their second report. The IDT is directed by a seven member board appointed by the Governor. This board was receptive to the document and were involved in providing direction in preparing the second CCR. The Transportation staff were very pleased with the simplicity of the process and final product in part because it replaced an annual report that was over 30 pages.

A creative use of the CCR reported not only by Suffolk, Virginia, but also Tallahassee, Florida, is the utilization of the report to teach middle and high school students about local government programs and use of their parents' tax dollars.

While preparing this statement we reviewed the Pennsylvania Executive Summary 2013-14 Report on State Performance and the Commonwealth's commitment to provide citizens and elected officials with the information to evaluate the delivery of programs and services. We at AGA view this report as progress towards Pennsylvania demonstrating its ability to provide an open transparent, accountable and trustworthy government. We applaud your efforts.

In conclusion, the government needs to revamp the way it interacts with citizens. Citizen engagement appears to be one of the latest buzz words and encouraging the public to become involved, citizens need to know more than what is reported in the news. A CCR can serve as a vehicle for communicating government performance to the general public.

Communicating to the public. Informing the Legislature. Educating children. Generating conversation among constituents with a report that is a "quick read" and easy to understand is an opportunity not to be wasted. There will likely be naysayers, but more likely there will be those citizens who say, "I didn't know that 35% of my tax dollars is spent on public safety."

A more knowledgeable public will be a more engaged public.

Thank you for the opportunity to testify today and I look forward to answering your questions.