

Department of Human Resources
Local Government Advisory Committee
November 2003
The Purpose Question

What should be the purpose of DHS' Local Government Advisory Committee? How can we best capitalize on the LGAC opportunity and make the best use of members' time to inform and improve the system that assists Oregon residents who are not thriving?

To answer these questions, we must consider carefully the appropriate roles and responsibilities of County government and the roles and responsibilities of State government (e.g., DHS). People want services to be appropriate, convenient, effective and least costly.

Following is described:

- the dissonance between how we see ourselves and the reality of our expectations;
- advocacy's effect on social support systems;
- a theory of institutional change
- roles of government in the social support system
- devolution
- pressure points
- tools for change

The discussion concludes with a suggested purpose of our LGAC work. The suggested work leads to a systems approach for probable devolution using existing tools, developing new tools, and using key leverage points for maximum effect.

The objective of this presentation is to stimulate discussion and further exploration of the issues. The hoped for outcome is a decision about LGAC's engagement in further discussion. Is this appropriate and meaningful work for LGAC?

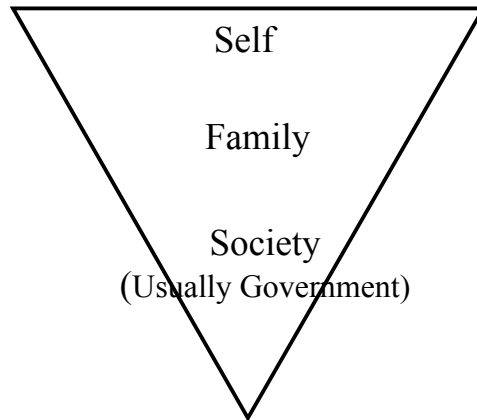
Myth and Reality

In our society, there seems to be a dissonance between the myth of how we see ourselves and the reality of our expectations. Generally, we picture America – especially the West – as a place of rugged self-reliance and individualism. The pyramid below depicts the greatest responsibility resting with the individual. The family serves as the cradle of nurture and supports followed by the community (e.g., local charity, religious institutions, service organizations, etc). Finally, the government serves as the major safety net

beneath which no one share fall using redistribution of resources to create incentives and services.

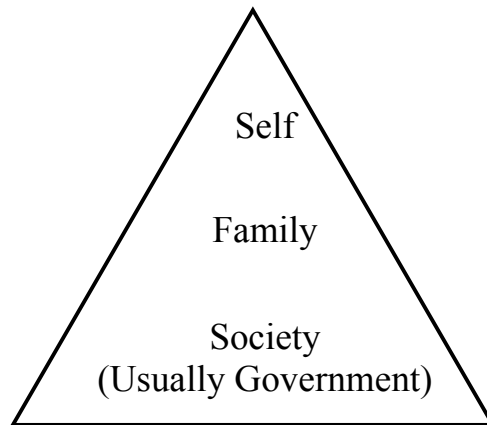
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Rugged Self-Reliance/ Individualism



Recent reality suggests a different base of assumptions, however. Over the last few decades, we seem to have embraced a different reality informed by an underlying attitude that government is responsible for assuring the well being of every individual in our society. Individuals unable to thrive in society are seen more as victims than rugged individuals. Families may be viewed as an asset to individuals, but are inconsistently incorporated into systems. And, for a large segment of society, family is the weakest link (often absent altogether) of the overall structure. In fact, there are mixed signals regarding the expectations of individuals and families in terms of responsibility.

Reversal of Myth



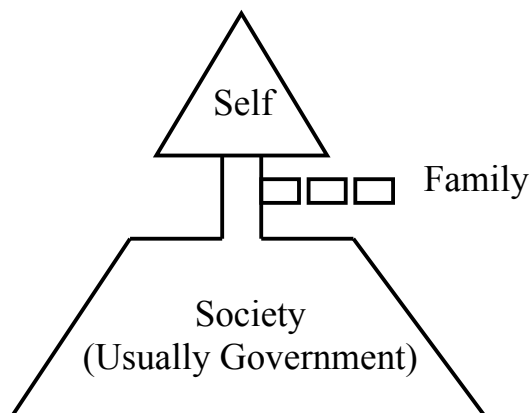
This myth/reality reversal may be transparent to some, denied by others. Individually, we like to think that our accomplishments are the result of our own efforts. Yet careful thinking reveals our success is usually dependent upon the input of countless others, including teachers, mentors, family, a social fabric of opportunity, etc. Yet many aren't willing to fully acknowledge the divergence between myth and reality.

For example, farmers and business people who tenaciously hold to the myth of rugged self-reliance in reality enjoy and often welcome government redistribution of wealth. Health insurance is another good example, where Americans no longer just insure against unexpected events.

As our sense of expectation changed the myth/reality equation over the past few decades, our understanding about the role of individual choice has also changed. We no longer have a cultural context that provides the clear and direct feedback of natural consequences. We have known for fifty years that the consistent use of tobacco products is a major cause of health problems. Yet, the role of individual choice and the resulting consequences is minimized in deference to the public responsibility for remedying the problem.

There is at least one other cultural aspect that has changed dramatically over the last half of the 20th century relevant to our discussion. "Family" is no longer consistently incorporated into our systems of support for individuals.

For Many Americans, Family Not Part of Equation



Through eons of human development, the family and tribe provided the first response to support individuals. "Family" enabled resilience for the individual. Family relations were valuable, precisely because the risks involved with "going it alone" were well understood. This is in part, what has made our culture's individualistic myth so heroic.

But the reality about the family role in helping individuals thrive has changed for Americans in recent decades. The reasons are complex and many. If we can agree, though, that dependence on family has diminished/been minimized over the past few decades, we can also appreciate the huge shift of expectations following this social change. In 1900, Granny came to live out her days with children when she grew too old to care for herself. In 2000, Granny spends down her assets and the family divests themselves of any financial responsibilities so Medicaid will pay for her long-term nursing care. Removing "family" from the social supports equation may not be economically sustainable.

Expectations of our society are not balanced with willingness to pay for natural resources, health care and other expected services.

The Problem of Advocacy

Advocacy groups have become players in government decision-making processes, greatly influencing the shape and form of our social support systems. Protections for persons with disabilities and those who differ from the majority in other ways are positive outcomes from the rise in advocacy. For example, it has taken a huge effort on the part of many to elevate the issues of the mentally ill in our social agenda. But today, we're overwhelmed with advocacy. Many advocacy groups can and do take credit for creating funding silos and redistributing government funds so that there is a disproportionate allocation of financial resources focused on their particular constituency or customer group. Often, advocacy reflects:

- high expectations with an unsustainable cost (where everyone expects 100% to thrive, the cost may not be sustainable);
- insufficient currency in the political agenda (my issue is more critical than your issue); and
- moving from how to do the best for the most, to how to get the most (thoughtful policy development vs. competition for benefit).

Advocacy groups have now become part of the problem. Policy is now driven by the effectiveness and financial power behind a particular advocacy movement. Sometimes these groups even become a barrier to solutions. For example, national environmental organizations have resisted tools like the Oregon Plan because they see that the grass-roots, localized systems of decision-making as incompatible with a top-down federal structure that they can more easily influence. We now have so much advocacy that our decision-making processes are unable to adequately sort out a purposeful path.

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Government Institutions and Change

The role of government has also changed dramatically during the last half of the 20th century. As our expectations increased, the role of family as first responder in time of need declined and advocacy grew, the federal and state governments have been expected to assume an ever-greater role as supporter of the individual.

The federal government has become ineffective at managing the country's natural resources and the social support system. Evidence of this shows up at the local level in the continual creating and reconfiguring of regions and districts in search of geography that lends itself to effective administration. We're coming to realize that federal political subdivisions, ever reconfigured, may not be the most effective partners for delivering supportive services.

For those curious about systems theory, the challenge of administering a complex social support system from a federal level - or a state level - is probably not a big mystery. "Panarchy" is a term coined to describe evolving hierarchical systems with multiple interrelated elements (e.g., ecosystems, economy, institutions). The theory of panarchy suggests a possible path for moving beyond the present ineffective, top-directed system, to a more purposeful one. The theory suggests that systems are interlinked in continual adaptive cycles of growth, accumulation, restructuring, and renewal. We can use this theory to identify the points at which a system is capable of accepting positive change.

The figure below illustrates a possible crisis due to taxpayer's revolt and a downturn in the economy. The theory can also be used as an aid to identify those leverage points that may foster resilience and sustainability within a system.

*Add Panarchy
diagram from book*

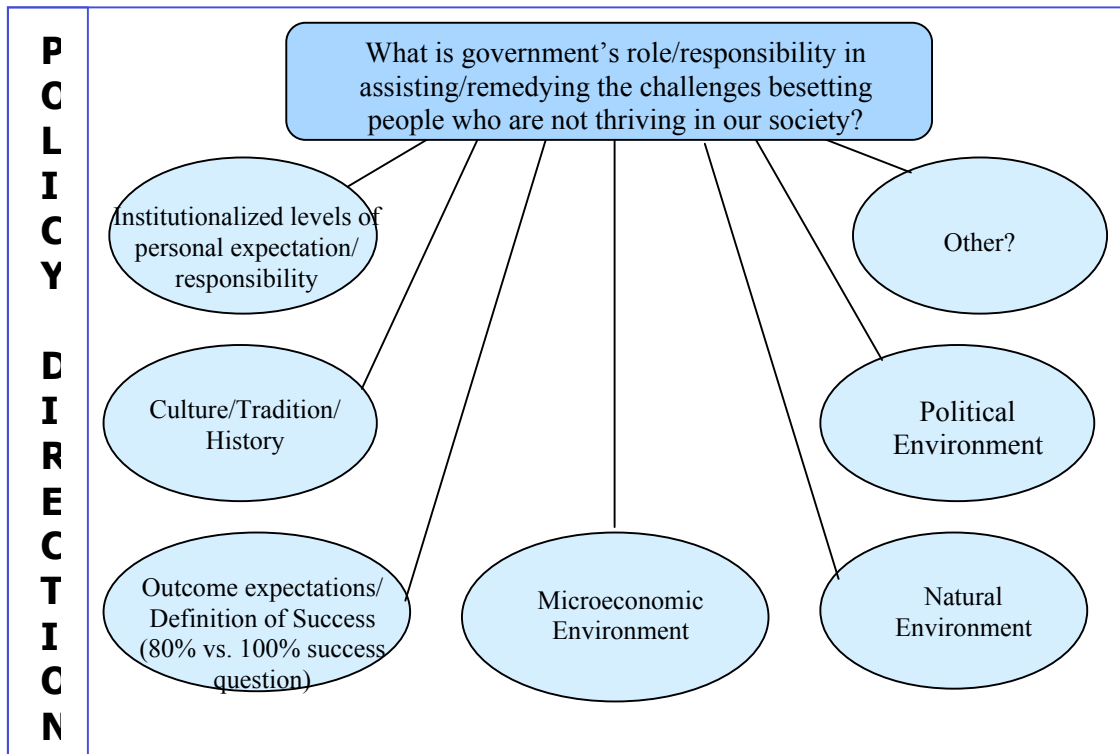
We may be at a period when individuals can most easily effect positive change because the institutions are under serious threat of being archaic and melting down because of the inability to delivery cost-effective and community-sensitive service.

We must identify adaptive approaches to management that recognize uncertainty and encourage innovation while fostering resilience.

The Panarchy theory brings us to back to our original question, “How can we best capitalize on the Local Government Advisory Committee (LGAC) opportunity to inform the system that assists Oregon residents who are not thriving?”

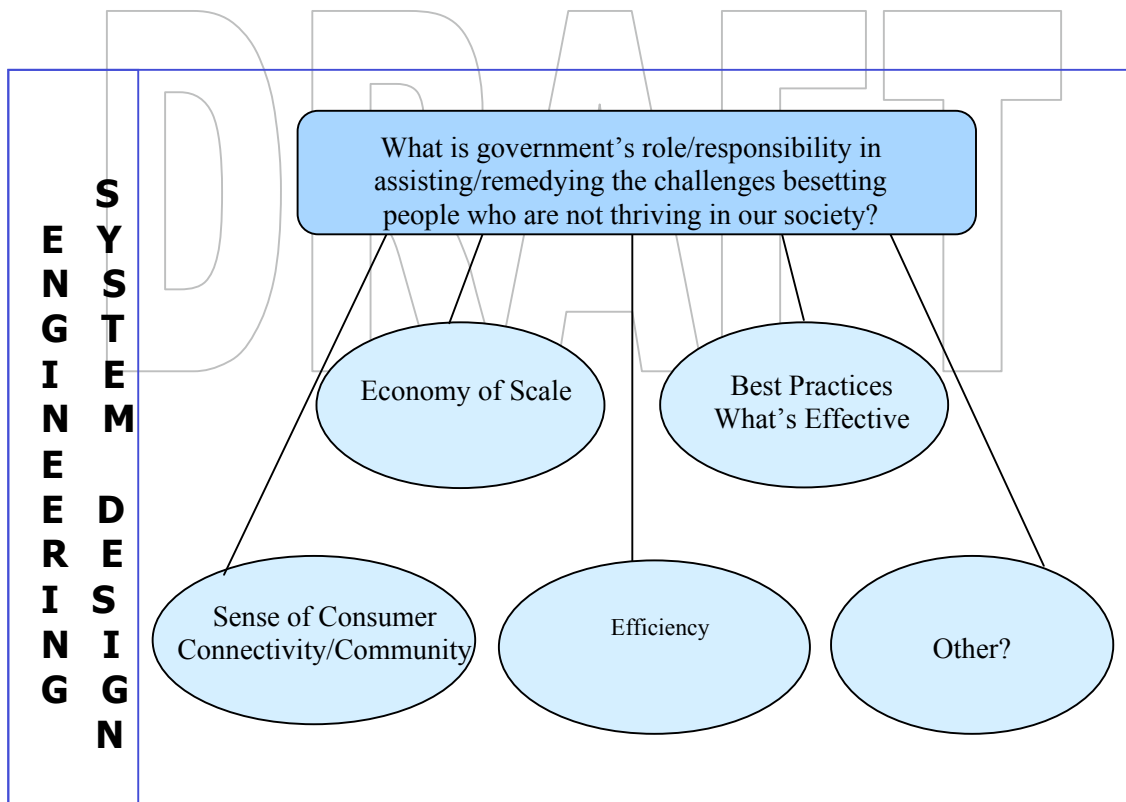
Appropriate Roles of Respective Levels of Government in the Social Support System

The appropriate role and responsibility of government must be assessed in terms of policy direction informed by our assumptions regarding personal expectation and responsibility; culture and tradition; definition of success; political, natural and economic realities.



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A system that may fulfill the clarified roles and responsibilities would have to take into account economies of scale, sense of community, efficiency, best practices, etc.



The bottom line is the taxpayers want a common commitment and they want their money to be spent effectively; they don't care who does it. What can we do?

Devolution:

If we begin with the common wisdom that service delivery should occur at the lowest capable level of government, then our system design must involve meaningful, thoughtful devolution. One task for LGAC would be to seek devolution using the report by the Social Support Investment Work Group as a point at which to begin discussion. Additionally, we need to identify adaptive approaches to management that recognize uncertainty and encourage innovation while fostering resilience. Generally, we try to create systems that never go wrong, rather than systems that respond well when things do go wrong and surprises occur. Consequently,

- we may need a shift from leadership styles from a stable world to those that will work in the tumult of change;
- we need ways to develop personal resiliency so people recognize that they can manage their own lives with far more success than we suppose and;
- we need to look for ways to develop community resilience so groups of people (geographical, work, professional, etc.) can respond effectively to

changing conditions rather than being bound by past assumptions or organizational structures.

Not all counties are ready to take on this responsibility and we all fear the specter of unfunded mandates, so, there are many issues for future discussions. If we begin our system design discussions with a clear and common understanding about the roles of the individual, family, advocacy, community and local government (and partners), then we start in a very different and more sustainable place than if we start with the assumption that the Federal or state government is responsible for all.

Pressure Points:

So how do we get from where we are today, to a better, more sustainable vision for Oregon's social support systems? LGAC can serve as a catalyst, synthesizer, and envisioner. LGAC can make a difference by joining with AOC and others to find those pressure points in the system that shifts the balance towards devolution to a genuine county-state partnership. Here are some pressure points we can focus upon immediately. If pressed, these areas can change the roles of the state and the county and can create better-integrated and more effective services with a higher cost/benefit:

□ State Budget. Money for locally delivered services is not explicitly evident in the budget. When legislators cut budgets – or fail to increase budgets – they do it by program. They are often unable to see consequences of their actions in their district.

How money is spent and budgeted determines the extent of our partnership. Take Medicaid as an example. The federal government is the command center; state government is the captain of the ship; the counties are shoveling coal and serving the meals. Another example is education. Measure 5 – an expression of individualism – is an unintended shift of power to the state that is a reversal of the myth. Both examples illustrate the importance of how and where money is budgeted.

□ Cost-Benefit. The prioritization of condition and treatment pairs for the Oregon Health Plan is a model for a more objective budgeting system. Cost-Benefit which takes into account community values, duration of benefit, and the cost of not providing a service – while not infallible – certainly changes the discussion from one of the loudest advocacy to one of a data-driven discussion.

- Tie Responsibility of Service Provision to Funding Level. Some inroads have been made in this area. However, legal responsibility must be tied to the level of funding, otherwise, it is an illegal, unfunded mandate.

□ Red Tape and Funding Silos. This is a form of unnecessary paternalism that is very expensive.

Tools for Change

If LGAC embarks on this difficult task, we do not proceed empty handed. Many tools are already available for our use. Here are a few:

□ **Oregon Option.** A tool for re-inventing government by cutting red tape and blending funding streams in exchange for accountability.

□ **Investing in Independence, Productivity and Self-Sufficiency for Oregonians**, April 1997, The Social Support Investment Work Group. A graphic description of roles and responsibilities for core social supports for populations with 1) identified conditions, 2) at-risk populations and the 3) general population. The State's role progresses from zero through catalyst, technical assistance, investment partner in local delivery, quality assurance/regulation/licensing, primary payer/funder to direct service. Also identified are crosscutting opportunities for strategic intervention.

□ **Oregon Plan.** Where do incentives work better than regulation? There is a hands-on, problem-solving collaboration movement that is fundamentally at odds with the top-down, centralized, bureaucratic form of governance that has characterized public land management in the West.

□ **Oregon at the Crossroads: What do Oregonians Want from Government?** The perspectives in the issue brief are (a) individual responsibility; (b) public responsibility; (c) shared responsibility. This is a discussion tool aimed at finding common ground from which solutions can be built. OSU Extension Service.

□ **Local Government Advisory Committee.** Policy and service delivery people with tremendous experience at the local and state levels.

□ **Oregon Revised Statutes.** Unfunded mandates are illegal.

□ **California Model.** Localized delivery and control of all human services.

□ **Panarchy: Understanding Transformations in Human and Natural Systems**, Gunderson and Holling.

□ **Stop Government Budget Roulette.** A concept based on the Oregon Health Plan methodology.

Conclusion

The challenges that we face at the beginning of the 21st Century as a society are daunting. We must honestly evaluate the cultural assumptions that have led to our present systems.

We must also carefully retain that which is of value and redesign that which warrants a new approach.

LGAC could:

1. Use a systems perspective to assess the appropriate roles of the individual, family, community and government.
2. Devise a more objective system of allocating resources, may weaken the special interests.
3. Seek the most efficient and effective means of operating a social support system, which will probably mean devolution to the county level.
4. Utilize tools that have been developed (e.g., Oregon Option) and create new ones (e.g., personal and community resilience).

As LGAC explores these issues, a special focus should rest on possible unintended consequences. These tasks could become the purpose of our work in LGAC.