

Oregon DHS|OHA - Office of Forecasting, Research and Analysis

## FORECAST POLICY ADVISORY COMMITTEE CHARTER

### Select Committee Charter Type:

- Decision Making Committee:** Committee has delegated authority to commit each agency to a decision and requires Joint Operation Steering Committee (JOSC) approval.
- Advisory Committee:** Committee provides recommendations and advice.
- Informational Committee:** Committee shares information and best practices.

### Background

The Office of Forecasting, Research and Analysis (OFRA) provides independent, objective, transparent caseload forecasts for all major entitlement programs in the Department of Human Services (DHS) and the Oregon Health Authority (OHA). When HB 2009 split DHS into two agencies, OFRA was designated a shared service supporting both agencies. As a shared service, OFRA's responsibilities are documented in a Service Level Agreement posted on the DHS|OHA intranet as well as OFRA's internet website.

OFRA uses two types of advisory committees:

- The Forecast Policy Advisory Committee (FPAC) provides advice on technical process and tools, and serves as an objective external channel to address and elevate issues of forecaster independence, should any arise.
- The Caseload Forecast Advisory Committees (CFACs) are governed by a separate charter and provide advice and input on the official caseload forecasts for each major program area. CFACs are maintained for each of the following program areas: OHA – Medical Assistance Programs, Mental Health; DHS - Aging and People with Disabilities, Child Welfare, Developmental Disabilities, Self-Sufficiency, and Vocational Rehabilitation.

During the 2011 Legislative Session a bill was introduced to move OFRA from DHS|OHA to the Department of Administrative Services. The bill was scheduled, but never heard in committee. Following the 2012 session in which the bill was again bumped, the Secretary of State was asked to audit OFRA and provide recommendations. The requested audit took place during the fall of 2012 and recommendations were issued February 2, 2013 (as SOS Report Number 2013-03). Those recommendations included 1) creation of a new committee to review "caseload forecast policies and procedures, and to help ensure forecaster independence", and 2) to "continue using the caseload forecast advisory committees... to advise the forecasters on the caseload forecast numbers."

### Forecasting Unit Principles

The following principles guide OFRA's forecast development process:

- The FPAC provides forecasters and unit management with technical advice
- CFACs provide forecasters with input and insight from policy experts, as well as feedback on the proposed forecasts
- Robust, candid discussion is expected from all committee members
- Forecast decisions are supported by data
- Forecasts are estimates of future caseload volume based on current policy
- Policy changes not yet approved are not included; changes that cannot be accurately quantified are identified as "risks" to the forecast
- The forecasting process is objective, transparent, and independent of political influence
- OFRA strives to avoid inappropriate influence, both real or perceived
- Innovation and continuous improvement principles/tools are applied to the forecasting process

## Committee Purpose & Scope

The Forecast Policy Advisory Committee plays an important role in ensuring OFRA uses effective and appropriate policies, procedures, methods, and controls.

The FPAC's core purpose is to ensure that the following objectives are met:

- a) The forecasting methods & tools used are sound and appropriate
- b) The processes used within OFRA to develop, review, and finalize forecasts
  - Promote forecaster independence, objectivity, and transparency
  - Provide forecasters with appropriate input from internal and external stakeholders, but are free from inappropriate influence
- c) The techniques & processes used to track and report forecast accuracy are sound, and promote the practice of self-evaluation and continuous improvement

The Committee's scope shall include:

- Reviewing & advising on OFRA's governance, principles, processes, methodologies, and tools
- Serving as a vehicle through which forecasters (or others) can raise issues perceived as jeopardizing or affecting the independence and objectivity of any caseload forecast

The Committee's scope shall exclude production, review, or oversight of official caseload forecasts

The FPAC shall:

- Provide expertise relevant to the forecasting process
- Provide suggestions for how processes could be improved
- Serve as a forum through which concerns about forecaster independence may be raised

*Possible subjects:*

*Forecast development principles, processes, methodologies; Methods used to obtain, consider, and incorporate exogenous factors & stakeholder input; Methods for measuring forecast accuracy; What/how information is provided to executive & legislative staff, partners, stakeholders, public, etc.; Recommendations on how to improve forecast processes, accuracy, usefulness, transparency*

## Authority

The Forecast Policy Advisory Committee is chartered and sponsored by the DHS|OHA Joint Operations Steering Committee (JOSC)

## Membership

To ensure independence, the Committee Chair shall be a person with forecasting experience, but not employed by, funded by, or who reports to either DHS or OHA.

The Forecast Policy Advisory Committee will include:

- a) Government subject matter experts – individuals from other agencies with forecasting expertise
- b) External subject matter experts – individuals from outside state government with forecasting expertise (academic institutions, private industry, and/or general public)
- c) Representatives from the DAS CFO's Office and the Legislative Fiscal Office
- d) Representatives appointed by the DHS and OHA Directors

The OFRA Administrator and Forecasters will attend FPAC meetings unless directed not to by the Committee Chair. Other OFRA staff may attend as needed.

## Roles and Responsibilities

### Expectations of COMMITTEE MEMBERS:

- Provide expertise relevant to the forecasting process
  - Provide feedback on OFRA's processes, methods and tools, and ideas for improvement
  - Serve as a forum through which concerns about forecaster independence may be raised
- a) Attend Committee meetings whenever possible
  - b) Provide feedback on information provided to the committee
  - c) When requested, review materials in advance of scheduled committee meetings
  - d) During committee meetings, participate in candid discussion, including asking and answering questions from other committee members
  - e) Notify the Committee Chair and OFRA Administrator when personal or organizational changes might impact your ability to continue participating on the committee
  - f) Communicate with DHS and OHA staff outside committee meetings
  - g) Immediately report any/all allegations of real or perceived inappropriate influence of a forecaster to the Committee Chair (see Advice and Recommendations Section below)

### Expectations of OFRA STAFF:

- Utilize the expertise of FPAC members
  - Remain open to suggestions, and incorporate them when appropriate
  - Promptly address all concerns raised about inappropriate influence, either real or perceived. Treat all allegations and concerns as serious.
- a) Meet as needed with the Committee Chair, committee members, and the committee as a whole
  - b) Before each meeting,  
Coordinate with the Committee Chair to set an agenda and establish meeting objectives  
Provide members an agenda and, if possible, with advance copies of materials to be discussed
  - c) Attend committee meetings as appropriate and participate in candid discussion, including asking and answering questions from other committee members
  - d) Take immediately action to research, address, and correct any instances of real or perceived inappropriate influence

## Advice and Recommendations

The FPAC is an advisory committee whose purpose is to provide input on the appropriateness and efficacy of current forecasting processes and tools, and suggestions for improvement.

During Committee meetings, ideas and suggestions will arise and be discussed. OFRA staff are expected to listen with an open mind and incorporate ideas they find useful. It is likely, however, that views will differ as to the usefulness and necessity of any particular change. When a committee member feels that a specific change is essential, they should document their recommendation in writing and submit it to both the Committee Chair and the OFRA Administrator. Together the Committee Chair and OFRA Administrator will consider the recommendation, decide whether to make the recommended change, and provide the submitter a written response explaining their decision and reasoning.

If/when issues arise concerning forecaster independence,

- Escalate the issue immediately to the FPAC Chair
- The Committee Chair will immediately report the allegation to both the DHS COO and OHA COO, who will investigate the allegation and, if founded, will work within DHS|OHA to correct the situation.

### Relationship with Other Governance Groups

The Forecast Policy Advisory Committee will interact with other groups as needed to obtain information, provide input, and escalate issues. The most likely groups are:

- DHS|OHA Joint Operations Steering Committee (JOSC) – OFRA operates under the authority of JOSC as specified in the OFRA Service Level Agreement.
- DHS and OHA Leadership – DHS and OHA Leadership are responsible for overall governance of their agencies and may request information from the Committee.
- DHS COO and OHA COO – If questions/issues arise with respect to forecaster independence, those concerns shall be escalated to the COO's for both DHS and OHA.
- DHS CFO and OHA Budget Director – The OFRA Administrator reports directly to these two individuals.
- DHS|OHA Caseload Forecast Advisory Committee (CFAC) – OFRA uses these committees to keep abreast of program changes and to review/discuss the forecasts developed for DHS and OHA.

### Meeting Schedule, Support, and Documentation

The Forecast Policy Advisory Committees will meet as follows:

- The committee shall meet as needed, but not less than twice a year – before each legislative session and approximately six months later.
- Additional meetings may be called for any reason including to resolve specific issues or questions, or at the request of the Oregon Legislature or DHS|OHA executives.
- Subcommittees and temporary workgroups may meet as needed.
- Members of the committee may exchange electronic communication as needed.

The Office of Forecasting, Research and Analysis will:

- Schedule meetings and facilities, and provide equipment for the meetings, including electronics.
- Prepare and distribute an agenda in advance of meetings.
- Provide members with materials for review via email or hard copy. Committee members may be asked to print their own materials from electronic copies distributed prior to meetings.
- Maintain and distribute a record of each meeting, including the attendance, agenda, materials shared, action items, core discussion and recommendations of the committee.

### Charter Review & Modification

OFRA staff shall review this charter with the Forecast Policy Advisory Committee at least biennially, and if warranted, update the charter. Changes may be made to the Charter based on recommendations from OFRA, JOSC, or the Committee.

Original approval by JOSC: 11/21/13

Latest revision: 12/06/13