



LITTLE HOOVER COMMISSION

Stuart Drown
Executive Director

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TO: Performance Management Council

FROM: Stuart Drown
Executive Director

SUBJECT: Summary of March 9, 2010 Performance Management Council meeting

Thank you to everyone who participated in the Performance Management Council's March meeting. At this meeting, the Council continued its best practices workshop series with a presentation from Bev Augustine, deputy director of strategic organization, leadership and individual development at the Department of Consumer Affairs. This memo is intended to summarize the meeting's discussion. If you feel we have misconstrued or omitted an important point, please let us know.

Workgroup Updates

Framework: The workgroup will reconvene after the survey launch to discuss incorporating findings into a white paper.

Speakers Series: Little Hoover Commission staff are working on lining up the next few Council meetings. Please contact Eric Stern, eric.stern@lhc.ca.gov, or Tamar Foster, tamar.foster@lhc.ca.gov, if you are interested in sharing your department's best practices in performance measurement.

Training: Workgroup members are identifying training problems and outlining solutions for developing leadership in performance management for inclusion in the Council's white paper. To contribute to the efforts of this group, contact Jodi Traversaro at joditraversaro@dpa.ca.gov.

Survey: The workgroup has had challenges developing a distribution list, which has pushed back the survey launch date; however, a draft of the survey was sent to Council members in early March for comments and review. A number of departments responded with suggestions for improvement. One participant suggested that the survey as written does not reflect the work of departments that lack formalized efforts.

Participants discussed some of the potential uses of the survey instrument.

- Data will be used to inform a white paper developed by the Council. It will also be used to identify best practices and challenges to designing and implementing a performance measurement system on the way toward building a collective strategy on performance management. One participant discussed the importance of the survey as a tool to capture the diversity of activity across the state and to understand how performance measurement efforts thrive in different environments.
- The survey will help create organizational culture around performance measurement. One participant said that the conversations across and between departments are as valuable as the survey itself. It will help inform conversations on choosing the best metrics. Another participant mentioned the

opportunity of using the survey as a tool to help educate the media on changing government from a compliance culture to a culture based on performance. Other participants discussed the importance of establishing uniform definitions for common terms such as performance measurement to establish consistently across and within departments. Another participant said that it will be more important to develop a shared meaning to common terms; that there are a lot of different roads to get to the shared concept.

The survey will be sent to all departments in April 2010.

Other Announcements

Assembly Committee on Accountability and Administrative Review Informational Hearing on Performance Measurement. The committee's February 24, 2010 hearing focused on performance measurement efforts in state agencies and featured a number of PMC participants: Denzil Verardo with Department of Toxic Substances Control; Debbie Mah with the Department of Transportation; and Richard Krupp and Carol Avansino with the Department of Corrections and Rehabilitation.

In his opening remarks Hector De La Torre, chair of the committee, commended the work of all the departments participating in the PMC. He also emphasized the importance of performance measurement for building accountability systems: "What we measure, we prioritize. What we prioritize, we do." Committee members discussed the need for a performance measurement system to help the state invest in programs and projects that work and to move toward a statewide performance-based budgeting system. They expressed a concern for the state's long-term budget. One said, "California is pennywise and pound foolish. We need to know what kind of investment to make so we spend \$1, not \$6." Committee members also wanted to understand how long it takes to start and fully implement a measurement system and how the Legislature could help enable such efforts.

An agenda and background documents are available on the [committee's Web page](#) and a video of the hearing is available on [The California Channel's Web site](#). Additionally, the [Contra Costa Times](#), in early March, wrote about interest in the Senate toward performance-based budgeting.

Open Government Data Initiative. The California Department of Corrections and Rehabilitation in partnership with the Office of the State Chief Information Officer and Google are moving forward with a project that will publish more of the agency's reports as part of the White House Open Government Initiative, www.data.gov. The agency's COMPSTAT data also is available online the Governor's Reporting Transparency site, www.reportingtransparency.ca.gov.

Best Practices Workshop Series – Department of Consumer Affairs

Bev Augustine, deputy director of strategic planning and organizational development at the California Department of Consumer Affairs (DCA), discussed the department's efforts in building a performance measurement system. A Power Point Presentation on DCA's work in performance measurement is attached. Highlights from the presentation follow:

The Department of Consumer Affairs is comprised of more than 37 regulatory boards and bureaus that license and regulate more than 2 million professionals, from doctors to auto repair technicians and cosmetologists. Each of these boards has its own semi-independent oversight board. The department enforces consumer protection laws in partnership with the Attorney General and local district attorneys' offices.

The department's current annual report includes 20-30 pages of data and is created using the department's 30-year-old legacy system. It uses approximately 2,000 codes for how people report on investigations, with a great deal of variance of meaning among the boards' regulatory agencies. DCA's current annual report offers little value to the department's consumers and fails to capture the department's performance.

Project initiation and executive support: To address news stories highlighting outlier cases – such as the 3-year timeframe to close a case relating to a negligent nurse – the department’s new director, Brian Stinger, mandated a new enforcement initiative in 2009. The department’s performance measures are designed to measure the success of the department’s enforcement process, and will be used starting on July 1, 2010.

Office structure: The Strategic Organization Leadership and Individual Development (SOLID) unit operates out of the Department of Consumer Affairs’ executive office and is comprised of a deputy director and five staff, including two AGPAs, two administrative assistants and one student assistant, all of whom report to the deputy director. The unit has job mentoring and rotation programs and its deputy director is a member of the department’s executive staff.

The department’s performance measurement group includes 20 employees from various boards, bureaus and programs and includes experts in enforcement, licensing and the department’s information system. Bev said it was especially important for the unit to partner with the information technology staff – the “keepers of the code” – because of the complexity of the department’s information system.

Building internal support: The SOLID unit received strong backing from the department’s executive office and it provides regular updates to deputies at quarterly meetings. Some boards and bureaus, however, are still reluctant to move toward a performance measurement system, expressing concern about a “one-size-fits all” approach. To mitigate some of these concerns, the SOLID unit has held department-wide training sessions on the new codes and will rely on the annual report as a tool to create peer-pressure to turn around late-adopters, who, by virtue of their quasi-independent status, are not required to participate.

The “Input” – collecting data, choosing measures: The Department of Consumer Affairs was a participant in the state’s 1990s performance-based budgeting pilot. Many of the department’s output measures are the same as they were in the pilot because the department’s processes are still the same.

The measures are intended to be customer centric, developed from a consumer point of view. In developing the measures, the SOLID unit emphasized the importance of uniformity and consistent terminology by identifying the macro steps of the enforcement process and creating a standard set of terms for all of the 37 boards to use. The department’s performance measures include volume, cycle time, efficiency and customer services.

While the department uses many output measures, it has not yet developed outcome measures. The targeted outcome would be a reduction in the number of consumer complaints and a safer marketplace. The department has discussed developing a market conditions index, but some problems outside of the department’s control remain, such as a lack of reporting in non-English speaking communities that tend to use unlicensed medical care. The measures only reflect the incoming complaints, and do not capture challenges with licensing, although the department is engaged in several outreach efforts to ethnic communities.

The “Output”: DCA will issue quarterly reports, beginning in October 2010, using the balanced scorecard method. The department will differentiate between cases that proceed to formal discipline, and cases that largely fall beyond the department’s control.

The “Outcome”: The department has extensive plans to move forward with implementation in 2010. Between January and June it will develop and modify its information system; between April and June, it will conduct employee training on the new information system. It will standardize codes in July and issue its first quarterly report to all stakeholders in October 2010, which will be made available to the public on the Web.

Sustainability: The DCA performance effort was initiated by its director; a new administration after the 2010 election might have different priorities. The department is working to build support by showing the value of the tracking system to its customers and stakeholders. Internally, the

department is meeting with staff to build more understanding and input at all levels of the organization. A key driver to long-term sustainability has been streamlining the IT code, used for taking complaints, which has made data-tracking less complex for IT workers and other staff. The SOLID unit also focuses on regularly communicating with leadership and line staff. The unit holds bi-monthly executive leadership forums and regularly sends out memos and papers informing managers of their progress; in addition, it meets twice a month with line staff and middle managers and once a month with an IT code users group.

If you have additional questions regarding the discussion, please contact Bev Augustine at bev_augustine@dca.ca.gov.

Items for Follow-up

A contact list of council participants is attached. The Little Hoover Commission will not share this list with individuals other than those who have participated or who will participate in the Council. Please contact Commission staff if your contact information is inaccurate or if you would like to be removed from the list. Also, if you know of someone from another department or agency who might be interested in participating in the Council, please let us know.

The next meetings are scheduled for **9 a.m. on Wednesday, April 21 and Wednesday, May 26, 2010 at the USC State Capital Center**. If you have anything to add to this summary, please contact the Commission staff, Eric Stern or Tamar Foster, at (916) 445-2125. Thank you again for your input and participation.

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DCA Performance Measures

PM1: Volume

- Number of complaints received

PM2: Intake Cycle Time

- Average number of days to complete complaint intake

PM3: Cycle Time of Closed Cases Not Resulting in Formal Discipline

- Average number of days to complete the intake and investigation steps of the enforcement process, for closed cases not resulting in formal discipline

PM4: Cycle time of Closed Cases Resulting in Formal Discipline

- Average number of days to complete the enforcement process (intake, investigation, and formal discipline steps) for those cases closed at the discipline stage

PM5: Intake & Investigation Efficiency

- Average cost of Intake and Investigation per complaint

PM6: Comprehensive Efficiency

- Average cost of the entire enforcement process (Intake, Investigation, and Formal Discipline) per complaint

PM7: Customer Satisfaction

- Consumer satisfaction with the service received during the enforcement process

Probation
Monitoring

PM8: Violation Cycle Time

- Average number of days from the date a probation monitor is assigned to a probationer to the date the monitor makes first contact

PM9: Initial Contact Cycle Time

- Average number of days from the time a violation is reported to a program, to the time the assigned probation monitor responds.