

MEETING SUMMARY
Performance Management Council
Meeting 18
Wednesday, May 25, 2011, 9 – 10:30 a.m.
University of Southern California State Capital Center
1800 I Street, Sacramento, CA

Announcements & Updates

1. **Legislative Updates.** SB 14 (Wolk) passed out of the Senate Budget and Fiscal Review Committee on May 12, 2011, by a vote of 16-0, and heads to the full Senate for a floor vote. The bill establishes a framework for a performance-based budgeting process in which departments would develop and report performance measures to inform legislative budget decisions.

The Assembly is pursuing a separate performance-based budgeting effort. Assembly Budget Subcommittee No. 6 held a hearing on May 5, 2011, to outline a new program evaluation pilot project for the Department of Motor Vehicles and the Department of Transportation. The budget subcommittee has asked those departments to provide strategic plans, performance data and other information in preparation for oversight hearings in September 2011.

The following are two links to the California Channel's two-part video of the May 5 hearing. The portion relevant to the discussion on performance management begins at about 1:50 into the [first link](#). Here's the [second link](#), which is a continuation of the discussion.

Finally, here's a link to a [press release](#) on the Sub-#6 Chair's website announcing the performance evaluation assignment given to DMV and Caltrans. More details can be found on Page 12 of the [hearing agenda](#).

2. **GTC Conference.** The GTC West Conference was held on May 9-10, 2011, at the Sacramento Convention Center. Harriet Miller and Pete Williams, with the California Technology Agency, coordinated volunteers to staff a Performance Management Council information table at the event, distribute the Council's 2010 [advisory report](#) and solicit new members and feedback.
3. **Living Library Update – Checking out a person instead of book.** The Living Library Work Group continues to develop plans to link the Council's volunteer "books," or experts, with departments looking to further their performance management efforts. In partnership with the State Library, this effort is the Council's marquee product for the year. The work group has drafted a vision and workplan and is seeking volunteers to help set up an October 2011 "matchmaking" event.

For more information, please contact:

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Best Practices Workshop Series: California Department of Transportation

Presentation and discussion, "Setting Strategic Priorities," led by Pete Spaulding, Senior Transportation Planner; Coco Briseno, Chief, Division of Transportation System Information; and, Steve Guenther, Senior Transportation Engineer, of Caltrans.

Background. The PMC began its Best Practices workshops almost two years ago with a [presentation from Caltrans](#) about its strategic planning and performance measurement activities. The Council wanted to circle back with the department now that Caltrans is in the process of revising its 2007-2012 strategic plan. The department leaders involved in that effort updated the Council on their progress.

Focusing Events Shape Planning Approach: Budget cutbacks, the end of federal stimulus dollars and a policy shift toward more local control of transportation planning and dollars have provided new focus to the 21,000-person department. Caltrans views strategic planning as a continuous and systematic process in which people make decisions about intended future outcomes, how outcomes are to be accomplished and how success is measured and evaluated.

The department breaks down the components of strategic planning into:

- *Goals*, which assert the general direction an organization wants to take to realize its vision and mission.
- *Objectives*, which express specific expectations an organization sets for itself in order to achieve its goals. Objectives must be specific, time-bound, measurable and achievable.
- *Strategies*, which describe how an organization is going to achieve its objectives.
- *Strategic Priorities*, which rank each strategic objective according to its relative importance to the organization.
- *Performance Measures*, which are yardsticks used to state baseline conditions and measure progress in meeting objectives.

Investment in Last Planning Effort Pays Off: The 2007-2012 strategic plan represented an organization-wide effort that sought input from all employees. It also promoted employee trust and grew a corps of internal leaders already keyed to performance management concepts, as the department has cycled through four directors since the plan was executed.

Despite the turnover, the staff engagement from the previous strategic planning effort provided a foundation that has been tapped to re-open and update the five-year plan. The current strategic plan provides a clear mission and vision statement, five simple goals and long-standing department values.

The 2007 Strategic Plan had 26 performance objectives with strategies covering almost every area of the department. The Department is refocusing on a few key objectives and specific strategies that it can achieve in 18 months while thinking longer term.

Caltrans has turned to more tightly focused management teams to sharpen the department's strategic priorities and performance measures. The department is working through the summer of 2011 to finalize this effort.

The 2007-2012 plan included:

- 1 mission/vision statement
- 4 core values
- 5 goals
- 26 objectives
- 99 strategies
- 56 performance measures

This focus on four strategic priorities is part of the continuing process to update the 2007 Strategic Plan for 2012 / 2017 time period. The refocus will result in :

- 4 strategic priorities
- 12-20 strategies
- About 20 performance measures.

Attention Shifts to High-Value Priorities: Caltrans plans, designs, constructs, operates and maintains the state highway system. The data collected about these activities – from worker injuries to commute times – can be extensive. Caltrans has been compiling [quarterly reports](#) showcasing progress on the 56 performance measures identified in its strategic plan. Separately, Caltrans files reports with federal transportation agencies to track more than 70 compliance measures related to federal spending on highways. Only about 10 of these measures overlap.

Department managers have questioned the value, as well as effort, of monitoring so many data points. At an executive level, as well as to external stakeholders, too many performance measures might indicate that none are important, and the amount of information can be overwhelming. As part of the reassessment process, cross-disciplinary management teams are honing Caltrans performance measures in order to integrate useful information into management decisions, not just to report additional data. The measures are being tied to four strategic priorities:

1. Effectively manage partnerships to maximize funding available for transportation services.
2. Provide a safe and efficient highly system using effective business procedures that reduce the cost of doing business.
3. Develop and maintain an informed and engaged workforce that is empowered to effectively deliver our promised projects and programs.
4. Consistently communicate as one department both internally and externally leading to improved department credibility.

Next steps. Caltrans is working through the summer of 2011 to finalize the components that will update the 2007-2012 and shape the 2012-2017 strategic plan.

If you have additional questions regarding the discussion, please contact Coco Briseno, at coco.briseno@dot.ca.gov, Steve Guenther at steve.guenther@dot.ca.gov or Pete Spaulding at peter.spaulding@dot.ca.gov.

The PowerPoint presentation is attached.

Other Links

<http://www.businessofgovernment.org/report/gpra-modernization-act-2010-explained>

The IBM Center for the Business of Government has issued a new report summarizing the 2010 congressional update of the 1993 Government Performance and Results Act (GPRA). The original 1993 law required agencies to create multi-year strategic plans, annual performance plans, and annual performance reports. The legislation could become a potential model for state lawmakers to replicate in California.

http://www.governing.com/books/extreme_government_makeover/

Chad Cockrum from the FTB wanted to share the link to a new book by Ken Miller, a Governing magazine writer and author of "We Don't Make Widgets." Chad says the book's in-your-face simplicity "really gets to the heart of the matter!"

Items for Follow-up

If you have anything to add to this summary, please contact the Commission staff, Tamar Foster or Eric Stern, at (916) 445-2125.

All PMC meeting minutes and presentations can be found at www.bestpractices.ca.gov.

The next meeting will be scheduled for July 2011, date TBD.