

## **DEVELOPING OUTCOME MEASURES WITH COMMUNITY PARTNERS**

**John Murray\***

### **EXECUTIVE SUMMARY**

#### **INTRODUCTION**

The need for developing and implementing an innovative and highly successful performance management system is becoming a resounding chorus heard at all levels of government and echoed by local community constituents as well.

Santa Cruz County's Human Resources Agency (HRA) is currently engaged in a representative community process to develop recommendations for the modification of its program evaluation system for Community Programs. Specifically, the community process is aiming to improve client outcome reporting and to demonstrate alignment of Community Programs with HRA's mission and goals.

#### **BACKGROUND**

Targeted by a local newspaper journalist, Santa Cruz's Human Resource Agency (HRA) and its community partners were publicly criticized for not knowing what their contracted services achieved. Both the county and its community partners found themselves needing to be able to objectively tell their respective stories in a deeper and more meaningful way.

Relying on past successes, Santa Cruz's HRA adapted a previously utilized community process to develop a better outcome measurement system with its community partners.

#### **PROCESS**

Under the leadership of HRA, a committee comprised of HRA staff and representatives from a consortium of community providers, Human Care Alliance (HCA), was convened. The committee, the Community Programs Outcomes Reporting Committee, building upon the past successes of another community process, developed a work plan that included establishing common definitions for outcome reporting, information gathering and analysis of current reporting practices and an evaluation of capacity of Community Programs to meet the outcome reporting requirements.

In addition to establishing this community process, HRA has been in continuous communication with its Board of Supervisors by soliciting support and providing status updates on a regular basis.

#### **STRENGTHS**

Key factors that appear to be influential with regards to the long-term success of the Santa Cruz's HRA's include:

- Support of the Board of Supervisors;
- Utilization of a previously successful community process model; and
- Involvement of community partners.

#### **WEAKNESSES**

Despite the past success of the community process being used, several weaknesses appear to exist:

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- No plan was formulated to develop same or like measures for same or like service type providers;
- The development of outcome measures with community partners appears to be a reactive strategy; and
- The process is time and resource intensive.

### **REALIZED OPPORTUNITIES**

One of the unanticipated benefits of the project was an increased shared learning of community partners from each other.

### **THREATS TO SUCCESS**

The main threats to the Santa Cruz's HRA success in developing and implementing outcome measures with its community partners are:

- No apparent long-term plan regarding how the information will be used on a regular basis;
- Lack of staff to provide ongoing support for the outcome measurement system (monitoring and ability to provide technical assistance); and
- Multiple contracting processes.

### **RECOMMENDATIONS**

Though the Santa Cruz HRA is still in its planning phase, several key recommendations for San Francisco to consider would include:

- Developing an internal SF-DHS committee to develop and set process component definitions (e.g. input, output, target, etc.)
- Identifying the key stakeholders to develop a menu of measures from which community partners would choose
- Relating selected measures relate to departmental policy priorities (e.g. strategic goals)
- Incorporating measures directly into contracts and contracting monitoring processes
- Building incentives into contracts for community partners that either meet or exceed outcome measure targets.

## **DEVELOPING OUTCOME MEASURES WITH COMMUNITY PARTNERS**

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### **INTRODUCTION**

The need for developing and implementing an innovative and highly successful performance management system is becoming a resounding chorus of government officials at the federal, state and local levels.

In San Francisco, Mayor Gavin Newsom recently unveiled his plans for implementing a citywide performance management process and technology initiative - SFStat. The new initiative is intended to improve accountability, reduce waste and improve efficiencies in government services through the development and monitoring of outcome measures. The new system is based upon similar programs: Baltimore's Citistat and New York's Compstat.

Santa Cruz County's Human Resources Agency (HRA) is currently engaged in a representative community process to develop outcome measures that are aligned to HRA's mission and goals and enhancing its current outcome measurement reporting system.

With \$122M (FY 2003-04) in contracted services, San Francisco's Department of Human Services (SF-DHS) has a considerable investment into community services. With resources becoming more limited due to fiscal crisis at the state level and local budgetary shortfalls, the need to maximize returns on investment is critical. Equally critical to maximizing the return on investments is the need to insure that appropriate outcomes are achieved through contracted services. To this end, a review of Santa Cruz's efforts proves beneficial.

### **BACKGROUND**

A local journalist, after reviewing a handful of HRA Community Program contracts and various status reports regarding each contract, wrote several stories for a local newspaper suggesting serious irregularities in HRA's contract monitoring procedures and criticized the agency for not knowing what their contracts services were achieving. Though the allegations would prove to be false, the public accusations resulted in considerable community and political pressure calling for increased accountability on the part of the social service agency.

In addition, the community and political pressure galvanized the Community Programs. HRA's community partners, who were also vilified by the local newspaper articles, sought a better way to share information about their respective program successes in a deeper and more meaningful way.

While still acting under previous directions from the Santa Cruz Board of Supervisors, HRA had already been collecting information from Community Programs on how community partner's services were addressing goals and strategies identified through other community strategic plans. Community Programs funded through the Santa Cruz Board of Supervisors have always been required to report on outcomes. However, the measures were process outcomes (how much and how well services were provided) as opposed to client outcomes (are clients better off?). Process measures make it difficult for either HRA or Community Programs to convey the real impact of their programs in terms of benefits to clients.

It should be noted that in FY 01-02, Community Programs were given the option to report on client outcomes. However, in the ensuing years, Community Programs elected to report on a variety of measures (process and client outcomes); thus, making it infeasible for HRA to evaluate the Community Programs in a consistent manner. More importantly, HRA was not able to make a systemic statement about the effectiveness of contracted community services.

The Board of Supervisors, responding to community pressure and the recent articles, directed HRA to develop strategies to improve and demonstrate how Community Programs support the goals of HRA and to enhance the current reporting model.

Relying on its past success, Santa Cruz's HRA adapted a previously utilized community process model for developing cultural competency standards among community partners to meet its new mandate to demonstrate the alignment of Community Programs with HRA's mission and goals, as well as enhancing the reporting method of outcomes.

## PROCESS

Under the leadership of HRA, a committee comprised of HRA staff and representatives from a consortium of community providers, the Human Care Alliance (HCA), was convened. The Community Programs Outcomes Reporting Committee (CPORC), building upon the past successes of another community process, developed a work plan. It should be noted that Santa Cruz is still in the early phases of implementing its work plan.

A review of the process reveals that the initial steps of the work plan seek to garner support, maximize

participation of all the members and key stakeholders and establish common ground. Specific steps in the process include identifying and meeting with key stakeholders, establishing appropriate agreements between members, obtaining the Board of Supervisors' approval for the planning process and developing a common set of definitions for outcome related terms.

The process progresses to a concurrent data gathering and analysis phase. It is within this phase that reporting requirements (contractual and otherwise) and Community Programs capacity are assessed. This is immediately followed by a review/analysis of how Community Programs are related to HRA (i.e. common goals). Some of the specific action steps include a gaps analysis, review of contractual data reporting (elements) requirements, review of data usage and development of a survey to assess outcome reporting (by whom and to whom).

The next step within the process can be summarized as the decision-making phase. It is at this point that core elements of the conceptual framework are defined, standards for reporting are defined and the impact that other factors may have upon reporting requirements are identified. In short, the reporting process is outlined.

The last phase in Santa Cruz's process is an implementation readiness/implementation phase. Within this phase, tools for reporting are created and trainings and/or technical assistance needs are identified. The process is completed by amending contracts to include new reporting requirements, revising procedural manuals, and providing training and/or technical assistance to Community Programs.

One final, but key, component that is interwoven throughout the process is constant and consistent communication with the Santa Cruz County Board of Supervisors. This ongoing communication solicits support and provides status updates to the Board as appropriate.

### STRENGTHS

Though Santa Cruz is still in the early planning phase of their process, one can easily identify several key factors that appear to be influential with regards to prospects for long-term success.

First, utilizing a community process model that has already been successfully employed should allow HRA to plan for known potential pitfalls.

Furthermore, since the process is already known to some of the community partners and viewed as being successful in developing one type of outcome, it is perceived as a legitimate, bona fide way to establish community outcomes.

Second, involving the community partners directly into the planning process ensures “that the key stakeholders’ concerns are factored into this process, and that the outcomes reporting requirements developed will be relevant, useful, built on existing resources and reporting systems, and communicate the results of Community Programs services in a clear and fair manner.”<sup>1</sup>

Lastly, throughout the process HRA has been informing, soliciting and receiving the support of its Board of Supervisors. Since requiring Community Programs to report outcomes represents a shift in practice, having the support of local officials is important because of their direct and indirect influence in contracting and the allocation of resources to both HRA and the Community Programs.

### WEAKNESSES

Despite the past success of the current community process being used, several weaknesses appear to exist.

First and foremost, the development of outcome measures with community partners appears to be a reactive strategy. As with most reactive responses, people tend to lose interest and move on once attention is no longer being paid to the issue. As community attention wanes so does the enthusiasm, commitment and support of local leaders and participants. This raises the question of whether or not the current community process could be nurtured and supported by HRA until the desired results are achieved.

Furthermore, based on the results of the previous community process utilizing the same model, it is conceivable that implementation of outcome measure reporting will not be realized for another year or two. Implementation will require an enormous commitment of time and resources. Given the current economic conditions at the federal, state and local level, it is seriously questionable whether or not the resources exist to support such a long, resource-intensive process.

Finally, the current work plan does not address how the data will be used in the long-term. It is conceivable that at some point HRA will want to make comparisons between service agencies that provide the same or like services. At this time, HRA is attempting to allow each agency to decide for itself how it aligns with HRA’s mission and a division’s goals. However, it is possible that some agencies providing similar or like services may be providing such services to more than one division, each with different goals (e.g. childcare, counseling, etc.).

Potentially, these agencies may align themselves with separate goals; therefore, making comparisons between agencies providing like or similar services difficult and decreasing the value of the data in terms of decision-making processes relating to contracting.

### **REALIZED OPPORTUNITIES**

One of the unanticipated but recognized benefits of using the community process for establishing cultural competencies amongst Santa Cruz's Community Programs was a shared learning of community partners by/of each other. This increased awareness about one another's services and issues has resulted in further collaborations and a sharing of resources between community partners.

### **THREATS TO SUCCESS**

There appear to be four main threats to Santa Cruz's success in developing and implementing outcome measures with its community partners.

First, HRA has laid off a significant portion of its staff (20+%) since FY2001-2002. This obviously raises serious questions as to whether or not HRA has the staff to provide ongoing support (e.g. technical assistance) to its community partners and/or has the ability to monitor the outcome measurement data in a meaningful way. This concern is further deepened given anticipated budget cuts at both the state and federal level over the next several fiscal years. Will this continue to be the staffing priority for HRA given rising caseloads and budget cuts?

Second, there is already recognition on the part of HRA that not all the Community Programs track the same data or utilize the same means of tracking data. For instance, in some agencies a client may

be identified by name and in others by social security number and/or case number. Moreover, some agencies may have a database, while others are still using paper files. Since outcome measures systems are data driven, the existing infrastructure within the Community Programs may pose the greatest threat to being able to effectively tell a comprehensive story about the delivery of services within Santa Cruz.

A third concern is that there appears to be no long-term plan regarding how the information will be used on a regular basis. Though the work plan does state that the measures will be incorporated into the contracts, there has been no mention of HRA moving to an outcome based budgeting system, performance based contracting or even utilizing the information within the contract renewal process. The real threat is that once community partners do not see the information being used or impacting funding, they may just stop tracking and/or reporting outcome data.

A final concern regarding the Santa Cruz HRA's ability to be successful is the existence of multiple contracting processes. Certain community services are contracted directly with HRA and others are contracted directly through the Board of Supervisors. This historically has resulted in certain community agencies having their contracts renewed or funding restored, despite contrary recommendations from HRA. Such practices undermine HRA's ability to set meaningful targets and benchmarks by which to measure programs. Furthermore, it does not allow HRA to use the outcome measures to grow and/or encourage growth of successful programs, nor does it allow for underperforming contracts to be scaled back.

## **RECOMMENDATIONS FOR SAN FRANCISCO COUNTY**

San Francisco's Department of Human Services has already begun the process of developing outcome measures for community partners; however, it is not too late to employ some lessons learned from Santa Cruz County and others.

As seen in Santa Cruz County, community processes ensure buy-in from key community stakeholders. However, such processes also tend to lengthen anticipated timeframes. One suggestion to keep to a shorter timeframe is to develop an internal resource committee. The specific charge of such a committee would be to develop the definitions of specific terms (e.g. input, output, target, etc.) and to generate specific examples of measures and reports for the community group to consider and discuss. Later, this same group could also provide technical assistance to the community partners once the outcome measurement system is in place. Their participation throughout the process in terms of developing materials would ensure familiarity and appropriate uses of the materials.

The internal resource committee could even develop a sample of measures, or menu of measures, and reports for community partners. However, it would be equally advisable to solicit the assistance of select community partners or stakeholders, perhaps as a sounding board or as a review panel. By incorporating these entities into this development piece, one creates advocates for the acceptance of the measures suggested. Furthermore, the inclusion of the stakeholders into this part of the discussion allows the group to discuss if and how the data for the measures could and would be tracked at the community level, assuming that the data exist.

By providing a menu of measures to offer to the community partners, it would ensure that SF-DHS would be able to have some measures that relate to key departmental policies and practices. This would be consistent with one of the main recommendations offered by a special New York City advisory panel<sup>2</sup>, as well as a previous BASSC intern<sup>3</sup>. The panel was convened following a 1998 lawsuit, which resulted in New York City undergoing a series of reforms to improve the performance and organizational culture of its child welfare services. The intern's recommendation resulted from a review of Monterey County's outcome measurement efforts.

The New York City panel continued to recommend that mechanisms for achieving targets should be developed through the contracting process. The rationale provided includes supporting stronger programs, allowing less capable agencies to shrink in a planful way and sending a strong public statement about how well programs are performing.

Though SF-DHS has already begun the process of including outcome measures within some contracts and utilizing results in future contracting decisions, there appears to be room for enhancing the current contract monitoring process.

At present, each SF-DHS contract has two monitors: one program person and one contract staff person. Program staff monitors the programmatic aspects of the contract and programmatic outcomes. The contract staff monitors the fiscal and contractual aspects of the contract. In terms of the programmatic outcomes, little work has been done in terms of standardizing measures across the same or similar types of service providers.

A final recommendation would be to build incentives into contracts for meeting or exceeding outcome measure targets. This would encourage both strong and weak programs to improve either by refining processes, innovating, or providing higher quality services. Possible incentives could include automatic contract renewals and/or limited extension to contracts or points awarded in RFP/Q process for excellent past performance.

In summary, key recommendations for San Francisco County would be to:

- Develop an internal DHS committee to develop and set process component definitions (e.g. input, output, target, etc.)
- Identify the key stakeholders to develop a menu of measures from which community partners would choose
- Relate selected measures to departmental policy priorities (e.g. strategic goals)
- Incorporate measures directly into contracts and contracting monitoring processes
- Build in incentives for community partners that either meet or exceed outcome measure targets.

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### Endnotes:

- <sup>1</sup> Espinola, Cecilia. Memo to the Santa Cruz Board of Supervisors dated November 25, 2003.
- <sup>2</sup> Advisory Report on Monitoring and Improving the Performance of Contract Agencies, 1999.
- <sup>3</sup> Lerable, Christine. Outcome Based Management in the San Mateo County Human Services Agency, BASSC Participants' Case Studies, 2003.