

# ***Developing Technology to Support Core Values in Outcomes-Based Contracting: A Developmental Approach***

VICTORIA TOLBERT

## **EXECUTIVE SUMMARY**

In considering the implementation of technology in social services programs, the function of the technology is often the only consideration. Often technology is used to bridge an information gap, link groups together, or to warehouse information. As we redefine programs, our technological needs change.

In response, we often create additional systems to fill the gap. The complexity is compounded by funders, both private and government, requiring the adoption of duplicate information in formats requiring that additional technology be used. In the effort to develop management reports or outcomes-based reporting we find that one system is unable to communicate with others. The result is often duplicate

data entry, technology that does not support specific program functions, and conflicting findings in reports from the various systems. In the worst-case scenario, programs are forced to modify their “business practices” to adapt to the technology.

Santa Cruz County has provided an alternative implementation strategy that begins with program development and ends with the development of a new technology. This case study provides an examination of how the critical analysis of an agency process led to the development and integration of technology that would not only support program functions but also support core values as well.

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**Victoria Tolbert** is Assistant Director, Area Agency on Aging, for Alameda County Adult and Aging Services.



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## **Introduction**

Santa Cruz County is a small, semi-rural coastal county with a population of 256,000 and only four incorporated cities. The largest is the City of Santa Cruz, with a population of 54,593, including a large Latino population; Scotts Valley has 11,385; and Capitola has 10,033. The county provides the typical array of mandated services, including mental health, child welfare, probation, adult protection, general assistance, MediCal and welfare to work programs. In addition to mandated services, the Board of Supervisors makes a substantial investment in social service programs provided by community-based, nonprofit organizations.

## **History and Rationale**

Beginning in 1965 the federal government began its investment in the War on Poverty by allocating funding to improve the “safety net” for the poor. In addition to these funds, in the mid-1970’s, Santa Cruz County received 2.2 million dollars in federal revenue sharing, and invested 1 million dollars in community programs.

The Board of Supervisor’s investment in community programs grew with the economic growth of the region. Over the years the annual investment in community-based programs has grown to 3.8 million dollars per year with a service array including:

- Family Resource Centers
- Parent and Family Support
- Transportation
- Drug and Alcohol Services
- Nutritional Support
- Housing and Homeless Services

- Health Care Support and Education
- Advocacy
- Employment Support
- Counseling and Mental Health

Given the size of the county, these services represent a substantial investment of discretionary spending. Funding has continued to be crucial to the survival of community-based programs and the delivery of services. In fact, the very size of the investment impacted the way community programs viewed the funding.

In the late 1990’s, a new trend in grant making began to emerge. Private foundations began relying on outcomes-based evaluation. Concepts involved in outcomes-based evaluation were gaining recognition as the gold standard for selecting and evaluating programs. As funders began looking at programs differently, new pressures were influencing the thinking about community-based funding. The programs themselves began voicing their diverse needs and asking for assurances that their funding was stable and that the needs of the community were being met. Most importantly, competition for funding during times of budget reduction forced programs and funders to question the rationale for the funding decisions.

The media had its own impact by carrying the idea of performance outcomes as a measure of a successful program to the public. Other outside forces influencing the need for change in the county included new information from the 1990 census, welfare reform with its emphasis on program performance, and the 1990 homeless survey. In addition the 1989 Loma Prieta earthquake manifested the need for increased resources and services for Watsonville’s Latino com-

munity. Local advocacy launched an effort to correct disparities in resources to that community through “Latino Equity”. All of these factors provided new awareness of service needs and placed additional demands on county services.

In 2003 the Board of Supervisors took a proactive stance and initiated an examination of service outcomes specifically to address these questions:

- How are decisions made to allocate funding?
- What is the relationship between discretionary spending and the mission of the county?
- How are the needs of specific groups considered in those funding decisions?
- What are the priorities for funding and how do we measure the “added value” of a program to community outcomes?
- During periods of reduction, how does the county make decisions on funding reductions and other strategies to community-based programs?

## Process

The task put before the Human Resources Agency was complex. The Board of Supervisors asked the agency to put together a group to examine “outcomes” and to specifically identify how community-based program outcomes were related to the delivery service in the county.

### KEY STEPS

The first step in the process involved identifying stakeholders. Participants in this process included Human Resources Agency staff and management, community programs, and other funding jurisdictions. The funding jurisdictions included the city governments that also fund community programs and the United Way. This group of stakeholders became the Outcomes Reporting Committee.

### COMMON LANGUAGE

Before the group could begin, common definitions were needed for some of the concepts that would be discussed. Definitions were developed for concepts such as:

- Goals and Objectives
- Process Outcome

- Client Outcome
- Performance Indicators
- Unduplicated Client Count
- Cultural Competence
- Program vs. Agency
- County Wide Services

Finally, armed with a common language and a clearly articulated goal, the group was prepared to outline the core values that would shape the outcome measures to be established for community-based contracting.

### CORE VALUES

Once the group had agreed upon the language to use to define key concepts, they developed a set of core values to guide the work. One guiding value defined the purpose of community-based funding. The group articulated that the purpose of the county social services agency was the coordination and delivery of mandated services, and that county funding to community programs should support that mission. With the acceptance of this basic tenet, the team worked on three categories of values.

First, the team outlined the functions of outcomes reporting and measurement. These six standards provided a definition of what outcomes should do. They should:

- 1 rely on data that shows quantity, quality, and answers the question, “Is anybody better off?”;
- 2 track realistic results for clients and agencies;
- 3 allow for the agency and environmental “story” to be told;
- 4 develop and implement measures strategically with simplification in mind;
- 5 be clear and relevant to consumers, policy-makers, and community service providers; and
- 6 do not require proof beyond a reasonable doubt for consumer outcomes.

Additional values were outlined to define the process for enhancing outcomes. These values included guidelines for the cost of the project, use of existing resources and data, enhanced communication with other jurisdictions and community programs, and reinforced the idea that measuring outcomes will improve outcomes.

Finally, values were developed which would define how outcomes would be reported. These included ensuring consistency in reporting, standard formats, implementation in stages, and allowing programs to articulate how they improve the community and link their outcomes to county goals. The final and most important goal is to ensure that information required in reports is useful to all stakeholders.

The core values outlined provided a rubric to which any outcome measure or instrument could be compared to ensure that everything developed would meet a basic and agreed upon standard. The decision for inclusion of the other funding jurisdictions was based on a driving core value that the outcomes generated from this process needed to be communicated to other funding partners. Through their participation the cities offered additional value to the process by considering the integration of funding ideas, goals and objectives that would further strengthen the social service support. The final outcome would be far more substantial than sharing information. The process has moved forward on the collaboration continuum from information sharing integration. This level of partnership is unprecedented in a jurisdiction the size of an entire county.

#### **WORK PLAN**

The Outcomes Reporting Committee, armed with a common language, core values, and dedicated stakeholders, created a work-plan to articulate the steps to developing a process for reporting community outcomes. These work-plan steps included:

- analyzing of existing programs;
- assessing community capacity;
- reviewing other models;
- establishing standard concepts for outcomes reporting;
- identifying considerations for implementation; and
- developing process tools.

#### **Building the Tool**

As the Outcomes Reporting Committee began defining the information and the work tools necessary

to capture necessary data, the primary tool began to take shape along with the core values that helped shape its scope. They needed something accessible to the stakeholders, something that captured relevant data, and something that would ease the reporting process—a database.

The Cross Jurisdictional Outcomes Reporting database began to take form. Working from the Human Resources Agency goals, a storyboard was created; a mock database that could be designed, re-designed, and created as the team worked out the details of language, presentation, core data and outcomes measures. As the team moved from a concept to a tangible tool, the work became more technical and complex. The increasing complexity requires the expertise of database and website designers. This stage of work will require more tangible support from the Board of Supervisors to fund the technical development of the project. The finished product will provide:

- the ability of community agencies to upload key contracting documents (insurance, living wage documents, etc.);
- accessibility to all funding jurisdictions, community programs and the general public;
- on-line contract management;
- articulation of funding goals and a service taxonomy;
- defined service strategies;
- electronic versions of contracts and supporting documents;
- an integrated funding application process crossing all funding jurisdictions;
- management reports allowing comparison between programs and a look at countywide outcomes and services;
- a reporting format that is tied to core values (quantity, quality and outcome);
- uniform descriptions of each funding jurisdiction and its funding goals; and
- uniform program descriptions that can be modified by the community programs.

## **IMPLEMENTATION**

Santa Cruz County has recently defined the next phases of the project implementation plan. The upcoming phase will include the development of the actual working database and the rolling out of the system to the community providers and funding jurisdictions. Initial work is currently underway and will last several months. The following phase of the project will include the expansion of the system to other county departments.

### **Comparison to Alameda County Systems**

Contracts management systems in Alameda County represent the traditional process for the development of technological tools for programs. Each department has identified its own needs and has worked to develop tools independent of other departments touching the same product or process. Alameda County Social Services Agency currently operates three separate data systems for contracts management. Each system was designed independently and combined together offers only some of the features of the Santa Cruz system.

#### **WE CARE DATA REPORTING SYSTEM**

The collection of outcomes or demographic data was developed in the Department of Adult and Aging with the WeCare Data Reporting System. This type of congregate data reporting is not available in any other contract technology currently in use.

The WeCare system was developed for the Department of Adult and Aging Services as a solution for the data reporting needs of the department. At the time that the system was developed, the Adult and Aging Department managed 75 contracts from a single funding source. The funding was divided into dozens of possible service units and each subdivision had its own defined service units, reporting requirements and monitoring requirements. This system allowed the department to load contractor MIS reports electronically into the database and send reports electronically to the California Department of Aging. But like the Contracts Management Database discussed below, it does not house actual

contract documents. Additionally, the system is not accessible to anyone outside of the Adult and Aging Department.

#### **CONTRACTS MANAGEMENT DATABASE**

This system houses all of the county contract information. It was a system designed to uniformly store all relevant information regarding a contract so that it was accessible to the staff of the contracts office. The system is able to display or report on key information and documents, such as agency name, contract period, insurance, amount and payment information, and relevant due dates. It can also track the processing of individual contracts. The system does not, however, house the actual contract documents nor does it provide monitoring functionality.

#### **SYSTEM IN DEVELOPMENT**

In the development phase is an additional process that would create a module in the county's financial management system, Alcolink. This module would track Procurement Contracts throughout the county. The purpose of the module is to have better overall reporting for county contracts.

Comparing the existing systems with the Cross Jurisdictional Outcomes Management Database does not allow for an accurate picture from which one can evaluate the value of these tools. When attempting to do so, one can fall into the trap of comparing tools without consideration of the programs that they are supporting. One can, however examine the primary goals and values of each program and note if there is a desire to move toward a more integrated outcomes-based contracting system.

The tool developed by Santa Cruz County will have immeasurable value to all stakeholders. The focus on changing a business practice first and then developing a technology to support that practice has led to the development of something unique. It is not a tool that can be carved out and "plugged into" another system or county. The desire and support for institutional change must come from all levels of management and should be embraced by all stakeholders.

One of the core values of this process for Santa Cruz was to "build on what was already in existence."

That building process entailed three years of work done to establish guiding concepts and principles as well as secure the committed efforts of dedicated stakeholders.

### Recommendations for Implementation

It is critical that a developmental process is followed to ensure that the goals, objectives, outcomes, and values are fully established. As with Santa Cruz, the scope of implementation would need to be small. The sheer size of Alameda County makes county-wide implementation impossible to achieve within a reasonable timeframe.

**Recommendation #1:** This project is recommended for implementation in the Department of Adult and Aging Services, Area Agency on Aging. The department is small, with 75 community contracts for the dissemination of Older Americans Act and Older Californians Act funds as well as county general fund dollars and Measure A funding. The scope of the program and its limited number of funding jurisdictions makes the implementation of an outcomes-based reporting and contracting system feasible.

**Recommendation #2:** Review the current operations of the Area Agency on Aging to establish the capacity of the program to undergo change. This review would include prior completion of key milestones in the work-plan developed by Santa Cruz County. These would include:

- Limited funding sources
- Defined service units
- Defined outcome measures
- Shared language
- Established core values
- An existing taxonomy

**Recommendation #3:** Develop a workgroup made up of key stakeholders, including Adult and Aging Department managers, contracts office staff, community partners, and agency senior managers. This group would report to the Board of Supervisors and the agency director with updates provided to all departments.

**Recommendation #4:** Gain the support of agency upper management. It is critical if the concept of outcomes-based community contracting is to be embraced as a desired institutional change. Support can be achieved by assuring that key stakeholders include the managers of other departments, the contracts office, the Board of Supervisors, with final oversight by the agency director.

**Recommendation #5:** Expand the contracting system to the agency contracts office for implementation county-wide.

The most favorable implementation would be initially to a single department where some of the key steps in the work-plan would have already been accomplished. Any number of these steps completed would help expedite the developmental process:

- An existing taxonomy
- Limited funding sources
- Defined service units
- Defined outcome measures
- Shared language
- Established core values

Once the evaluation of a department's capacity is completed there remains the development of a detailed and focused work-plan which identifies key tasks, responsible parties, completion points, and reporting points for communication to stakeholders not participating in the work process.

The process of implementing new technology should come from a detailed scrutiny of both program functions and program development goals. Ideally, the technology should support the goals of all impacted programs when applied across departments. Santa Cruz County has done the lion's share of the technological work. The reworking of the core values may result in the need to modify the technology. Even so, the project is ultimately one of systems change, not technological advancement.

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