

AN INSIDE LOOK AT OUTCOME-BASED MANAGEMENT: SAN MATEO COUNTY

Dorothy Galloway*

EXECUTIVE SUMMARY

Most administrators of social services programs entered this field because of a desire to provide help to the many disadvantaged children and families of their community. The vision of how to be part of the solution to joblessness, hunger and abuse is one that brings many questions to mind. What works best? Who gets the best outcome? What programs get funded? These and so many more questions are a source of frustration for Social Services Administrators across the nation. Outcome-based Management (OBM) is one system that gets answers to these questions. During my internship in San Mateo County Human Services Agency (HSA), I observed the development and implementation of this system. What I also observed was a level of commitment from staff and community partners never seen before. It was clear to me that staff and the community had embraced OBM and utilized it in their day-to-day activities. San Mateo County is on a three-year, two-track phase-in of OBM in every department under direction from the Board of Supervisors (BOS). HSA started the process in its pilot stage in 1999 with its Alcohol and Drug Services (AOD). Because AOD successfully implemented OBM, HSA was placed in the first track to implement OBM. OBM is guided by the vision of the county BOS. The Research and Planning Manager serves as the Project Director for OBM. This team works with the community partners and staff to develop and implement the OBM system.

OBM is a management system that integrates the following in order to focus available resources toward specific outcomes:

- Planning and Priority-Setting
- Performance Measures
- Budget Development

Social services agencies must have the support of the BOS before taking on such a complex system as OBM. The political ramifications are evident and without total support OBM would fail. The success of this type of system hinges on the total commitment from all stakeholders. OBM is a work in progress and a ten-year commitment in San Mateo County. Although a complete evaluation cannot be done on OBM for another year or even two, San Mateo has benefited in the following ways:

- Improved communication with stakeholders
- Resources are linked to client outcomes (in the pilot program beginning 2001/2002)
- Resources are organized at the program level, so the focus is on:
 - Benefit and impact to clients/customers
 - How resources are allocated (what works)

OBM can make the difference in the outcomes for customers in Alameda County. It can help bridge the services provided by contractors to enhance outcome. This can be achieved by developing shared goals, shared implementation plans and shared vision for outcomes. I recommend that Alameda County explore the following:

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1. Present the concept of OBM to the Board of Supervisors to garner total support.
2. Adopt a pilot of OBM in two departments - Welfare to Work and Workforce and Resource Development, because:
 - OBM would enhance the effectiveness of these departments.
 - The fiscal ramifications would be minimized as many of the current forums and work sessions already occur within one or both departments.
 - Contracts are a key component shared with the two departments.
3. Assign the Planning Department to take the lead in the implementation of OBM, with support from staff from the two departments.
4. Conduct and analyze a thorough budget assessment.

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INTRODUCTION

The advent of welfare reform requires a new level of responsibility and accountability from social services agencies. Administrators are not only charged with the mandate to provide safety nets for the nation's disadvantaged, disenfranchised children, families and individuals, but to provide the avenues to self-sufficiency. For the first time in the 50-year history of welfare, performance outcomes determine funding levels for state and county agencies.

The need for administrators and policy makers to know what to perform and the ability to measure the outcomes is the catalyst for the new buzz words of this decade: performance measures, performance outcomes, budgeting for result, outcomes, performance-based contracts and Outcome-based Management (OBM). In essence, what the reform brought in was a demand for outcomes, accountability and responsibility not only for the consumer, but for county and state social service agencies as well. Welfare entitlements are gone and by all evidence they will not be back soon. The current welfare system is funded according to outcomes in the form of block grants. Therefore, administrators of these programs must be aware of trends in the economy, the political environment and current social trends. These added responsibilities require counties to evaluate and often change their processes in planning, budgeting, data collections, priority setting, performance measure, and their involvement with community partnerships and other stakeholders.

Change is difficult, but current trends support the notion that the public is weary of big government and unaccountable spending. Most Bay Area communities have demanded the right to provide input to the problem-solving and the planning processes when and wherever possible. Forward thinking agencies welcome this partnership and subscribe to the belief that the efforts of the community help to produce better outcomes. Administrators of human services programs can no longer be reactionary, they must behave proactively.

Human services agencies across the nation are diligently searching for systems that provide the necessary tools to measure outcomes. They must have a system that provides the data needed to determine who or what programs are successful and who gets the funding. Accurate, timely data must be available and the systems must be politically neutral. Consumers need positive outcomes that move them totally out of the Welfare arena. San Mateo County Human Services Agency believes they have found such a system, "Outcome-Based Management" (OBM).

The San Mateo County Board of Supervisors initiated OBM and is on a three-year, two-track phase-in of OBM in every county department. During my BASSC internship in San Mateo County Human Services Agency, I was engulfed by OBM. It is important to understand that OBM is a work in progress in San Mateo County. The first phase of implementation for the entire HSA started in September 2000. It will take several years to fully evaluate this system; it is my belief based on my

brief observation that this is a viable system. San Mateo County's Human Services Agency is committed to OBM. The staff at every level has embraced OBM. It was clear from my very first day at San Mateo that there were varying degrees and levels of understanding of this complex system; everyone spoke the OBM language at their own level.

BACKGROUND

San Mateo County began its OBM efforts in December, 1999 as a pilot soon after the Board of Supervisors (BOS) initiated the visioning process. The ultimate goal of the BOS was to develop this as an inclusive partnership with the county and the community in the decision-making and implementation process. Eight community meetings and a series of public meetings were held and a web site was created in order to gain support and commitment from the community and staff. An online feedback system was and is currently available to the public. County departments provided input for the goals and progress was measured between April and August, 2000. With input and commitment from their community partners, the community, labor unions and staff, San Mateo County's Board of Supervisors adopted the vision document. This document includes the shared commitments and measurable goals for the county for the next decade. The process produced many good ideas, which have to be distilled into a manageable 25 goals and 10 commitments to achieve these goals. The county is proud of the fact that this continues to be an inclusive model.

Each department in the county selected one program to begin phasing in the OBM planning framework. Alcohol and Drug Services (AOD) was selected by HSA because of the large number of contract providers and collaborative projects involved in the

service delivery of that department. The selection of AOD enabled HSA to determine the implications of the impact OBM had on other services and programs. AOD successfully used the OBM planning process to complete their 2000-2001 budget. Because of the AOD success, HSA was selected by the BOS as one of three departments in the county to implement OBM Agency-wide in September 2000. The implementation of OBM in HSA started with the development of a steering committee. On recommendation from the steering committee, the OBM implementation was managed by an internal steering committee, a project director and implementation team.

AN INSIDE LOOK AT OBM

Ursula Bischoff, my host, is the Research and Planning Manager for the HSA and is the OBM Project Director. It was fortunate for HSA that she was not a novice to this process; she had directed the AOD process and has a background in research and planning. Staff consistency has played a vital role in the success of this complex system. HSA also has a long standing contract with the Sphere Institute. The implementation team is on a fast pace to get the process going. The OBM project director is responsible for the project planning implementation oversight, technical assistance and the supervision of three project managers. The project director develops the implementation plan and schedule with input from the team, coordinates and supervises activities of implementation teams and coordinates and supervises work of consultants. The project director's team consists of: four program directors (one from each of the three regions and the housing director), three project managers, two administrative assistants and a research consultant from Sphere Institute.

The three project managers competed for the nine-month temporary assignment. They were selected in September, 2000 and will return to their former classifications in June. During this time they received a 5% pay differential for working out of their classification. Each project manager was assigned to one of the three program areas that were identified by the HSA:

- Economic Self-Sufficiency for Individuals and Families.
- Supportive Services for Families and Children
- Community Capacity Building

They were responsible for coordinating team efforts and facilitating the OBM implementation. They received OBM training for trainers from the Sphere Institute and trained staff and providers on the OBM process. The project managers developed minutes, provided written feedback to staff and the community on meetings, completed the templates, developed program outcome statements and ensured that all materials were distributed timely.

Project managers were also responsible for the facilitation of community meetings involving the implementation of OBM. Each project manager conducted a series of community meetings to address the area of emphasis for which they were responsible. The objective of the meetings was to get agreement and the language to complete the templates. The project manager's excellent facilitation skills played a vital role in the success of the community meetings. It was not an easy process but it worked. During my internship, I attended one of the many community meetings they facilitated and several work groups. The community forums gave me a greater appreciation for the commitment that the HSA and its community partners have to achieving their shared goals. I better understand the complexities of working on difficult issues with

stakeholders. It often appeared to be impossible to agree on the direction to take. Although the stakeholders were miles apart: the county in one corner and community in another, I witnessed what can happen when all stakeholders have a sense of inclusion and a share commitment to the same vision.

HSA is divided into three geographic service areas: Central Region, Northern Region and Southern Region. One region program director from the three regions and the housing director is assigned to each of the program areas. They convene program staff and community provider meetings and ensure the participation in the process. They are responsible for the final content of the work produced in each program area.

Two administrative assistants are assigned to support the project director and the implementation teams. They schedule and staff meetings, prepare minutes, templates and memos; they provide the overall clerical support for the teams.

The research consultant assigned to HSA was a welcome source of information for the team. The consultant provided clarification on the OBM process and helped the team stay focused when it became difficult to define the correct performance measurements. The consultant played a valuable role in the OBM process. Although OBM training was provided to staff and providers, there continues to be a learning-curve surrounding performance measurement and outcome. After several visits to San Mateo County, it became quite evident that there was more than a digital divide between the researchers and the clinicians of human service agencies. OBM is a way of life in San Mateo County and it is important that the minimum basic concepts of this system be understood.

WHAT IS OBM?

In order to focus available resources toward specific outcomes OBM is a management system that integrates the following :

- Planning and Priority Setting
- Performance Measures
- Budget Development

Planning and priority setting involves:

- Alignment of priorities at all levels of the organization to the visioning goals
- Preparation of a program plan to reflect alignment, including
 - Development of program outcome statement (client benefit/impact)
 - Identification of future issues affecting the program and its client population through internal/external assessment **S**trengths, **L**imitations, **O**pportunities and **T**hreats (SLOTS):
 - Internal strengths and limitations (examples: staff training and development, communication, use of technology)
 - External opportunities and threats (examples: economy, industry trends, demographics, legislation, community partners, regulation)
 - Development of program priorities that aligns with the overall county direction
 - Development of a performance measures and improvement plan

Successful performance measurement involves:

- Showing a direct link with division, department, agency and county goals

- Clearly communicating the benefit or value of the program's work
- Covering the ongoing work of the program (not projects)
- Instilling the staff with the value of the program
- Including a balance of measures
- Ensuring feasibility of collecting and reporting data

Performance measures include:

- What and How Much the Agency Does (e.g. number of clients counseled, number of inspections made)
- How Well It Is Done (e.g. clients per counselor, cost per inspection)
- Client Outcomes (e.g. is anyone better off, number and percent of clients who return to treatment within 12 months of completion, number and percent of establishments in compliance within 30 days)

Budget development involves:

- Gathering baseline data to determine current performance levels after goals and priorities are identified and performance measures are developed
- Identifying gaps and establishing targets (e.g. What is the story behind baseline performance? Is current performance OK?)
- Creating a Performance Improvement Plan (e.g. What will work to meet performance targets? Developing resource shift scenarios and cost alternatives)
- Showing costs of alternatives (could be low or no cost) and planned performance improvement in budget.

RECOMMENDATIONS

OBM is a complex and challenging system. The budget timelines had to be extended this year due to the enormous change in the budgeting process. But AOD completed their budget for the next fiscal year (2001 and 2002) using the OBM system. Their budget was presented in the new format that included the Program Outcome Statement, Headline Measures, Story Behind Baseline Performance and a two-year Performance Improvement Plan which establishes performance targets that are linked to the allocation of resources and budgets. Next year the entire HSA will complete a full year cycle of OBM and will complete their budget using this system. Other OBM challenges come from the data collection and accessibility, the monitoring of contracts and the need for technical assistance for the community.

Similar to San Mateo County HSA, Alameda County Social Services Agency has established an inclusive environment with its community partners and stakeholders. Our community partners play an intricate role in helping the needy families and individuals become self-sufficient. They are afforded many opportunities for input and feedback through internal and external programs. Performance-based budgeting and contracting are in the infancy stage. There are many other similarities and differences in the two counties. The lack of shared goals, as well as performance measures and outcomes with all stakeholders is a fundamental problem in Alameda County. OBM can make the difference in the outcomes for customers in Alameda County. It can help bridge the services provided by contractors to enhance outcome. This can be achieved by developing shared goals, shared implementation plans and shared vision for outcomes.

I recommend that Alameda County explore the following:

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CONCLUSION

The entire county of San Mateo is committed to OBM. That commitment is best understood from this statement taken from the county's OBM training guide:

"The value OBM adds is the recognition that all of us are working towards the same goals and outcomes that have come out of Visioning and that given our limited resources and increased public demand for accountability, it is in our best interest to plan and work together to achieve these goals and generate the outcomes that can make our county's Vision a reality."

Alameda County Social Services Agency must have the support of the Board of Supervisors before taking on such a complex system as OBM. The political ramifications are evident. The success of this

type of system hinges on the total commitment from all stakeholders. OBM is a work in progress and a ten-year commitment in San Mateo County.

Although a complete evaluation cannot be done on OBM for another year or even two, San Mateo has benefited in the following ways:

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