OUTCOME-BASED MANAGEMENT IN THE SAN MATEO COUNTY HUMAN SERVICES AGENCY

Christine Lerable*

EXECUTIVE SUMMARY

INTRODUCTION

San Mateo County Human Services Agency (HSA) has been engaged in Outcome-based Management since 1999 as part of a countywide mandate. Outcome-based Management (OBM) is a management system that builds on a visioning and goal setting process and development of outcomes to measure program progress made towards the goals. OBM analyzes data about program performances for accountability to staff, the community and funders. It is not a public relations tool; it is an entire framework for management to evaluate whether clients are benefiting from the agency work, prioritizing efforts, creating budgets and allocating limited resources.

Key factors in the San Mateo model are the leadership from the Board of Supervisors, significant preplanning, consultation, technological investments, initial training on program performance accountability, and explicit budget worksheets and templates. In addition, there is a multi-year commitment to the planning process, training of community partners and agency managers, and development of a data warehouse.

FINDINGS

Three years into implementation, HSA is still refining its processes and the infrastructure necessary to support the continued challenge of OBM manage-

ment. There are several major components of OBM – annual planning, budgeting development and monitoring, data management, development of performance measures, reporting, training, and contract management.

There is still a great deal of work to be done. Approximately 35% of the outcome measure questions have been answered using the data warehouse. Analysts still struggle with the integrity of data entered by the users, data clean-up, prioritizing and defining measures, creating helpful reports and sharing information with providers and staff. Another important challenge is deciding the role and responsibility of the line staff in data entry and cleanup and participation on different testing teams. What is impressive about the project is the initial use of consultants and experts to start up and train the data team, the data warehouse system, and the protocols used to develop and test actual outcome measurement indicators.

Involvement of community partners is critical to OBM, but contract management is not yet fully aligned with OBM. San Mateo is still setting timelines and developing a consistent method to deal with contracts. Although computers, case management software, and training were initially provided to providers, utilization has been minimal due to willingness, technical ability or lack of adequate personnel. All contracts must address alignment with the county vision and goals but not all have

*Christine Lerable is a Program Manager with Monterey County Department of Social Services.

outcome measures. Consequences are not attached to performance.

The annual budget presentation to the BOS follows a format that ties funding requests and proposals to a program outcome statement, headline measures and a plan to improve performance.

IMPLICATIONS FOR MONTEREY COUNTY

Monterey County Department of Social Services has begun a process to develop a quarterly report to inform policy, monitor service delivery, and encourage good outcomes for our clients.

Considerations from the San Mateo County Human Services Agency experience include:
- Tying outcome measures to a county wide vision and department goals.
- Bringing together technical and program staff to develop meaningful, reliable and practical outcome measure that focus on how clients' lives have improved.
- Defining how indicators will drive policy, program priorities, contract management, and resource allocation.
- Developing a performance improvement plan.
- Training managers and supervisors to get maximum benefit of outcome measures.
- Returning to staff and the community for input.

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INTRODUCTION

Monterey County is currently engaged in a project to develop a quarterly report to inform policy, monitor service delivery, and encourage good outcomes from our efforts. My 15-day exchange in San Mateo County provided an opportunity to study a similar process, Outcome-based Management, and bring back ideas on how to incorporate what they have learned into Monterey County's effort. This paper will provide an overview on the process and will summarize the planning and budget process, use of strategies, training and data warehousing. A focus will be on the area of the development of and concepts behind the actual performance measures/outcomes and strategies.

San Mateo County Human Services Agency is a part of a countywide effort to involve county departments and community service providers in Outcome-based Management (OBM). OBM is a planning and goal setting process to gather information about program performances and goal setting used to determine how resources should be allocated. Nothing could be more timely in light of current budget shortcomings and dire future predictions. Government's role in improving the quality of life for disadvantaged people and the overall well-being of our community has generated renewed focus on effectiveness, efficiency, and accountability. Welfare Reform, the Adoptions and Safe Families Act, the Workforce Investment Act, and other major policy changes require us to report more information about program performances and outcomes.

One of the basic premises of OBM is that there is a vision of how we want the future to look for ourselves, our families and our communities. OBM provides for the "concrete stepping stones" to take toward this vision of the future. It creates a management system within the organization.

What OBM does not do is make tough political decisions or make value judgments, such as which county department deserves more money. It does not ensure compliance with regulations, tell what went wrong if a measure shows poor performance, prove your program caused the improvement, or capture a complete picture of the actual efforts of staff and effects on clients. It does help determine whether an agency is fulfilling its vision, demonstrates progress towards goals, detects potential problems and justifies programs and their costs for the public and policymakers.

BACKGROUND

The San Mateo Board of Supervisors engaged the public in a visioning process that established community shared goals and measurable outcomes to track progress. The Board of Supervisors sets the policy vision and the departments design the best way to get there. In 1999, every department in the county began phasing in the OBM planning framework designed by the Board of Supervisors. The Human Services Agency (HAS) began with OBM implementation in their Alcohol and Drug Services Program. The large number of contract providers and collaborative projects involved in the delivery of AOD services would provide insight about the impact of OBM on other service areas in the Agency. Because of the strong progress they made

with the AOD community, HSA was then selected (along with Public Works and the Sheriff's Office) to start agency-wide implementation in 2000 -01.

The agency-wide planning process united HSA staff and community partners to develop program outcome, and vision statements that describe the conditions of client well-being that they hope to achieve. At the same time, they assessed internal operations and the environmental factors that affect performance. Program priorities were set for the first two years. OBM Implementation Teams were organized. Training plans were designed. Budgets were constructed to support the changes and program needs.

FIRST AND SECOND YEAR IMPLEMENTATION PLANS

Recognizing that OBM will take several years to accomplish, the first year focused on developing internal resources to manage the plan and involving program staff and community partners in the process to assure that OBM implementation will enhance effective case management and service integration strategies.

The OBM Steering Committee recommended that the processes be structured to support three Program Areas within HSA – Economic Self-Sufficiency, Family Strength, and Community Capacity Building. This has now been expanded to include Program Support. Each program developed an outcome statement. For example – "Economic Self-Sufficiency programs and community partners promote economic self-sufficiency for individuals and families by providing employment related support and career development services while providing temporary financial assistance to those in need."

A staffing model and structure was developed that included a steering committee (Executive Team, AOD and HSA financial managers), a project director, program teams based on the three program areas, research consultants, data consultants, program managers and staff, and contract providers.

The second year plan objectives specifically focused on activities and resource requirements to support ongoing implementation efforts. Objectives included:

1. Creating opportunities for staff and community partners to participate in budget planning and data feedback.

2. Constructing a Management Information System (MIS) infrastructure to match programs' priorities for data.

3. Providing limited training and technical assistance to develop and support HSA staff and community partners' capacity to generate reports, and interpret and use data.

4. Developing program-specific outcome measures with a select group of contract providers, and align the contract negotiation and budget development process.

5. Assuring activities are manageable and capable of being achieved considering other current Agency initiatives.

PLANNING FOR FISCAL YEAR 2003-04

In light of budget cuts, it became more important than ever to gather input from a broad section of the community. HSA met with six different groups addressing issues including foster care, housing

and community development, substance abuse, and workforce development.

As a result of the meetings, the focus for the current year is on developing strategies that will allow HSA to maintain critical services, carry out projects already committed to, and achieve cost savings or allocation reduction targets.

In August 2002, the County Manager's Office sent a convenience survey to 250 County Directors and managers to identify areas to improve for the next countywide OBM planning cycle. More than 78% viewed OBM favorably and 29% noted that the OBM process was very helpful in managing the program.

DATA WAREHOUSING

Collecting relevant data, accessing and analyzing the data and sharing it with stake-holders is critical to OBM. It has also been one of the most complex and difficult aspects of the project. San Mateo County HSA developed a Data Warehouse. The data warehouse is a collection of point-in-time data integrated from different systems (such as CWS/CMS or Job Training and Automation System) that enables management to make decisions and is used to answer specific questions.

There are 120 original outcome measure questions in OBM. Eighty reports have been completed and 20 are reported to the County Administrative Officer. Examples of questions include:
  • Number and percent of GA participants leaving cash aid with employment, and
  • Number of children awaiting adoption.

HSA has made a tremendous commitment and effort to build capacity to collect data and evaluate the progress made. There are six staff members from the Business Systems Group working on the Data Warehouse team as well as 1-2 HSA analysts, and an expert from each system such as CWS/CMS.

It takes approximately six months for each phase of the Data Warehouse. Data development and reporting is laden with challenges. Questions arise about such things as the political implications of certain wording, defining things, priority for clean up of existing data, how to share data with staff and outcomes with providers. It is not the intention for people to feel they are being watched. Some of the information is almost impossible to collect.

Currently, development of OBM reports will focus on what is possible to collect, what is critical to know, what is available through existing data systems, and which measures must already be reported to the Federal Government, CDSS, etc.

TRAINING

During the first year of implementation, training was given to the original workgroups of community providers to help them create the initial measures. Later, training was provided to managers on the Data Warehouse in an effort to assure that managers have access to the data and know how to manage the data. Because one third of HSA's OBM measures depend on data maintained by community partners, consultants were retained to work with its partners to support their efforts to build organizational capacity to participate.

The business training focused on one main training objective – to increase managers' abilities to use OBM measures to guide activities. Additional objectives were to increase comfort with basic descriptive statistical concepts, practice critical

thinking about measures, recognize potential data concerns, enhance ability to ask for additional information, and define new measures or reports.

PERFORMANCE MEASURES

During initial planning, HSA developed a series of performance measures to track what the agency did, how well it did it, what the results were for clients, and how these results translated into real outcomes for residents of San Mateo. These measures, along with the story behind the measures, are now part of the budgeting process, setting priorities, action steps and guiding resource allocation and funding adjustments. This was one of the most interesting aspects of OBM – how do you measure something in a meaningful way that tells you the client is better off? How do you use performance measures to create a budget?

To develop the original outcome measures HSA used material adapted from Fiscal Policy Studies Institute of Maryland - "Program Performance Accountability, Within a Results Framework." Steps were recommended to reach performance accountability including:
- Identifying those served by the program.
- Defining measures for client outcomes – How can we measure if clients are better off?
- Defining measures for service quality – Are we delivering services well?
- Examining baseline performance – Where have we been? Where are we headed?
- Identifying and engaging partners / stakeholders.
- Identifying top priorities to improve performance – What works? Best practices? What could work to do better than baseline?
- Identifying action steps and developing a budget – What do we propose to do?

The Four-Quadrant Framework

Quantity	Quality
1st WHAT WE DO (How much service did we produce?)	2nd HOW WELL WE DO IT (How well did we deliver service?)
3rd IS ANYONE BETTER OFF? (How much effect/change did we produce?)	4th IS ANYONE BETTER OFF? (What quality of effect/ change did we produce?)

This format became the model for the develop-ment and reporting of performance and outcome measures. Not all measures are created equal. The most important is quadrant #4 as it asks the question, "Are people better off because of what we did?" Performance measures examine what we do, outcome measures are about how people benefit from what is done.

Headline measures were developed to best represent and capture what a program does for budget report purposes. There are 28 headline measures. Examples include:
- Number and percent of housing units planned for development that have financing and entitlements, and
- Percent of criminal justice involved clients retained in treatment or until completion of program.

Two headline measures are selected for each program area and reported in the annual budget plan to the CAO's office.

PERFORMANCE MEASURES AND
THE COUNTY VISION

To understand how a performance measure is linked to a vision, a new initiative (team decision making) is tracked using an OBM Budget Planning Worksheet for FY 2003-04.

Visioning Goal – The County's most vulnerable residents achieve an improved quality of life through special initiatives supporting victims of domestic violence, child maltreatment, and youth who are at-risk of entering or are involved with foster care and juvenile justice system.
Program Area – Family Strength
Priority – Enhance services to individuals, families, and children that promote their well-being and keep them safe
Strategy – Implement a process to include resource parents, birth parents, and community members in all foster care placement decisions
Activity – Team Decision-Making
Relation to OBM Measurements –
1) Percent of Children and Family Services cases with successful case closure outcomes
2) Number and percent of children served who did not have a subsequent substantiated referral for abuse or neglect.

BUDGETING AND CONTRACTING

A fiscal manager remarked, "When I get a call from someone within the department who wants money for something new, I ask how it fits into one of our goals. If the caller can't answer the question, the conversation is over." New ideas are strategies to improve an outcome. If it has merit, then its costs are studied. When the Executive Team of HSA makes decisions about the allocation of resources, they have their priorities already established

through the OBM Goals. Decisions about strategies and activities are also based on how they contribute to the headline measures.

HSA is not yet doing performance based contracting. Service providers cannot do things without adequate funding and they have additional targets set by other funding sources. There are no clear expectations about outcomes and, therefore, no consequences if targets are not met. Some of the seven core agencies will be losing 50% of their county funding.

The Services Management Access Resource Tracking System (SMART) is the case management system used by 17 county consortiums. If used correctly, it can track clients through multiple systems. However, even though new computers and training were given to service providers, SMART is not being used. Providers worry about confidentiality and don't always have the willingness, technical ability or personnel to manage.

The budget reports to the CMO follow a template that addresses how the agency is contributing to Visioning Goals, Headline Measures, a "Story behind Baseline Performance" and "What Will Be Done to Improve Performance in the Next Two Years." The "Story" changes every year and is the place to explain what has happened and set the stage for next years program priorities. The budget is divided into the four program areas covering the above points. Each area includes a Performance Measures Summary Table that covers the Four Quadrant Model discussed under Performance Measures.

OBSERVATIONS

The commitment to Outcome Based Management is a monumental task requiring a management paradigm shift. It takes time for the concepts to be understood and integrated by line staff and supervisors. It is driven from the top down. It is not something that can be taken in part but requires a total investment by all levels of the agency. Line staff must understand the importance of accuracy and detail in data input and supervisors and managers need to strive towards improving performance outcomes of their programs in addition to the day-to-day operations.

OBM in San Mateo was started when county coffers were full, and is still evolving. The funding environment has changed and its effects on OBM are unclear. The concept of OBM has strong merit, as it promotes leadership based on a vision and clear objectives with the promise of a data-supported methodology to measure progress.

RECOMMENDATIONS FOR MONTEREY COUNTY

Monterey County Social Services is looking at ways to better represent what we are doing. The Key Indicator Reporting and Outcome Assessment process is unique to social services. We have had a few small community meetings for input. Each program is developing key indicators with the help of a consultant that are then taken back to the Executive Team for review. Managers, supervisors and some line staff have participated.

Our first draft of key indicators seems to focus on how much and how well we provided service. Learning from the San Mateo effort, program performance accountability should focus most on the 3rd

and 4th quadrants that attempt to measure if our clients are better off due to our intervention.

In San Mateo, the concentration on program areas such as family strengths and economic self-sufficiency attempts to integrate areas of the department that are usually separate, such as CalWORKS, and Family and Children's Services. Monterey County may consider this approach to goal-setting as a way to breakdown existing silos. It will also be beneficial to eventually look at our indicators and determine "the story" behind the performance measures. After we develop our first reports, we should return to the community for their feedback.

Ideally, additional effort should be put into data support to assure that the logic behind data collection truly represents the indicators in a consistent, practical and accurate manner. San Mateo has brought in additional staff, consultants, and software to support the effort, and still have vast amounts of reporting to develop. Measurements must feel valid to staff and stakeholders. It is very difficult to boil complex, multifaceted programs down to a few reported measures.

San Mateo builds outcome measures based on both countywide visions and department goals. While we have county and agency visions our indicators are not yet specifically linked to a vision and goals. We should choose indicators that speak to progress towards goals. In our Child Welfare Program, indicators should be aligned with the federal outcomes. Other programs should also build on currently required data.

What will be our performance improvement process? With budget reductions and current initiative commitments, how will we prioritize and where will we scale back? We should further consider how

to integrate our indicators into the budgeting process, and ask the question, "How does this activity support our goals and vision?"

Another area that San Mateo County has invested in relates to training managers to use OBM to evaluate their programs and stay on target with the agency vision. It also empowers managers to question reports and to develop a conceptual understanding of how activities for clients result in desired outcomes.

In summary, key recommendations for Monterey County include:
- Relating our indicators to a Vision and Goals.
- Focusing indicators on the change produced for clients (quality vs. quantity).
- Telling the story behind the indicators.
- Devoting technical staff to development of meaningful, reliable and practical outcome measures.
- Defining how indicators will drive policy, program priorities and budget.
- Training managers and supervisors to get the maximum benefit of outcome measures.
- Incorporating OBM into service contracts.
- Returning to staff and the community for more input.

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