

Strategic Plans and Performance Measures Make a Difference Only if Used

*Implementing a comprehensive performance management system in
Prince George's County, Maryland*



About Prince George's County, Maryland

- FY 2009 General Fund Budget of \$2.67 billion
- Full service county
- Population of 841,000
- 27 municipalities with varying services
- 485.43 square miles
- County Executive system (strong mayor)
- Bond ratings (Standard and Poor's/Moody's/Fitch): AAA/Aa1/AA+



Questions to be Addressed

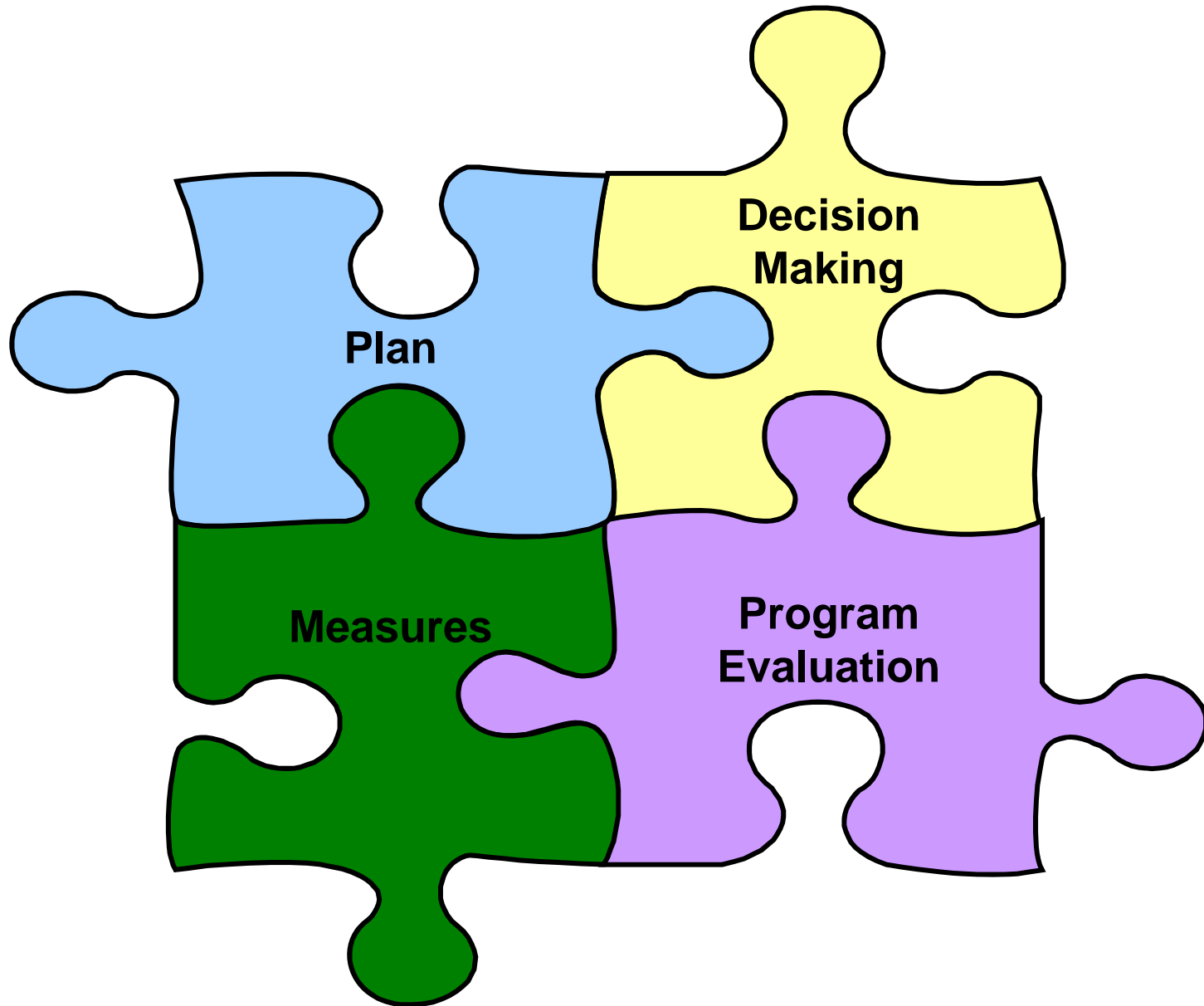
- What is a comprehensive performance management (CPM) system?
- What is Prince George's County's plan to implement a CPM system?
- What are the components of Prince George's County's CPM system?
- What have been Prince George's County's successes, mistakes, and challenges?



What is a comprehensive performance management (CPM) system?



Four components of a CPM system



CPM: Using information to make decisions

Reporting
plans
and measures



An organization
that utilizes plans
and measures for
decision making



CPM: Why?

- Evaluation: How well are we performing
- Control: How can we assure we're doing the right thing?
- Budget: What should we spend our money on?
- Motivation: How can I get people to do what's necessary to improve performance?
- Promotion: How can I convince stakeholders that we're doing a good job?
- Celebration: What accomplishments are worth celebrating?
- Learning: What works or doesn't work?
- Improvement: What should we do differently?

-Robert Behn



CPM is...

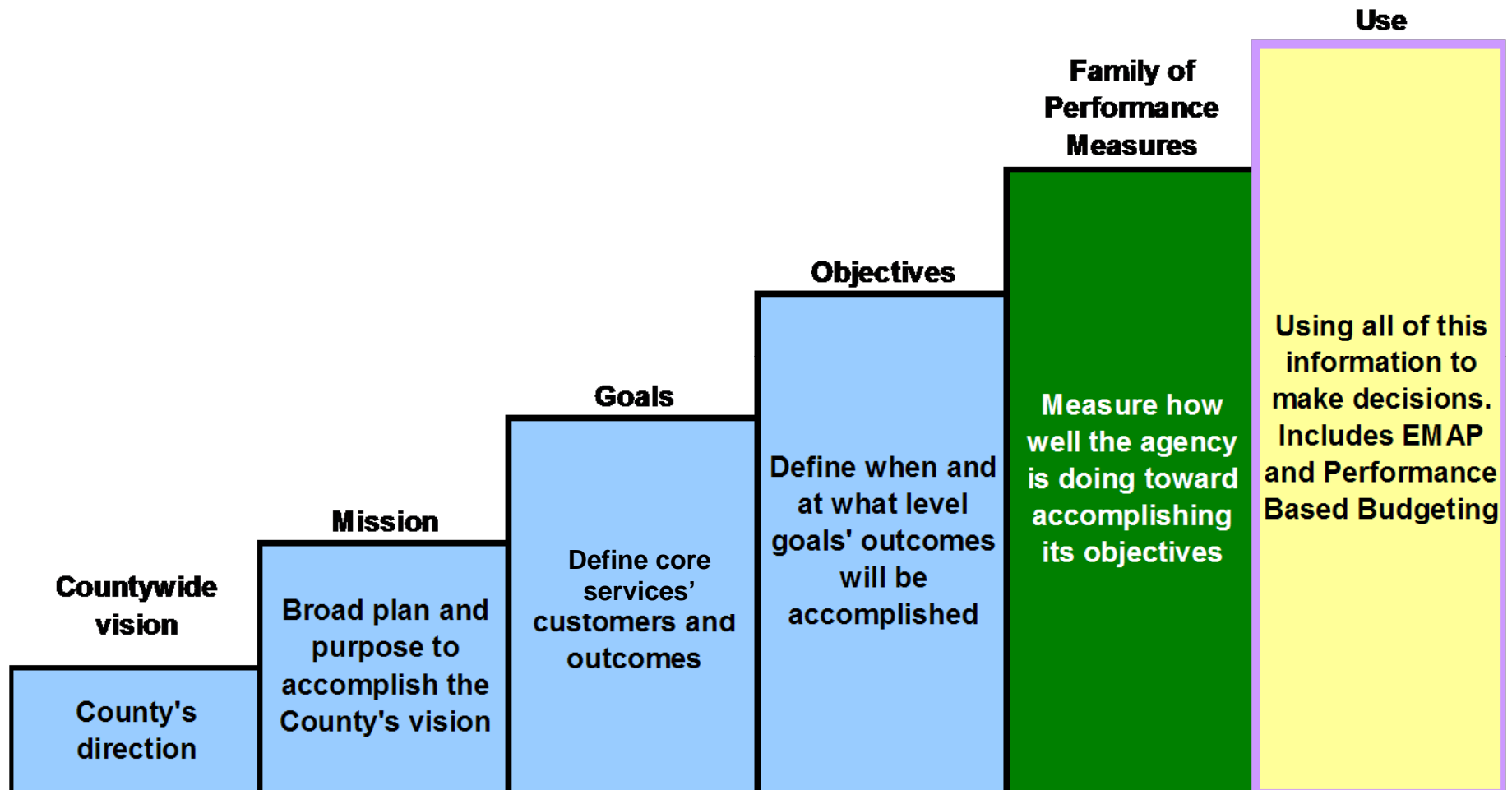
- **A tool for continuous improvement**
 - Improve service delivery to be more efficient and effective
 - Management tool used to plan, measure, and evaluate
 - Achieve outcomes
- **A tool to communicate the agency's purpose and accomplishments**
 - Internally – employees and decision makers
 - Externally – citizens and residents
 - Transparency
 - Accountability
 - Decision making
 - Budget
 - Service delivery improvement
- **A process to:**
 - Define an organization's purpose, direction, targets, and measures
 - Track performance
 - Evaluate performance and determine improvements to accomplish the plan



What is Prince George's County's plan to implement a CPM system?



The plan...



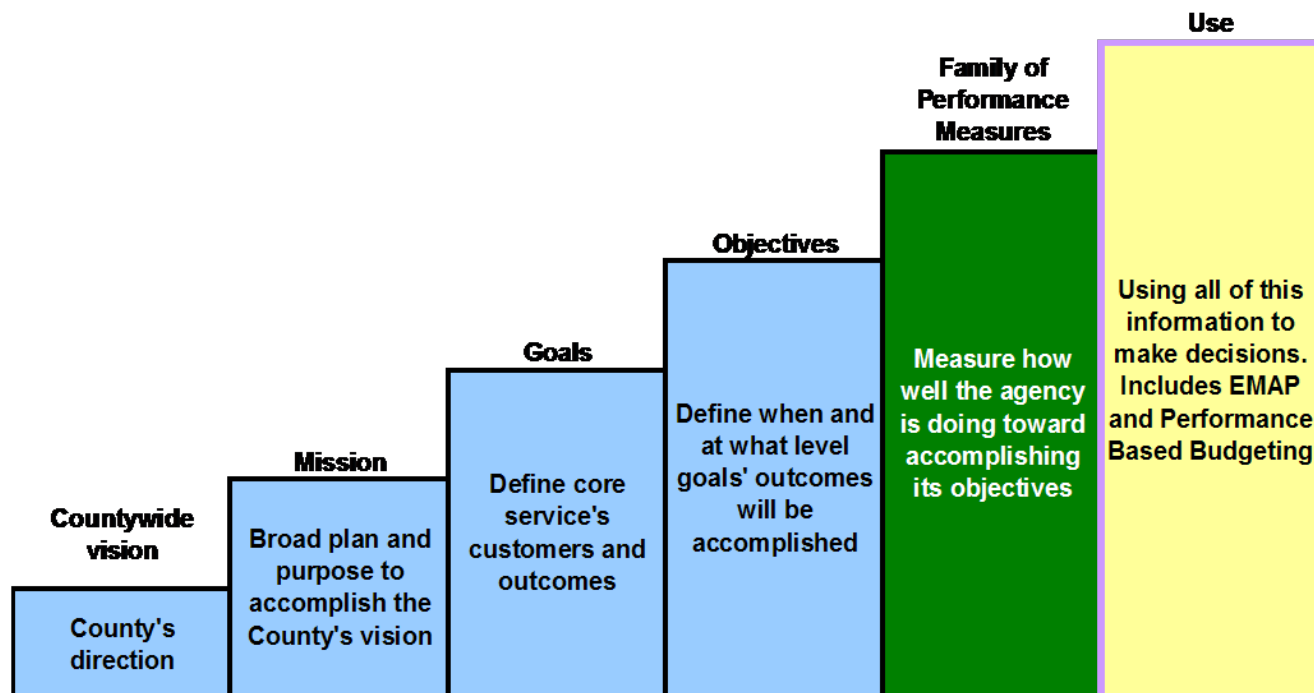
-Adapted from Dr. David Ammons's presentation to Prince George's County, MD, summer 2006



The plan...

Plans and measures:

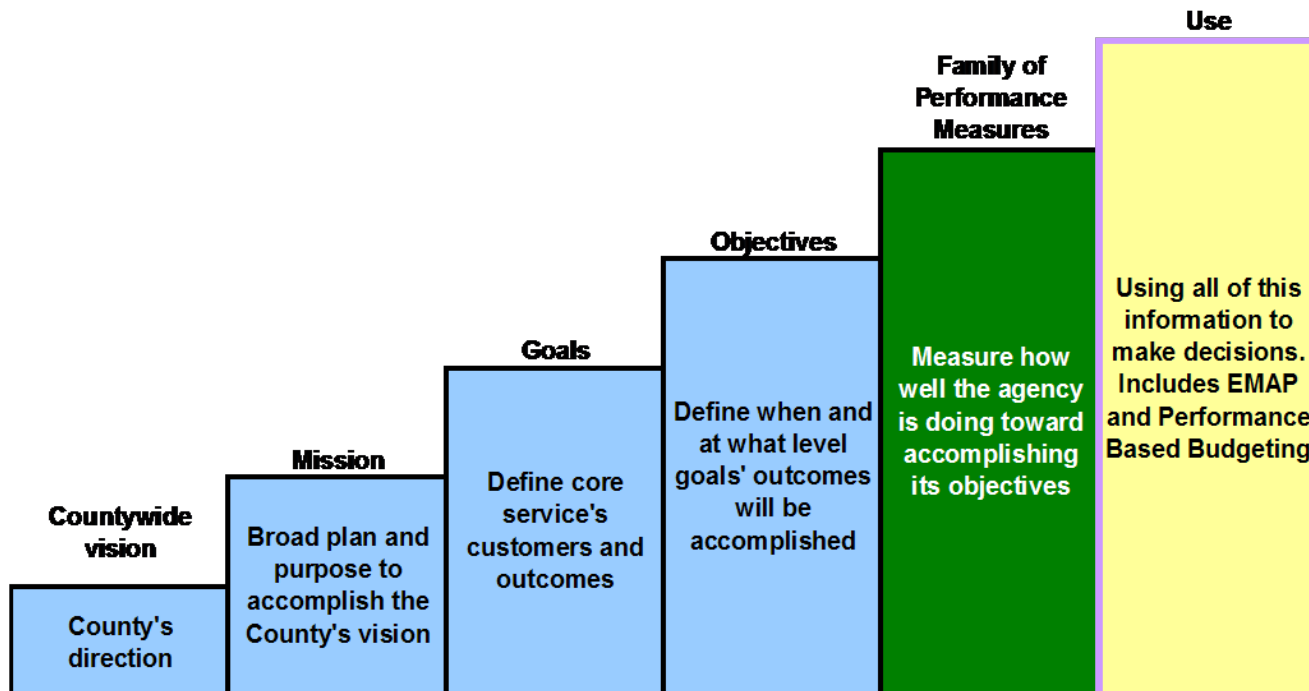
1. County Executive established the countywide vision
2. Began changing the culture with the ideas and concepts of performance management
3. Formal requirements and processes were implemented



The plan...

Use:

1. Developed a performance based budgeting system and process
2. Formulized the stat system

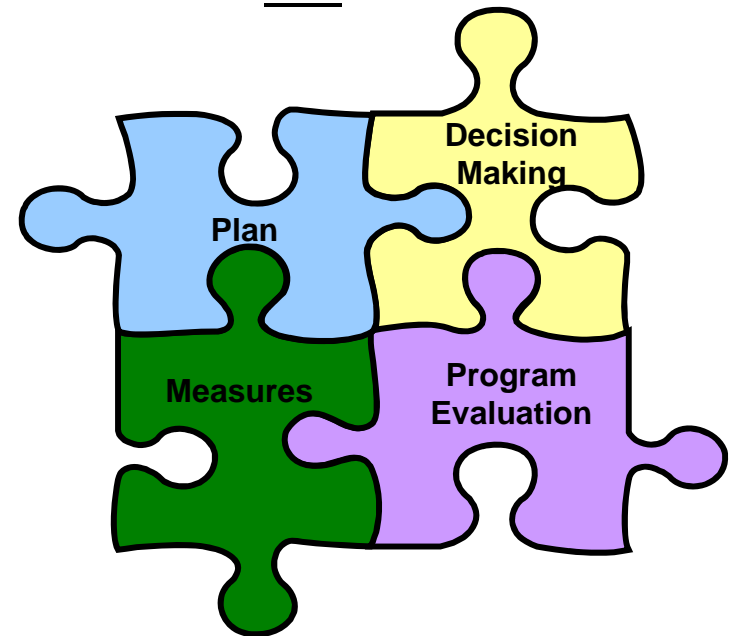


What are the components of Prince George's County's CPM system?



Prince George's County's system: plans

- Defines the purpose and direction of the organization
- Statements: mission, goals, and objectives (each more specific)
- Defines customers, core services, and outcomes
- What the customer will receive
- Must be well-written and reflect the agency's work to be able to use the information
- Outcomes are the focus
- Focus is not on organizational units



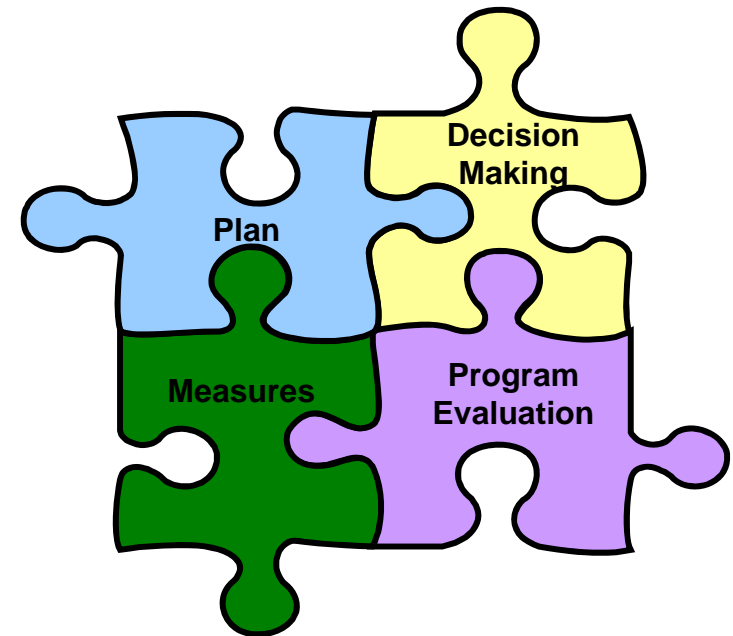
Core services, customers, and outcomes

- Core services' guidelines:
 - 1-3 words total
 - Accounts for a group of activities
 - Excludes activities, production, and outcomes
- Customers
 - Recipient: required to receive services
 - Client: choice to receive services
 - Those who directly benefit from the services' outcome
- Outcomes
 - Ultimate intended long-term impact
 - Reason citizens and residents pay taxes
 - Not completely under control of the agency – supposed to influence it
 - Something customer's benefit from



Prince George's County's system: measures

- Family of performance measures – as close to a comprehensive quantitative picture of service delivery as possible
- Input, output, efficiency, quality, and outcome measures
- For each objective
- Tells us “what” but not “why”
- Good data for good decisions



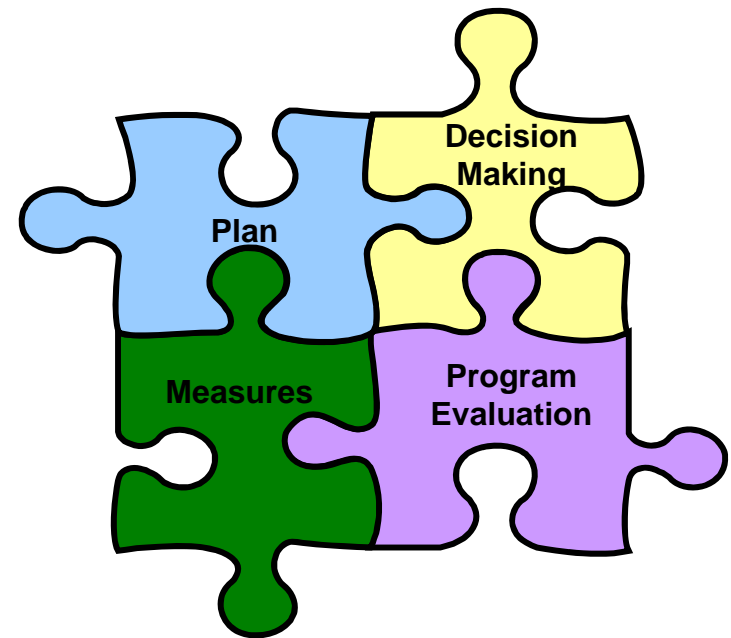
Prince George's County's system: measures

| Family of Performance Measures | | |
|--------------------------------|--|---|
| Measure | Definition | Example(s) |
| Input | Agency's resources | -Dollars spent -Staff hours |
| Output | Work to be completed (demand for service) and the work produced | -Applications processed -Number of calls for service -Number of customers served |
| Efficiency | Amount of work to be completed or produced (output measure) per resource (input measure) ALWAYS THE DIVISION BETWEEN THE OUTPUT AND INPUT | -Number of plans reviewed per reviewer -Cost per appraisal -Cost per ton of refuse collected |
| Quality | -Degree to which customers are satisfied with a program -How accurately or timely a service is provided. | -Complaints per 1,000 collection points of refuse -Percent of applicants processed within 3 days -Percent of applications processed with errors |
| Outcome | The impact a service/program is designed to affect. <i>Tip: the first outcome measure comes from the objective</i> | -Number of fire deaths per 1,000 fires -Percent of job trainees who hold a job for more than six months |



Prince George's County's system: decision making and evaluation

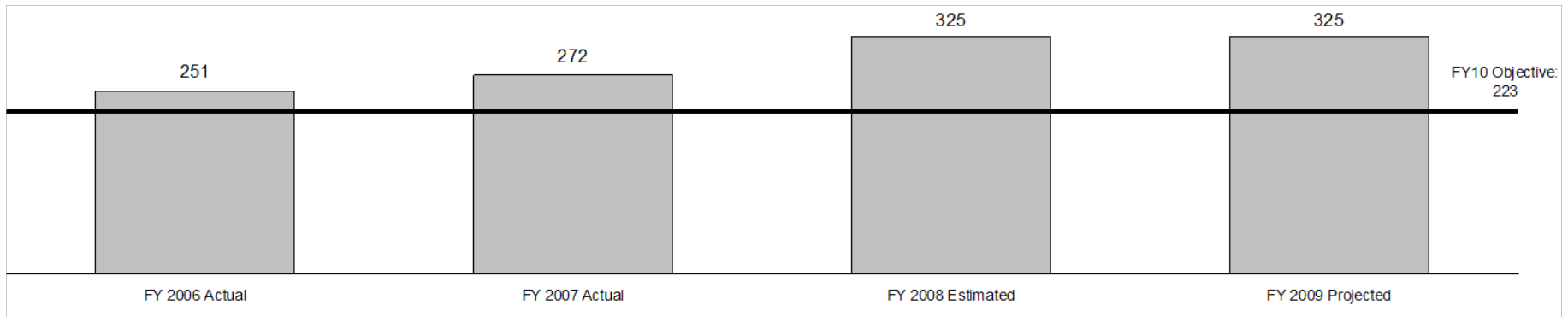
- Performance based budgeting
 - Strategies
 - If – then relationship
 - Activities and tasks
 - How to close the gap between the agency's objectives' targets and actual performance
 - Includes all items in FY 2010
 - Inform budgetary decisions – does not replace decision making that exists
 - Funding constraints
 - Focus on objectives
 - Remove strategies that are not working or are less important to accomplish the objective
 - Reengineer and/or improve strategies to be more efficient
 - Consider negative impacts on objectives



Performance based budgeting

Objective 1.1

Objective's Measure - Number of inmate assaults



Performance Measures -

| Measure Name | Measure Category | FY 2006 Actual | FY 2007 Actual | FY 2008 Estimated | FY 2009 Projected |
|---|------------------|----------------|----------------|-------------------|-------------------|
| Number of authorized correctional officers | Input | 430 | 456 | 479 | 493 |
| Number of correctional officers assigned to housing units (min. all shifts) | Input | 84 | 84 | 84 | 84 |
| Correctional facility inmate population capacity | Input | 1,332 | 1,332 | 1,332 | 1,332 |
| Number of housing units for inmates | Input | 16 | 16 | 16 | 16 |
| Number of correctional officers assigned to inmate transports (min. all shifts) | Input | 6 | 6 | 6 | 6 |
| Number of correctional officers assigned to hospital duty (min. all shifts) | Input | 0 | 0 | 0 | 0 |
| Average daily inmate population (ADP) | Output | 1,421 | 1,482 | 1,502 | 1,502 |
| Number of housing unit shakedowns | Output | 390 | 390 | 390 | 390 |
| Number of weapons found in housing units | Output | 53 | 53 | 39 | 34 |
| Number of emergency response team responses | Output | 72 | 84 | 67 | 70 |
| Average daily inmate population (ADP) per officer assigned to housing units | Efficiency | 17 | 18 | 18 | 18 |
| Percent of the facility capacity filled | Efficiency | 107% | 111% | 113% | 113% |
| Number of inmate requested reclassifications | Quality | 20 | 25 | 18 | 16 |
| Number of inmate requested administrative segregations | Quality | 29 | 34 | 27 | 25 |
| Number of inmate assaults | Outcome | 251 | 272 | 325 | 325 |
| Inmate assault percent change | Outcome | | 8.4% | 19.5% | 0.0% |
| Average number of assaults per inmate (ADP) | Outcome | 5.7 | 5.5 | 4.6 | 4.6 |
| Percent of inmate assaults resulting in inmate injury | Outcome | 4.2% | 7.7% | 6.0% | 5.8% |

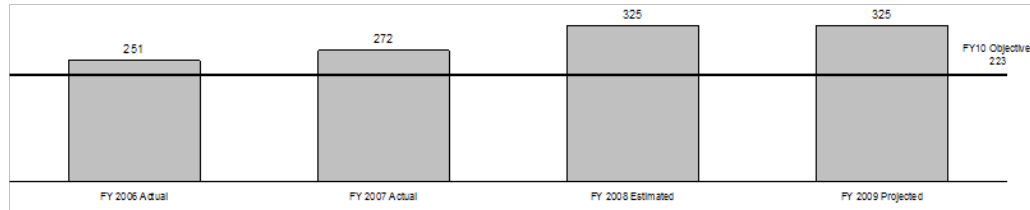
Please note: this data is for presentation purposes only; it is not actual data.



Performance based budgeting

Objective 1.1

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Performance Measures -

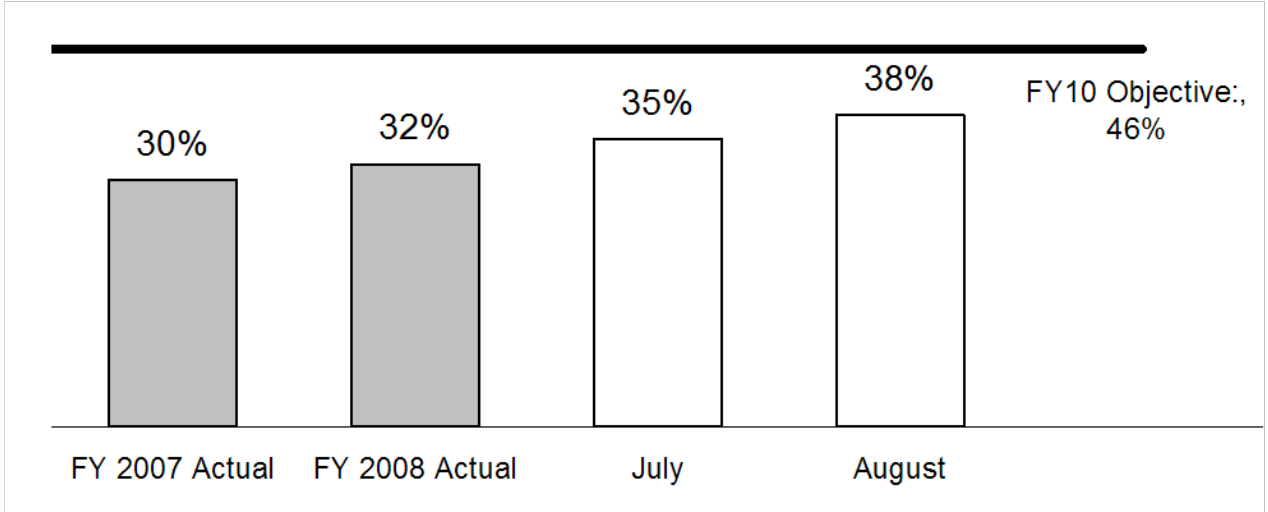
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1. Agency submits their plan (mission, goals, objectives) and performance measures
2. Budget office creates and provides the performance report for each objective
3. Agency reviews performance compared with objective's target
4. Review all of the agency's performance measure data
5. Analyze the data
6. Determine improvements to services to accomplish the objective's target (strategies)



Performance based budgeting

| BUDGET CONSIDERATIONS: | STRATEGIES MAY <u>NOT</u> BE WORKING | | STRATEGIES MAY BE WORKING | | STRATEGIES MAY BE WORKING - OVER PERFORMING |
|---|--------------------------------------|----------|---------------------------|----------------------------|---|
| | Gap | Gap | Gap | No Gap | Above Target |
| COMPARISON BETWEEN PERFORMANCE AND OBJECTIVE'S TARGET | | | | | |
| TREND OF OBJECTIVE'S PERFORMANCE MEASURE | Away From Objective's Target | No Trend | Toward Objective's Target | Meeting Objective's Target | Exceeding Objective's Target |



Performance based budgeting

Strategy 1.11 – An officer to inmate ratio of 1 officer : 20 inmates

| Action Item | Explanation |
|-----------------|---|
| 50 new officers | Based on our authorized staffing levels, attrition, vacancies, and increase in the number of inmates we need these additional officers to accomplish the strategy's ratio |

Requested Changes

| Account | Center | Requested \$ Change from FY 2009 to FY 2010 | Strategy Number | Action Item | Description |
|--|--|--|---|--|---|
| Include all budget changes by account. | Include all budget changes by account. | | If the change supports an action item, include the strategy number, otherwise leave this blank. | If the change supports an action item, include the action item name, otherwise leave this blank. | Explain the reason for this change and provide all of your calculations and assumptions. If applicable, identify any mandates or requirements that support this requested change. |
| FY 2009 APPROVED BUDGET | | \$1,000,000 | | | |
| 510101 | 560101 | \$200,000 | | | COLA increase |
| 510101 | 560101 | \$1,000,000 | 1.11 | 50 new officers | Compensation for the new officers |
| 590199 | 560101 | \$30,000 | 1.11 | 50 new officers | Fringe for the new officers |
| 522599 | 560101 | \$25,000 | 1.11 | 50 new officers | New uniforms for the new officers |
| FY 2010 REQUESTED BUDGET | | \$2,255,000 | | | |



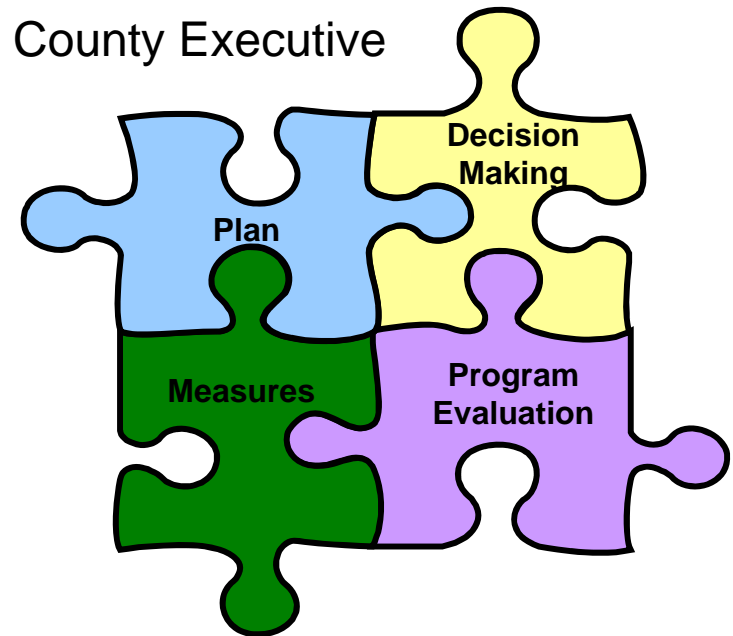
Performance based budgeting

- Budget office's review of strategies
 - Recommendation is based on:
 - Performance report
 - If the strategy is considered to accomplish the objective
 - Valid, reasonable, convincing analysis
 - Cost-effective changes
 - Cause and effect relationship
- Executive decision package
 - Includes:
 - How well agencies are achieving their objective
 - Cost changes broken-out by those that support strategies and those that do not
 - Objectives, strategies, action items, and the family of performance measures
 - Fiscal information



Prince George's County's system: decision making and evaluation

- Stat Program
 - Annual meeting
 - County Executive's Office, agencies, and OMB
 - Focus is on outcomes while reviewing all other performance measures
 - Utilize the performance report, questionnaires, and other data sources
 - May include discussion of "hot topics" from the County Executive



Prince George's County's system: decision making and evaluation

- Stat Program (cont.)

- **Step 1: OMB Preparation**

- Review previous EMAP meeting action items and issues
 - Meet with the CAO and DCAO of Budget, Finance, and Administration for feedback on the upcoming EMAP meetings
 - Prepare all EMAP documents
 - Prepare and provide the agency's performance report (refer to page 29 for an example)

- **Step 2: Agency Preparation Meeting**

- OMB will provide all documents for the agency prepare for to review and complete for EMAP

- **Step 3: Agency Information Submission**

- Agency submits the EMAP request for information package (refer to Appendices C and D) by email to their assigned agency budget management analyst in OMB
 - OMB reviews the submission and resolves any errors

- **Step 4: EMAP Meeting Preparation**

- Data analysis: OMB reviews and assess all information submitted by the agency
 - OMB prepares any and all questions for the EMAP meeting
 - OMB finalizes the EMAP presentation
 - OMB sends all questions and presentation documents to all meeting participants
 - All meeting participants review all EMAP documents sent by OMB and prepare for the upcoming meeting

- **Step 5: EMAP Meeting**

- **Step 6: EMAP Meeting Follow-Up**

- OMB sends all follow-up to all EMAP participants
 - Agency submits an implementation plan for the follow-up items to OMB
 - OMB reviews the submission and resolves any issues



Prince George's County's system: overview of elements

| CFC Element | What does it tell me about the agency? |
|--|---|
| Countywide Vision Livable Communities | <ul style="list-style-type: none">• Direction• Focus |
| Mission | <ul style="list-style-type: none">• Purpose• How we will accomplish LCI• Core services• Customers• Outcomes |
| Goals | <ul style="list-style-type: none">• One core service's customer(s) and outcome |
| Objectives | <ul style="list-style-type: none">• The measurable targets and timeframe to accomplish the goal's outcome |
| Family of Performance Measures | <ul style="list-style-type: none">• How well we are accomplishing the objectives• Service delivery performance |
| Strategies | <ul style="list-style-type: none">• How to accomplish the objective |

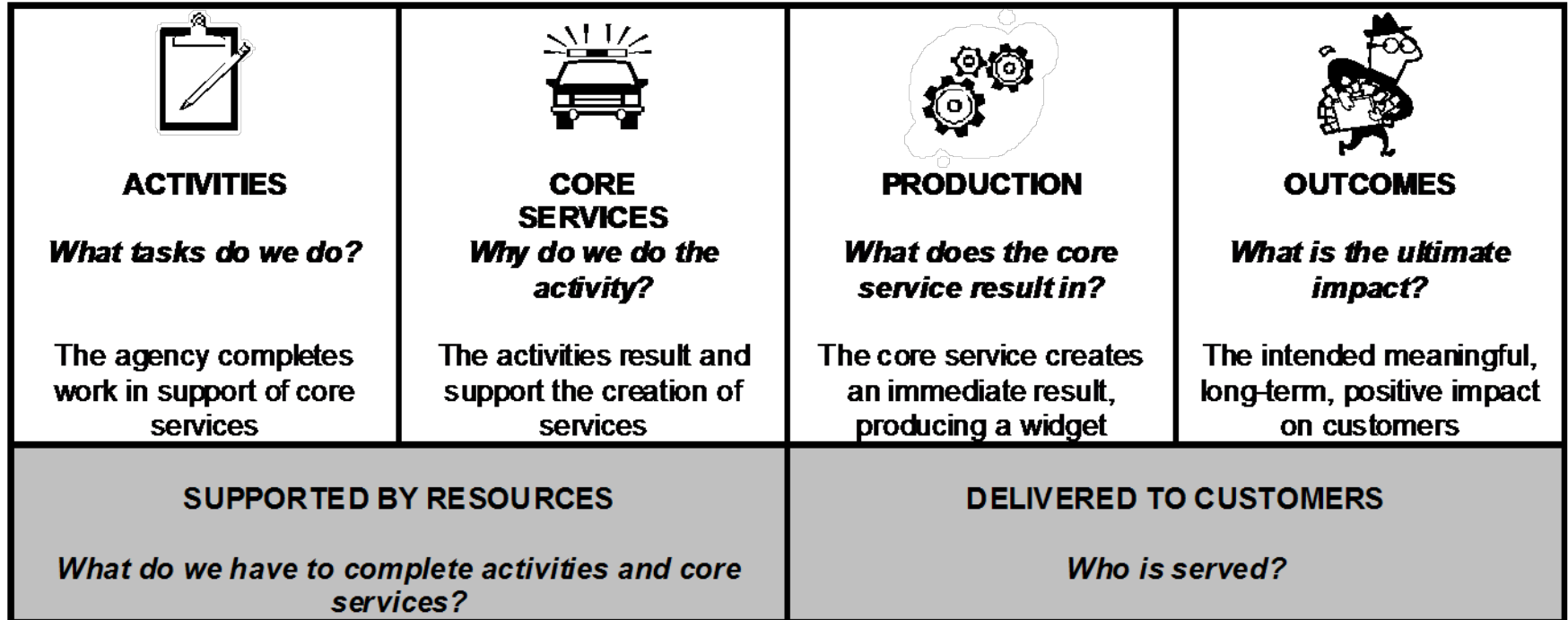


What have been Prince George's County's successes?



What have been Prince George's County's successes?

- Upper management support
- Use of the Logic Model



What have been Prince George's County's successes?

- Continuous improvement of the system – feedback and flexibility for errors
- Publishing a manual
- The system was developed in-house
- The system considers the County's organizational culture
- Utilizing best practices
- Asking performance questions when data is reported by agencies



What have been Prince George's County's successes?

- Continuous improvement of the system – feedback and flexibility for errors
- Publishing a manual
- The system was developed in-house
- The system considers the County's organizational culture
- Utilizing best practices
- Asking performance questions when data is reported by agencies



What have been Prince George's County's successes?

- Using formulas to write mission, goal, objective, and strategy statements

The **agency's name** provides/produces **core services**
to **customers** in order to **outcome**

The agency's mission supports accomplishing the countywide vision by:

- **Accomplishing the LCI**

Example :

The Office of Human Resources Management (agency's name) provides personnel management and employee assistance services (core services) to county agencies (customer) in order to ensure the County's human resources assist all agencies (outcome)

The agency's mission supports accomplishing the countywide vision by:

- Working for sound county management



What have been Prince George's County's successes?

- Rating system and awards

Department Name: _____

Primary Analyst: _____

PM Unit: _____

RATING DEFINITIONS: 0: Not included; 1: Some effort but not consistent or aligned with OMB; 2: Meets criteria; 3: Exceeds criteria

| Category | Rating | Notes |
|-----------------------------|--|--------------------------------------|
| Mission | | |
| Goals | | |
| Objectives | | |
| Performance Measures | | |
| Performance Based Budgeting | | |
| Performance | | |
| Total Score | 0 | Needs Significant Improvement |
| Score Ranges | 0-6: Needs significant improvement 7-10: Some Effort-Needs Improvement 11-14: Meets Most Criteria-Needs Improvement 15-18: Exceeds Criteria | |



What have been Prince George's County's successes?

- Rating system and awards (cont.)

| Rating | The mission is included | All required components are included (Note 1) | The mission is written in the formula's format | All reasonable accomplishing the LCI items have been included (based on the mission's outcome) | The mission's outcome has a significant impact on the identified customers |
|---------------|--------------------------------|--|---|---|---|
| 0 | | | | | |
| 1 | ✓ | | | | |
| 2 | ✓ | ✓ | ✓ | ✓ | |
| 3 | ✓ | ✓ | ✓ | ✓ | ✓ |

Note 1: The required components must align with their definition.



What have been Prince George's County's mistakes?



What have been Prince George's County's challenges?



What have been Prince George's County's challenges?

- Using plans and measures
 - Budgeting
 - Regular decision making
- Employee and agency buy – in
- Resources: technology and staffing
- Focusing on outcomes (plans and performance measures)
- Receiving accurate and useful data



How is Prince George's County trying to overcome these challenges?

- **Challenge:** using plans and measures (budgeting and decision making)
- **Implemented approaches to overcome:**
 - Training
 - Ease-of-use of documents
 - Time to submit information
 - Using strategies
 - Ensuring a clear connection in budget documents
 - Decision – makers communicating importance
 - Begin to use plans and measures – even if they are not ready
 - Communicate expectations and importance
 - Stat system
 - Regular data reporting
 - Budget office asking questions



How is Prince George's County trying to overcome these challenges?

- **Challenge:** employee and agency buy-in
- **Implemented approaches to overcome:**
 - Training
 - Importance is communicated by executive management
 - Plans and measures are used
 - Rating and award system
 - Communicate expectations, requirements, and provide tools (manual)
 - Use CPM as a tool for continuous improvement – not penalty

- **Challenge:** resources (technology and staff)
- **Implemented approaches to overcome:**
 - Initial solutions: Microsoft Office and “borrow” staff
 - Long – term solution: Software package and dedicate staff



How is Prince George's County trying to overcome these challenges?

- **Challenge:** focusing on outcomes (plans and measures)
- **Implemented approaches to overcome:**
 - Rating system
 - Training

- **Challenge:** receiving accurate and useful data
- **Implemented approaches to overcome:**
 - Rating system
 - Training
 - Data audit
 - Using the data



Contact Information and Questions

OMB's Website:

<http://www.goprincegeorgescounty.com/Government/AgencyIndex/OMB>

(The Charter for Change Manual is available on this site)

Contact Information:

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