



SAGE Commission

September 27, 2011

Agenda

- Welcome
- Areas of Current Focus:
 - Performance Management
 - State Workforce Modernization
 - Agency and Program Streamlining
 - Operational Improvements
 - Efficiency Ideas
- Discussion, Next Steps and Closing Remarks

Performance Management

Comprehensive performance management systems integrate strategic planning, action plans, and performance tracking



Performance Management

Best practice states have strong performance management systems

The screenshot shows the GMAP website for the State of Washington. The header includes the GMAP logo and the text "Accountability & Performance" with the tagline "Ensuring accountability by publicly measuring performance". A navigation bar lists "HOME", "AGENCY PERFORMANCE", "PERFORMANCE AUDITS", "PERFORMANCE LEADERSHIP", and "TOOLS & RESOURCES". The main content area is titled "PUBLICLY MEASURING PERFORMANCE" and features a photo of a woman speaking at a podium. Text next to the photo says: "View the Governor in action during public forums to discuss agency performance. NEW! Learn more about LEAN process improvement initiatives here." Below this is a "Management Framework" section with a flowchart: PLAN → ALLOCATE → MANAGE → ANALYZE → RESPOND → IMPROVE → RESULTS!. A "RESULTS!" box with a checkmark is also visible. A "Focus on:" section highlights "June 15 - New performance reports for Government Reform and Public Safety are now available."

The screenshot shows the Virginia Performs website. The header includes the Virginia.gov logo and navigation links: "Home", "Online Services | Help | Governor | General Assembly", and "Search Virginia.gov". The main content area is titled "Virginia Performs" with the tagline "Measuring what matters to Virginians". A navigation bar lists various categories: "Economy", "Education", "Health & Family", "Public Safety", "Natural Resources", "Transportation", and "Government & Citizens". A large image of a construction worker on a roof is featured with the text: "Virginia is best for business. That means more jobs and higher incomes for Virginians." To the right is a "SCORECARD AT A GLANCE" section with a color-coded bar and the text: "See how Virginia measures up." Below the main content are sections for "Agency Performance Plans" and "Measuring Virginia".

Performance Management

A page for each functional cluster will summarize key information and link to strategic plans and key performance indicators

The screenshot displays the 'Virginia Performs' website interface. At the top, it features the tagline 'Measuring what matters to Virginians' and the logo 'Virginia Performs'. Navigation tabs include 'Economy', 'Education', 'Health & Family', 'Public Safety', 'Natural Resources', 'Transportation', and 'Government & Citizens'. The 'Economy' tab is selected. The main content area is titled 'Economy' and includes a photograph of people in a grocery store. Below the photo, the text states: 'Virginia's goal is to be a national leader in the preservation and enhancement of our economy. The quality of Virginia's economy directly affects businesses, citizens, and institutions. Highlights of Virginia's economy include:'. A list of five bullet points follows, detailing Virginia's business reputation, unemployment rate, productivity, per capita income, and regional prosperity differences. On the right side, a sidebar titled 'Economy Indicators AT A GLANCE' lists six categories: Business Climate (Improving), Business Startups (Maintaining), Employment Growth (Maintaining), Personal Income (Worsening), and Poverty (Worsening). A left sidebar contains 'Key objectives in Economy', 'Related Secretariats', and 'Related Agency Strategic Plans'.

Measuring what matters to Virginians

brought to you by the Council on Virginia's Future

Regions | Trends | Demographics | Map It
Agency Planning and Performance | Scorecard at a Glance

VISION FOCUS RESULTS

Economy Education Health & Family Public Safety Natural Resources Transportation Government & Citizens

Search the Site Go

Agency Planning & Performance

Key objectives in Economy

Related Secretariats

- Commerce & Trade
- Agriculture & Forestry

Related Agency Strategic Plans

- Dep't of Business Assistance
- Dep't of Housing and Community Development
- Dep't of Labor and Industry
- Dep't of Mines, Minerals and Energy
- Virginia Economic Development Partnership
- Virginia Employment



Economy

Virginia's goal is to be a national leader in the preservation and enhancement of our economy. The quality of Virginia's economy directly affects businesses, citizens, and institutions. Highlights of Virginia's economy include:

- Virginia is widely recognized as a top state for business, winning regular accolades from Forbes.com, CNBC, the U.S. Chamber of Commerce, and *US News and World Report*, among many others.
- Despite the recession, Virginia's unemployment rate remains lower than the national average.
- Worker productivity has been rising in the U.S., with Virginia's productivity rate exceeding the national average.
- Although Virginia ranked 7th among the states in per capita personal income for 2009, one in 10 residents still lives below the federal poverty level.
- Regions of the state differ -- sometimes significantly -- in their prosperity and levels of educational attainment.

Economy Indicators AT A GLANCE

Business Climate

- ↑ Performance: Improving
- 🏠 State Influence: Significant

Business Startups

- ➡ Performance: Maintaining
- 🏠 State Influence: Limited

Employment Growth

- ➡ Performance: Maintaining
- 🏠 State Influence: Limited

Personal Income

- ↓ Performance: Worsening
- 🏠 State Influence: Limited

Poverty

- ↓ Performance: Worsening

Performance Management

Performance metrics and targets can be summarized in dashboards to provide a quick overview of how New York is performing

GMAP		Final GMAP Reports		Public Safety DASHBOARD		
1. Prison Operations						
Measure	Target	Actual	Status	Agency	Notes	
1.1 - Rate of Violent Infractions	1.0 Per 100 Offenders	0.88	●	DOC	Prison violence reduction strategies implemented since April 2008 continue to result in fewer violent infractions in most prisons. The average for FY10 was 1.02; the lowest since 2006. As of the 3rd quarter of FY11, the prison violence rate was 0.88.	
1.2 - Average Energy Use	1,870.5 Kilowatt-hour Per Offender	1,643	●	DOC	In CY10, energy consumption was 21% lower than the FY03 base year, exceeding the 10% reduction target. 9 of the 12 prisons have achieved lower energy use compared to the base year. Data are for CY10, updated annually.	
1.3 - Participation in Prison Reentry Programs	9 of 9 Reentry Programs	7 of 9	●	DOC	5 out of 7 evidence-based programs are on track to meet FY11 participation targets, as are the two promising programs.	
2. Community Corrections						
Measure	Target	Actual	Status	Agency	Notes	
2.1 - Offender Re-Offense Rate	7% or Less	6%	●	DOC	Drop in the re-offense rate since July 2009 may be due to policy changes that reduced the caseload on community supervision (SB 5288). Target was lowered from 10% to 7% to reflect recent trends. Data are for offenders on supervision between Jul-Sept 2010.	
2.2 - Timely Intake Process	90%	90%	●	DOC	The target of 90% was achieved in seven of eight months of FY 2011. Latest data are for February 2011.	
2.3 - Participation in Community Reentry Programs	5 of 5 Reentry Programs	5 of 5	●	DOC	4 of 4 evidence-based programs and one promising program are on track to meet FY11 participation targets.	
3. Emergency Readiness						

“The State’s ability to effectively address the challenges before it is dependent on a well-trained and highly engaged State workforce.”

-Governor Andrew M. Cuomo
The New New York Agenda

State Workforce Modernization

The State's aging workforce makes change imperative:

51% - Percentage of the State's senior career managers that will be eligible for retirement within 5 years

44% - Percentage of workforce that will be 55 or older within 5 years

The State must make it easier to enter the civil service:

37 – Average age of newly hired employees

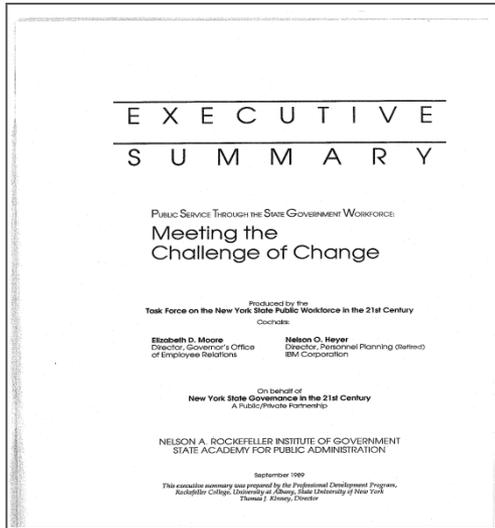
1 Civil Service Improvements

- Explore renewing and expanding the “IT 500” law to create greater flexibility when hiring mid-career employees
- Explore expanding the use of computerized testing to increase the frequency at which exams are offered
- Explore a “Dual Track” program to expand the promotion opportunities for skilled professionals who do not supervise other employees

2 Training, Increased Productivity and Enhanced Employee Engagement

- Conduct an employee engagement survey to diagnose areas for improvement
- Expand recognition programs for innovative and high performing employees and departments
- Implement best practice training programs for managers

State Workforce Modernization



Many believe that past workforce modernization efforts based on a single comprehensive plan have not succeeded

SAGE will work with all stakeholders to solve discrete problems on a rolling basis and achieve progress as quickly as possible

SAGE will pursue multiple projects focused on agency streamlining & operational improvements



1 Streamlining Agencies

- Explore functionally consolidating the functions of DoT, Thruway Authority and Bridge Authority
- Explore integrating certain Health and Disabilities functions
 - Phased integration of OMH and OASAS
 - Centralization of certain administrative services
- Eliminate or merge unnecessary boards and commissions

Agency and Program Streamlining

2 Streamlining Cross-Cutting Programs

Cross-Cutting Program	Agencies Involved
Energy Efficiency	<ul style="list-style-type: none"> - New York Energy Research and Development Authority - New York Power Authority - Long Island Power Authority - Public Service Commission; among others
Workforce Training and Development	<ul style="list-style-type: none"> - Department of Labor - State Education Department - Empire State Development Corporation - Office of Temporary and Disability Assistance - Department of Corrections and Community Supervision - Department of Health - Office of Mental Health - SUNY - OPWDD
Housing	<ul style="list-style-type: none"> - NY Homes and Community Renewal - Homeless Housing Assistance Corporation - Office of Mental Health - Office for People with Developmental Disabilities
Emergency Management	<ul style="list-style-type: none"> - 12 Agencies included in the Governor's Upstate Storm and Flooding Recovery Task Force

Operational Improvements

1 Process Redesign

Business Process	Key Benefit
DFS complaint handling	Expedite dispute resolution and capture trend data
DEC permitting	Track progress and reduce cycle time
Rent Regulation	Enhance enforcement
MWBE certification	Reduce cycle time and expand certified MWBEs
Contracts and grants management	Facilitate prompt payment

Operational Improvements

2

Opportunity to apply LEAN– a private sector approach to continued process improvement

- SAGE will pursue the best practice of private sector companies and other states in using LEAN processes
- Many private sector companies, including Kodak, have used LEAN effectively to streamline their operations

Kodak

Lean At Kodak

Lean at Kodak

Kodak uses Lean as a business management philosophy to yield tremendous results by identifying the most **efficient** and **value added** way to provide products and services.

Lean enables Kodak to:

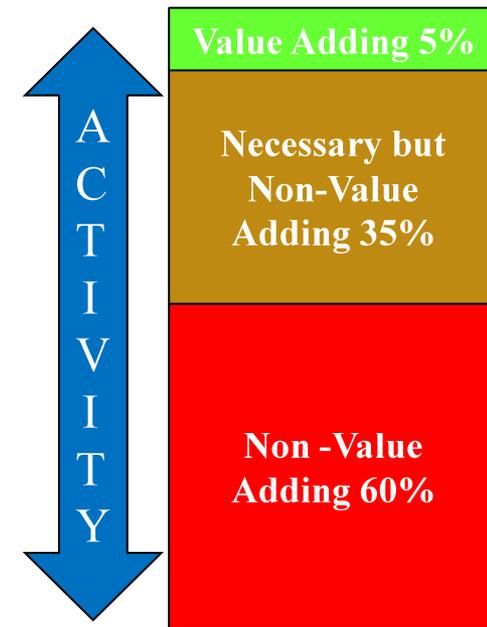
- Better serve customers at the lowest possible cost through the elimination of activities that don't add value.
- Better understand how our processes work.
- Empower our employees to quickly identify waste and implement improvements.
- Build a culture of continuous improvement.

Typical results:

- Inventory Reductions 40 – 50% (Raw Material, Work in Process, Finished Goods)
- Significant reduction defects, scrap and rework at all factories
- Increased capacity, single piece flow
- Reduced warehouse space

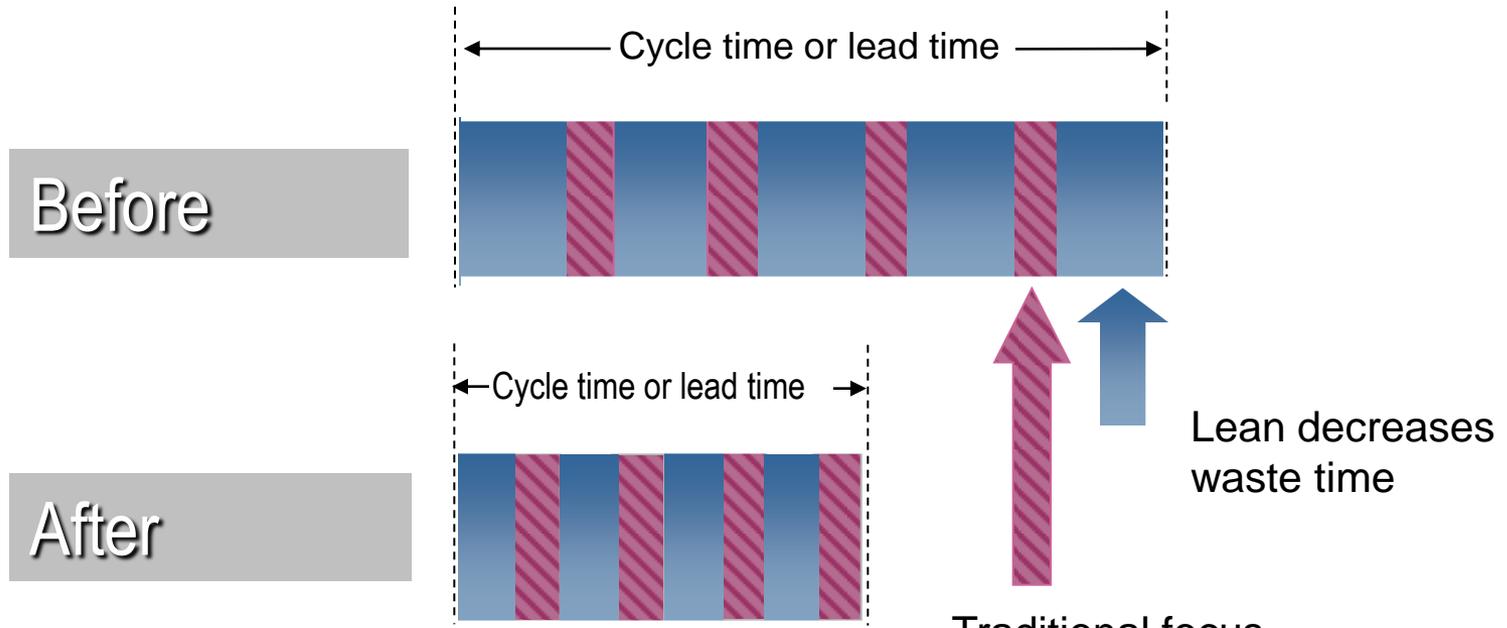
Kodak Volunteers help the Community:

- Kodak Black Belts work on Rapid Cycle Improvement Projects to help local organizations improve.



**Typical
Organizations**

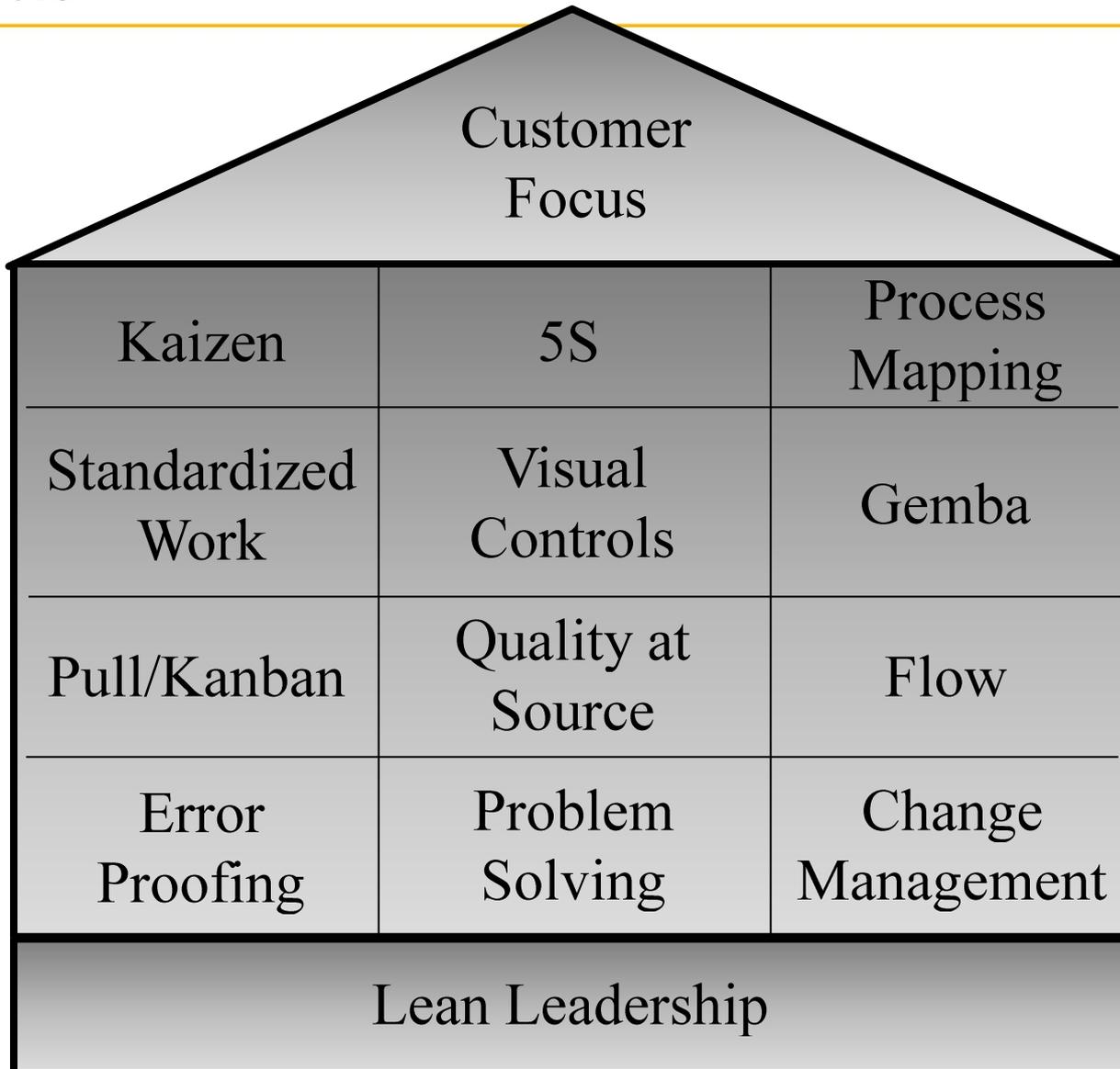
Eliminate waste to drive results



- Reduced Cycle Times
- Improved Delivery
- Increased Capacity
- Better Quality
- Higher Productivity

Traditional focus is on decreasing work time

-  Work = Value-added time
-  Wait/waste= Non-value added time



Lean work is directly tied to overall business improvement not separate from it

- Everything we do should be focused on creating customer value
- Everything can and should be improved
- All waste must be identified and eliminated

Developing a Lean culture is a long-term process

- Execution requires significant planning, preparation and support.
- Sustaining gains made requires daily leadership throughout the organization

Government Organizations with Lean Initiatives

Level	Government Organizations
U.S. Federal Government	U.S. Environmental Protection Agency U.S. Department of Defense U.S. Army U.S. Department of Agriculture U.S. Department of Housing and Urban Development U.S. Nuclear Regulatory Commission
U.S. State Government	Connecticut Department of Environmental Protection Connecticut Department of Labor Delaware Department of Natural Resources and Environmental Control Iowa Office of Lean Enterprise Maine Department of Labor Minnesota Enterprise Lean State of Ohio Lean
U.S. Local Government	City of Cape Coral, Florida City of Cincinnati, Ohio City of Ft. Wayne, Indiana City of Grand Rapids, Michigan City of Irving, Texas Jacksonville, Florida

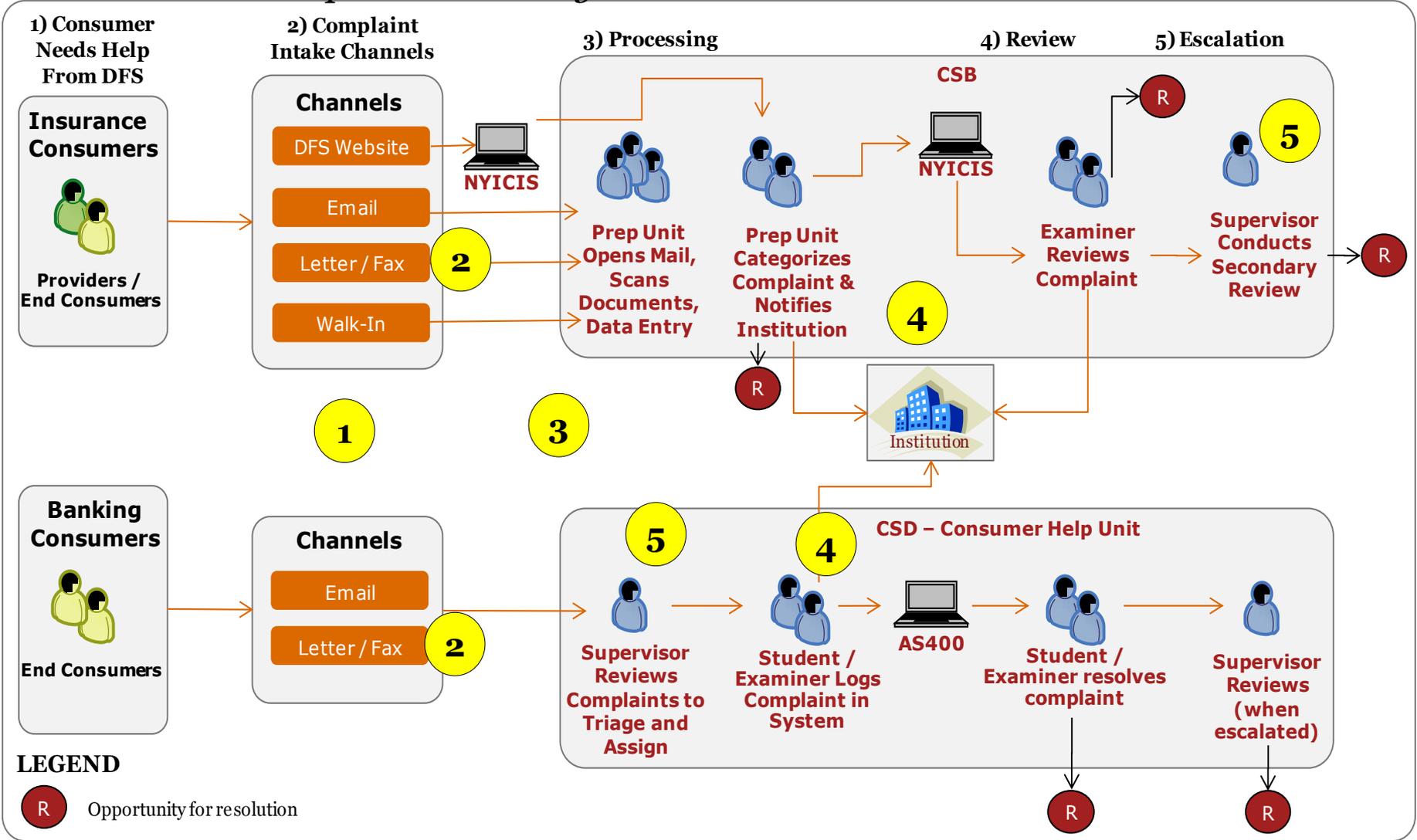
Example: Department of Financial Services Complaint Handling

Complaint Process Pain Points

- 1) Complaint intake is not standardized causing additional back/forth with consumer
- 2) The departments rely heavily on paper communication with their consumers
- 3) A significant number of complaints submitted by consumers are out of DFS's jurisdiction and are referred to other entities
- 4) Average duration of an Insurance complaint lifecycle (from receipt to close) is 78 days
- 5) Supervisors often perform work that examiners (or clerks) can/should be completing

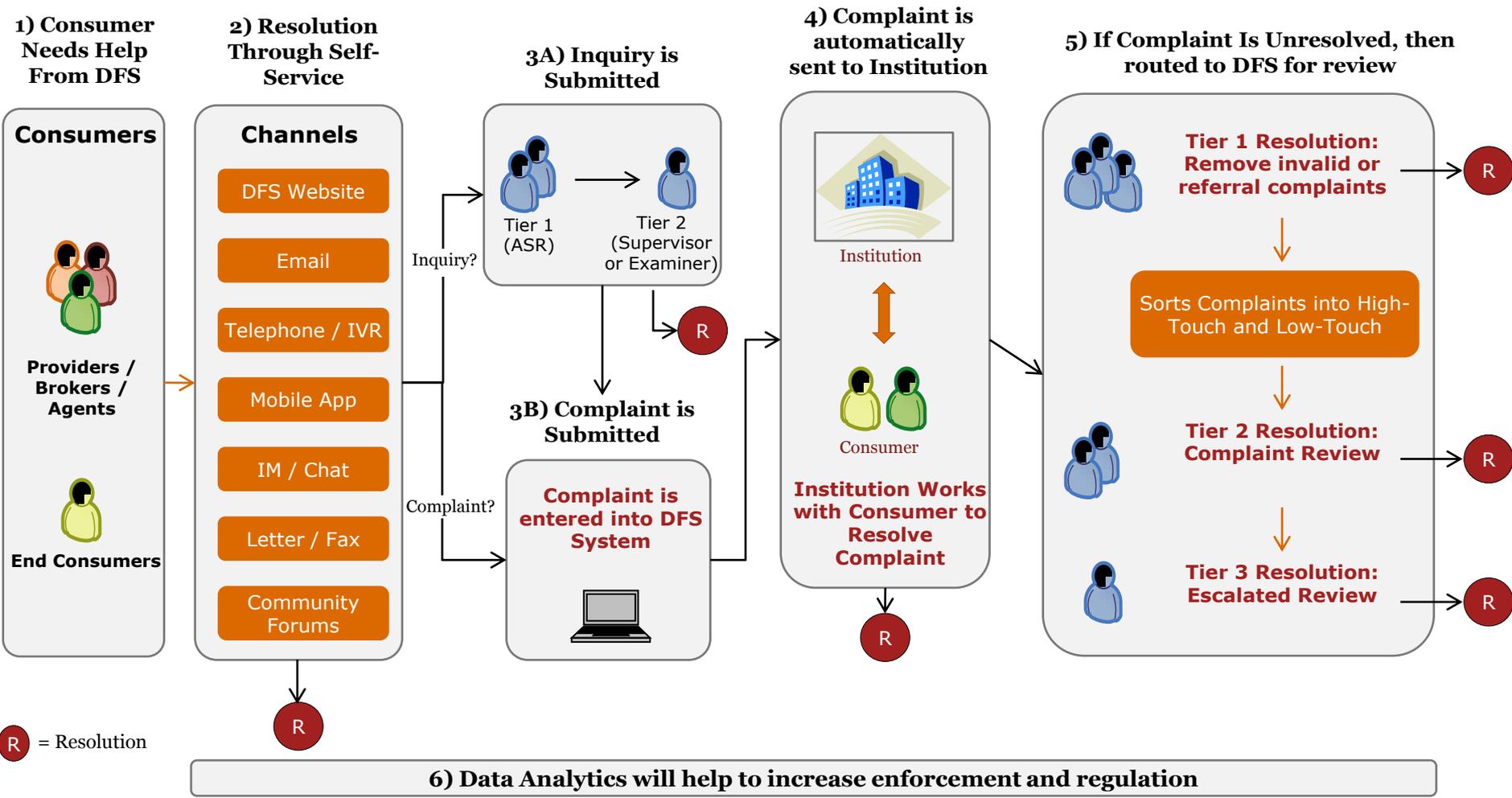
Operational Improvements

Current State Complaint Handling Interaction Model



Operational Improvements

Future State Conceptual Interaction Model



Operational Improvements

3 Build infrastructure for continuous improvement

- Iowa's Office of Lean Enterprise serves as a model of this infrastructure and has driven 165 improvements across Iowa's state government, including:
 - Reduced delays by 81% and steps by 62% for the Alcoholic Beverages Division Class E Invoices and Taxation Process
 - Reduced the time for the Department of Natural Resources to issue a Leaking Underground Storage Tanks Corrective Action Decision from 1,124 days to 90 days.
 - Designed the Department of Cultural Affairs' Great Places Program in 4 days.

Efficiency Ideas

The Commission will evaluate efficiency ideas from multiple sources:

- SAGE website “suggestion box” and other citizen input
- Office of the State Comptroller
- Not-for-profits
 - United Way
 - New York Public Welfare Association
- State agencies
- Outside consultants
- Best practice of other states

Discussion, Next Steps and Closing Remarks