

## Performance Excellence Committee Meeting Notes – June 2009

### **Attendance: Committee Members**

Fred King - Chair  
Larry Williams – Vice Chair  
Elizabeth Harchenko  
Dwayne Johnson  
Jim Adams  
Kate Marx  
Dr. Rita Hartley

Ed Wright (for Senator Morse)  
Rick Gardner (staff)

### **Introduction of new Committee Member (AFSCME):**

Dr. Rita Hartley comes from the Department of Corrections, where she is employed as a dentist. She has been with the department for eight years and is president of the Dentist's AFSCME Local 1406. Dr. Hartley is a graduate of the University of Oregon and Oregon Health Sciences University.

### **Review and Approval of Previous Minutes**

May 2009 minutes approved without modification.

### **Accomplishments**

Chair listed accomplishments for the Committee: It is understood that the primary activities for the Committee have centered on orienting, training and forming the Committee during a time of unprecedented uncertainty and resource challenges. The Committee lost the original bill's funding, and .5 FTE support position, and two agency members (Rick Rictor, AFSCME and Kate Marx, DCBS). A replacement member appointment for the AFSCME position (Dr. Rita Hartley) has been made, but MS. Marx's position remains open for the present.

- 1) Orientation of Committee members to the state's Performance Management system:
  - a. Various agency over-views (DHS, Revenue, Forestry, DAS, etc.)
  - b. The legislative process
  - c. The budget process
  - c. Key Performance Management system
  - d. Related systems (such as the iLearn system)
  - e. System culture and elements

- f. Various Performance Management models (TQM, Baldrige, Lean, etc.)
- 2) Creation and maintenance of a web page and Internet blog.
- 3) Creation of a process for agencies to submit “success stories” for consideration.
- 4) Establishing initial relationships with key elected officials and agency leaders.
- 5) Completed Key Principles document.
- 6) Initial project on making recommendations for KPM system revision.
- 7) Initial work on designing and creating an iLearn training program for quantitative analysis to support KPM measure development.
- 8) Published letter of support for the Benchmarks.

**Review of Next Action Steps from last meeting:**

1. **KPM System Frustrations** – KPM System: Elizabeth Harchenko and Rick Gardner were tasked with developing a process proposal for updating the KPM system (agenda item): **Status:** Ongoing.
2. **Advocates** – Build a list of potential advocates and supporters for Performance Management/Measurement (agenda item). **Status:** June agenda item. Initial list completed and detailed in these notes.
3. **Agency Excellence Validation Criteria** – **Status** (no discussion)
4. **John Ramsey** – John has indicated a desire to establish an ongoing relationship with the Committee. He has tentatively committed to the July meeting, and may attend with Sue Nelson (the DHS Transformation Manager).
5. **Meet with Ways and Means Co-Chairs** - **Status** (no action). **Rick will send a note to the co-chairs inviting them as will Fred.**
6. **Principles Document: Final review.** The document was corrected and updated, and then re-distributed to Committee members subsequent to the May meeting. Two suggestions were made: eliminate the paragraph on work plan, and put the resulting content in to a more graphically attractive format for distribution: Status – currently in distribution and review.
7. **Learn:** (Agenda item) – Status: June agenda item. Update presentation (see notes below).
8. **Success Stories: Status** - No responses yet. Discussed possibility of going to the Agency Heads meeting after close of session.
9. **OPPMA July Meeting: Status** - June Agenda item. Chair will be doing the noon presentation along with Q and A and survey.
10. **July Meeting.** Scheduled for July 21<sup>st</sup> as per normal interval.

**Discussion Summary:**

- Strengthening relationships with unions by making a list of who to speak with.
- The national Council of State Governments is underway to develop uniform

performance measures for some governmental functions. Should we try to participate? Dynamic versus static (reporting) models for performance measures.

- Current climate is very reactive and without a coherent vision of the future.
- How does government build a culture that rewards-encourages risk taking and innovation?

**Potential Performance Management Advocates**

The following partial list was generated by the committee. The list is to be reviewed and additional comments made via email to Rick, to update the notes for consideration in the July meeting.

<b>Legislature (H)</b>	<b>Legislature (S)</b>	<b>Labor</b>	<b>Business Lobbies</b>	<b>Other</b>
Chris Harker	Frank Morse	Art Towers	Duncan Wyse	John Ramsey
Nancy Nathanson	Betsy Johnson	Heather Conroy	Jon Chandler	Ken Rocco
Dave Edwards	Bill Morrisette	Barbara Byrd	Tom Gallagher	George Naughton
Chuck Riley	Alan Bates	Tom Chamberlain	Bob Shiprack	Kate Brown
Dennis Richardson		Graham Trainor	Ryan Deckert	
Bruce Hanna		Don Loving		
Andy Olsen		Melissa Unger		
Peter Buckley		Art Towers		
Vicki Berger				
Cameron Shields				
Mary Nolan				
Jefferson Smith				

**Discussion Summary:** What do we need/want from advocates? There is significant range of perceptions about the committee’s role and capabilities. There was an extended conversation about the larger system, including the budgeting process.

**The primary conclusion from this discussion is that a fundamental “disconnect” exists between agencies and the legislature in the current KPM system.**

This observation generated a motion (made by Kate Marx) and seconded by vice-chair Williams for the Committee to move forward with a model for “shared” or enterprise-level KPM’s (such as in the now-suspended Water measure project). After further discussion, Kate requested the motion to be rescinded, which was seconded by Dwayne Johnson. There was a vote with it passing to be rescinded.

HB 2815 establishes an Interagency Compliance Network (links provided below)

<http://www.leg.state.or.us/cgi-bin/searchMeas.pl>

<http://www.leg.state.or.us/comm/sms/sms09/hb2815B04-29-2009.pdf>

<http://www.nancynathanson.org/bills.html>

There was discussion about the potential participation-representation of the Committee. No specific actions were taken.

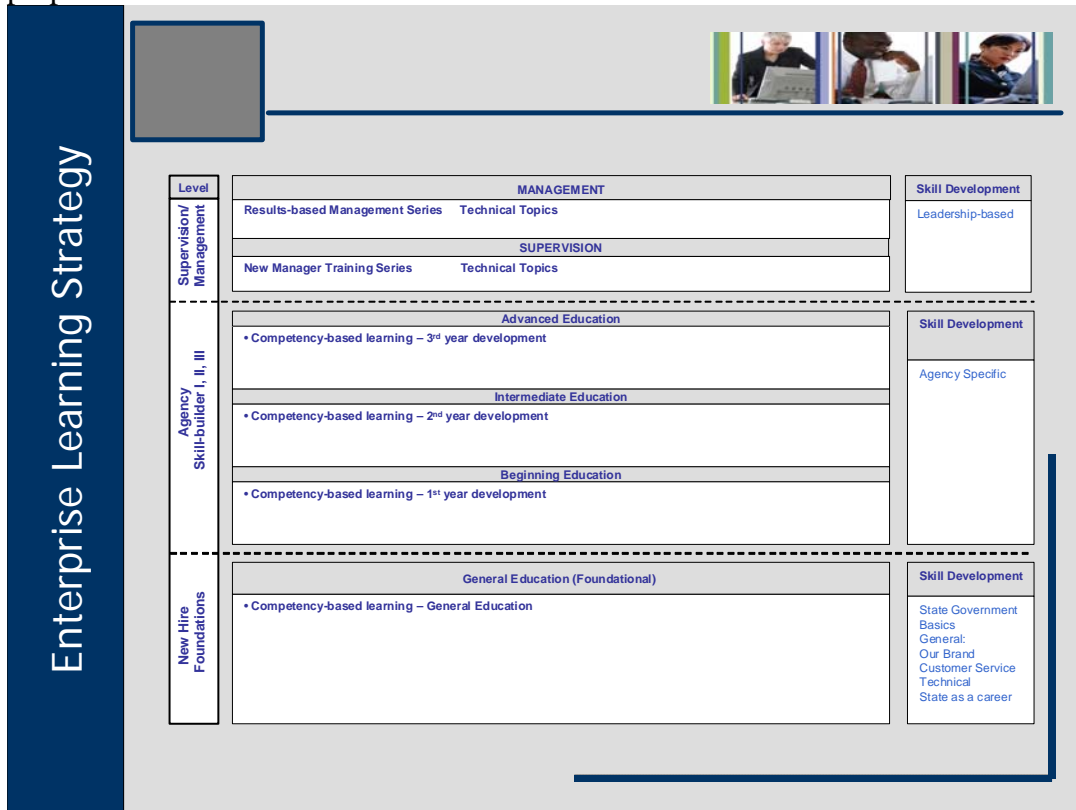
**OSU Extended Campus Programs Presentation**

Dave King and Lisa Templeton from OSU did a presentation for the Committee on the extended campus structure (presentation materials sent to committee members subsequent to the meeting).

It appears there is sufficient interest from both OSU and the Committee to continue to explore some type of partnership to assist in the creation of a “new generation” training and development system in the state, focused on technological delivery and the creation of extended communities of practice, learning, and shared resources around education and development.

**iLearn Metrics Project Update**

Brandy Meng and Theme Grenz did a short presentation on the initial efforts on the metrics training project. Subsequent to the meeting, Theme volunteered to serve as project leader and resource to the Committee on the development of an integrating education and performance metrics into a “performance-based environment.” (graphic illustration on the next page). Theme will be invited to the July meeting to make a formal proposal.



### **Agency Presentation**

Mary Schwabe, Manager of the Compliance Section, DCBS, Worker’s Compensation Division, presented to the group on her Division’s 12-year commitment to structured process improvement and organizational development. (Presentation materials distributed to members).

Mary emphasized several points in their decade-plus experience:

1. Leadership commitment and focus: Although this Division of DCBS has been pursuing Performance Management for many years, the process has not been generalized to the balance of the agency.
2. A consistent methodology (in this case, Deming-based TQM).
3. Training –TQM tools and Team Skills (for both leaders and staff). Emphasized the need for management training (how to lead in this kind of an environment).
4. Small steps and hypothesis testing at each step.
5. Must include non-programmatical functions (IT, HR, etc.).
6. Develop the internal capacity to collect data from stakeholders on needs and perceptions of service quality.
7. Story Books (analysis of each project, capturing and generalizing what was learned – both positive and negative).

After the initial implementation, they surveyed the organization to find:

1. The context (why, how, etc.) for the change had not been clear.
2. Needed more structure from leadership in the transition.
3. Results were not always clear.
4. Inadequate support.
5. Inadequate communication.
6. Needed more training.

### **Cultural Shift**

Mary observed there was a huge culture shift in the division, from anecdotal decision-making (most common to the system at large) to data-based decision-making and this was fundamental to the change they made, even when the results of data collection and analysis were “obvious.”

From this they developed:

1. A central “knowledge” base to capture and retain what is learned.
2. Storybooks for each project.
3. Support training for managers and supervisors in providing appropriate leadership.

4. Every project has a formal charter (with assumptions, base-line data, identified constraints and sideboards all clearly identified).

### Transformation

Although the project originally was oriented around process improvement, over the years they have increasingly come to focus on higher level outcomes and the transformational requirements for producing them. While they see this as having more utility than just process improvement, they recognize it was the work on process improvement that made it possible for them to engage successfully in transformation work.

### General

Mary recognized that one of their advantages has been a stable and like-minded leadership group over the 12 year period.

1. It takes time and money.
2. Don't underestimate the need for training, especially team-skills.
3. The culture is a critical determining factor.
4. Management commitment over the long haul is essential. It's not a program; it's the way they do business.
5. Management, as often as not, gets in the way of improvement.

### **OPPMA July Meeting**

Kate provided the Committee with a draft for questions to be used in the OPPMA presentation and asked for feedback via email. The agenda was distributed.

### **Committee Principles – Final Review**

The final document was reviewed and the Committee elected to take out the language on “work plan” (which is preserved in a separate document). Rick was asked to do a cosmetic treatment of the content and to send to members.

### **Press Release**

Discussion around what, and when to communicate publically in the present environment. No specific actions taken.

### **KPM System Revision**

Elizabeth and Rick provided the Committee with a process recommendation for this project. Dawn Farr was unable to attend but did email chair Fred King with concerns

about moving forward on this project currently, and the recommendation that a specific model be used (TOC). No action taken.

**Kate Marx**

Kate Marx will be leaving the Committee after the July OPPMA meeting.

**Actions Steps:**

- 1) Make connections with union leadership.
- 2) Formalize strategy for forming “supporter” ties.
- 3) Explore the “disconnect” in the KPM system between legislators and agencies, with involvement from Ken Rocco and George Naughton.
- 4) Survey questions for members to respond to for the OPPMA meeting.
- 5) Principles document re-formatted for review and comment by members (and any input on how to make ourselves better known).
- 6) Invitation to Co-chairs for August meeting. Chair to follow up with calls.
- 7) Follow up with OSU
- 8) National Model of Performance Measures from the Council of State Government.
- 9) Theme Grenz (iLearn) on the July agenda for his proposal.
- 10) John Ramsey on the July Agenda (perhaps with DHS Transformation manager, Sue Nelson)
- 11) Future invited agency presentations
- 12) Recap of the 2009 session, probably from George
- 13) Revisit the Enterprise measures topic when time and resources permit.
- 14) KPM System Revision proposal