

## **2008 Innovations Awards Program APPLICATION**

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ID # (assigned by CSG): 08-S-32MD

**Please provide the following information, adding space as necessary:**

State: Maryland

Assign Program Category (applicant): **Government Operations** (Use list at end of application)

1. Program Name:

StateStat

2. Administering Agency:

Office of the Governor

3. Contact Person (Name and Title)

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9. Please provide a two-sentence description of the program.

StateStat is a performance-measurement and management tool implemented by Governor Martin O'Malley to make Maryland state government more accountable, efficient, and transparent. On a bi-weekly or monthly reporting cycle, Governor O'Malley and his senior staff meet with a dozen state agencies, grilling agency leadership and pressing the agencies to provide their services in an efficient, cost-effective manner.

10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March 1, 2008 to be considered.

StateStat began in January 2007 and has been operational for 13 months.

11. Why was the program created? What problem[s] or issue[s] was it designed to address?

When Governor O'Malley took office in January 2007, he launched StateStat to make Maryland state government more accountable, efficient, and transparent for Maryland's citizens.

StateStat is designed to tackle the following challenges that exist in Maryland state government:

- A lack of quantifiable performance measurement in many areas of state government;
- Inefficient personnel management and outsized overtime and accident leave payments;
- Non-existent coordination and cooperation between agencies with related duties and goals;
- The slow pace of changes and improvements due to a lack of executive support.

After a year of implementation, StateStat is achieving progress in addressing Maryland's chronic performance challenges:

- Maryland state government now has a quantifiable performance measurement system in place that is uniform across state agencies;
- State agencies report personnel data for each pay period and agency leadership must account for increases in overtime, sick leave, and accident leave to the Governor and his senior staff;
- When issues arise that involve multiple agencies, StateStat marshalls the full resources of state government, enlists the participation of necessary state agencies, puts the key leadership of these agencies in the same room. StateStat holds these parties accountable until a plan is developed to address the problem and data demonstrates real progress on the identified issue;
- Because the key decision-makers are all sitting at the same table at the same time, issues are addressed immediately, without any "let me get back to you" or "let me talk to so and so" delays. The Governor, his senior staff, legal counsel, minority affairs office, department of budget and management, and chief of information technology regularly attend StateStat meetings with the agencies.

12. Describe the specific activities and operations of the program in chronological order.

StateStat was launched in January 2007 when Governor Martin O'Malley took office. The first agency entered StateStat in February 2007, and StateStat has added about one agency each month, now including ten state agencies.

Each agency begins the StateStat process by working with an analyst in the StateStat office to develop a data template reporting key measures of agency performance. The analyst uses this template to prepare an executive briefing for the StateStat panel: The Governor, his senior staff, legal counsel, minority

affairs office, department of budget and management, and chief of information technology. The panel then uses this briefing as the basis for biweekly or monthly meetings with the agency senior staff, reviewing the data and finding solutions to the most persistent performance issues.

The StateStat program has worked to achieve greater accountability, efficiency, and transparency for Maryland state government. Below are a handful of the many successes that StateStat has facilitated in its first year of implementation:

**Reduced Overtime at the Division of Correction.**

- **Achievement.** Overtime spending at the Division of Correction topped \$38 million in fiscal year 2007. By aggressively monitoring and addressing overtime use through StateStat, the Division of Correction has contained overtime spending at correctional facilities, saving an average of \$300,000 per pay period in fiscal year 2008 over fiscal year 2007 levels.
- **How it Works.** StateStat reports show the overtime spending at each Division of Correction facility. Increases and decreases are noted and examined.

*Excerpt from StateStat Report: Overtime in Correctional Facilities*

Overtime by Pay Period- in Dollars								
Facility Name	For Pay Period Ending:				YTD FY08		FY06 Total	FY07 Total
	10/23/07	11/06/07	11/20/07	12/04/07	AVG	TOTAL		
DOC								
CLF	\$24,836	\$23,908	\$22,279	\$18,552	\$21,286	\$254,974	\$444,730	\$705,817
TBC	\$8,512	\$9,612	\$8,464	\$11,757	\$10,399	\$121,309	\$402,925	\$713,677
ECI	\$130,644	\$117,266	\$140,217	\$95,543	\$136,853	\$1,675,864	\$2,449,524	\$2,744,162
PHPRU	\$6,441	\$7,713	\$9,140	\$6,280	\$8,255	\$100,847	\$118,852	\$169,792
WCI	\$102,074	\$129,835	\$105,379	\$115,839	\$102,854	\$1,262,612	\$1,439,797	\$2,162,133

- The Division modified its overtime management system to respond to these reports by analyzing *why* overtime use increased. The Division produces a detailed report for each StateStat meeting on any facility showing an unusual amount of overtime use.

*Excerpt from DOC Overtime Management Report Produced for StateStat*

**ECI UFW  
Staff Days**

Categories	Previous Two PP OT Paid PPE 10/9/2007 to 10/23/2007	OT Paid PPE 11/6/2007 to 11/20/2007	Change
(R) Accident Leave	112.00	108.00	-4.00
(R) Administrative Leave	19.00	1.00	-18.00
(R) Annual Leave	444.00	493.00	49.00
(R) Bereavement Leave	4.00	5.00	1.00
(R) Compensatory Leave	75.00	52.00	-23.00
(R) Court/Jury	15.00	14.00	-1.00
(R) Death Sick Leave	14.00	7.00	-7.00
(R) Family Medical Leave Act (FMLA)	90.00	96.00	6.00
(R) Holidays	335.00	234.00	-101.00
(R) Leave Without Pay (LWOP)	24.00	30.00	6.00
(R) Military Leave	107.00	121.00	14.00
(R) Personal Leave	111.00	135.00	24.00
(R) Public Health Leave	0.00	0.00	0.00
(R) Sick Leave	321.00	361.00	40.00
(R) Suspended Without Pay (SWOP)	0.00	0.00	0.00
(R) Training In-Service (Firearms)	25.00	104.00	79.00
(R) Training In-Service (Not Firearms)	99.00	212.00	113.00
(R) Training New Hire, Pre, OJT (Firearms Only)	0.00	0.00	0.00
(R) Training New Hire, Pre, OJT (Not Firearms)	426.00	188.00	-238.00
<b>Totals</b>	<b>1,538.00</b>	<b>1,481.00</b>	<b>-57.00</b>
(V) Vacancy	39.00	37.00	-2.00

- In this example, the StateStat report showed that overtime spending at Eastern Correctional Facility (ECI) jumped from \$117,266 in one pay period to \$140,217 in the next. The overtime analysis report shows that one reason for this increase was correctional officer participation in both firearms and non-firearms training time for correctional officers. The StateStat panel recommended that the Division amend its training policy to schedule trainings one at a time, rather than concurrently. Removing fewer officers for training at any one time is less likely to deplete available staffing levels to the point of necessitating overtime use.

### **Eliminated the DNA Backlog**

- **Accomplishment:** Eliminated a State Police backlog of over 24,3000 DNA samples from convicted felons waiting to be entered into the state DNA database, and collected 12,000 DNA samples from parole and probation supervisees who had not given samples. This information is now assisting law enforcement investigations across the state.
- **How it Works.** By tracking the sample processing through a weekly DNAStat process, the StateStat panel identified and removed obstacles to accomplishing this ambitious goal. For example, the panel realized that more staff hours were needed to move the project along, and so authorized overtime use by scientists on the project and directed light duty staff in the department to provide needed administrative support.

	Process Info					Personnel Info							
	Collected	Shipped to Vendor	Returned from vendor now in review process	Reviewed and uploaded into CODIS	HITS	Outside lab assistance (hrs)	Civilian overtime (hrs)	Light duty assistance (hrs)	Total scientist time on project (hrs)	Total non-scientist time on project (hrs)	Intern (hrs)	Civilian Comp Time (hrs)	Total Hours
Week of:													
16-Jul	898	970	461	926	15	0	46	3	111.5	40	42	15.5	258
23-Jul	427	0	0	459	3	0	82.3	0	134.5	64	41	17.5	339.3
30-Jul	823	0	2220	464	0	0	80.5	0	98.5	69	32	10.5	290.5

### **Other Sample Achievements:**

- *Reduced waste, fraud, and abuse in the state's Medicaid program by initiating a system to track the monthly cost savings realized through the Health Department's Program Integrity Savings efforts.* Total cost avoidance through Program Integrity Savings increased from \$13.4 million in FY 2006 to \$17.5 in FY 2007; the Program is on track to achieve more than \$20 million in savings in FY 2008. StateStat then worked with the Health Department to develop legislation for the 2008 session that would create a state health care false-claims act and expand these efforts.
- *Reduced the number of youth pending placement for long periods at the Department of Juvenile Services by 80%.* Youth pending placement linger in detention without appropriate services and without earning time toward release. By placing youth in appropriate residential programs more quickly, their likelihood of success is increased.
- *Reduced violence by parolees and probationers by designing and supervising implementation of the Violence Prevention Initiative.* StateStat reviewed real cases of parolees and probationers committing or becoming victims of homicide to inform a new risk assessment for these supervisees. The panel instructed the Division of Parole and Probation to assign these individuals to dedicated agents; these agents impose enhanced supervision requirements, work with local law enforcement, and request warrants for any infractions by offenders. This effort, dubbed the Violence Prevention Initiative, has been a contributor to the 30% reduction in homicides in Baltimore City between August 2007 (when the initiative began) and January 2008. StateStat tracks the Department's efforts in maintaining these individuals in compliant status and requesting warrants immediately upon noncompliance as part of the biweekly Division of Parole and Probation StateStat meeting.

13. Why is the program a new and creative approach or method?

StateStat is the first program to develop a set of straightforward, common-sense performance measures applicable across all areas of state services. The core set of basic personnel and fiscal measures establish an ongoing expectation of data-driven performance management. This core set of StateStat performance measures are transferrable to any county, municipality, or state in the country. Additionally, StateStat has developed issue-specific metrics for key state government responsibilities: public safety, human services, environment and land use, and consumer protection.

While a direct descendant of Baltimore's CitiStat and New York's Compstat programs, Maryland's StateStat program is the first program to apply these data-drive performance management principles on a statewide level. Whereas previous programs focus on direct services provided by municipal entities, StateStat applies performance measures to state government agencies, which provide a mixture of both direct and "pass-through" services in Maryland. The StateStat process holds managers accountable, requiring them to hold their employees, service providers, contractors, and local partners accountable.

Because of the size and scope of state agencies, StateStat requires a trickle-down approach to data-driven management. The information demands of the StateStat process encourage agency leadership to develop internal sub-level "Stat" processes. The leadership of state agencies is held accountable for both overall performance and the specific performance of each individual jurisdiction. When applied to a large percentage of the state's responsibilities, this approach allows the executive branch to monitor and improve isolated issues, while maintaining a broad perspective on state functions. The StateStat panel can then identify when agencies are working at cross-purposes, identify opportunities for cross-agency cooperation, and establish a general expectation of transparency and accountability.

There is a growing market for performance management in government. For example, Governor Vilsack's Charter Agencies program in Iowa and Governor Gregoire's GMAP program in Washington are two programs designed to improve state agency performance. The difference between StateStat and these programs is outlined in Question 20: the StateStat process is more intensive, comprehensive, and broadly applicable. The appetite for performance management extends beyond the state level: Los Angeles County, California; Providence, Rhode Island; San Francisco, California; Austin, Texas; and Miami, Florida are among the many jurisdictions making use of the StateStat principles.

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

StateStat was established using pre-existing budgeted positions. Start-up costs of configuring offices and a conference room for StateStat meetings totaled an estimated \$32,000.

15. What are the program's annual operational costs?

Annual operational costs are limited to staff salaries, along with minimal travel and supplies costs. The fiscal year 2008 estimate of costs was:

Salaries and Fringe Benefits:	\$326,604
Travel and Supplies:	<u>\$ 2,840</u>
Total:	\$329,444

16. How is the program funded?

The program is funded through state general funds.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

Governor O'Malley and his administration sponsored successful legislation in his first legislative session (HB 137) that was approved by the Maryland General Assembly and signed into law in April 2007.

18. What equipment, technology and software are used to operate and administer this program?

StateStat uses off-the-shelf technology: Arc View mapping software and the Microsoft Office suite. Additionally, the program utilizes digital cameras as part of the investigative element of the program.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

Yes. This program is a direct descendant of Baltimore's CitiStat program, launched by then- Mayor Martin O'Malley. StateStat, as the name suggests, applies performance-management principles to Maryland state government. The contact at CitiStat is Chris Thomaskuty, Deputy Mayor for Operations, [Chris.Thomaskuty@baltimorecity.gov](mailto:Chris.Thomaskuty@baltimorecity.gov).

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

Yes. As described in the response to Question #13, Washington State's GMAP program is similar in intent but very different in implementation to Maryland's StateStat program. While both are designed to improve the performance of state agencies through accountability, the programs are not alike. StateStat maintains an extensive set of performance metrics updated biweekly by each agency, allowing ongoing and timely analysis of performance. This information fuels biweekly or monthly meetings that are lengthy, in-depth working sessions between the agency leadership and the executive. GMAP meetings are held quarterly, and the meetings are large, public, and drafted ahead of time; StateStat's meetings are frequent and in depth. GMAP meetings are organized by subject matter (e.g., 'workforce development') and will bring several agencies in to talk about their work on that one subject. The meetings are not forums for executive decision-making or in-depth performance analysis as are StateStat meetings. Given the velocity of regular bi-weekly and monthly meetings, StateStat provides Governor O'Malley and his senior staff with an "Executive Dashboard" that allows the Governor and his senior staff to monitor and guide the day-to-day operations of the state agencies and address performance problems in a real-time fashion.

Iowa's Charter Agencies program is also very different from StateStat. This program requires participating agencies to sign a contract committing to a certain dollar amount of efficiencies; the choice of programs to target is up to, and managed by, the agency. This program involves no regular meetings or follow-up, but rather induces compliance through a profit-sharing agreement by which agencies are allowed to keep some of the general funds saved through their programs if they meet the targets in their efficiency contract. Because this program involves no regular follow-up, inter-agency collaboration, or executive involvement, it is a fundamentally different type of program than StateStat.

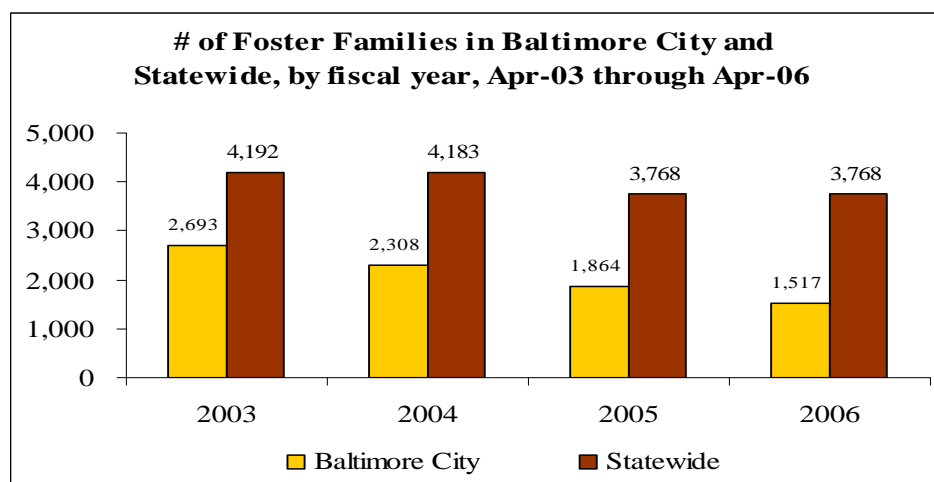
21. Has the program been fully implemented? If NO, what actions remain to be taken?

Plans are underway to bring additional state agencies into StateStat in the coming year. The program already encompasses the major service delivery programs, such as the Department of Human Resources and the Department of Labor, Licensing and Regulation. Expansions of the program will include statewide coordinating and planning agencies such as the Department of Business and Economic Development. As StateStat's sister program, BayStat, builds state-wide GIS capacity, StateStat will also be expanding its use of spatial analysis. This intersection of geography and policy allows the executive to isolate and address resource delivery obstacles.

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

StateStat is a very effective way of both identifying and addressing problems in state government. The following example describes StateStat's application to one critical government function.

Human Services is an important but often underperforming part of state government. One responsibility of Maryland's Department of Human Resources is to recruit foster families. Foster families provide foster children with real homes, unlike the institutional alternative of group homes. When StateStat was implemented for the Department of Human Resources, the StateStat panel discovered that the number of foster families was actually decreasing in Maryland:



In response to this information, the StateStat panel asked the Department of Human Resources (DHR) to undertake an aggressive initiative to increase the number of foster families, *PlaceMatters*. StateStat's involvement in conceptualizing and implementing the *PlaceMatters* initiative to recruit 1,000 new foster families by 2010 demonstrates the four underlying tenants of StateStat.

1) ***Accurate and timely intelligence shared by all.***

When the *PlaceMatters* initiative was initially formulated, the recruitment campaign lacked quantifiable, measurable goals. Without measurable goals, it would have been impossible to assess the progress of the initiative to recruit additional foster families. The Governor and his senior staff challenged DHR to provide a detailed set of foster family recruitment goals, not only for the state as a whole, but for each of the 24 jurisdictions. StateStat incorporated the foster family recruitment goals into the DHR StateStat data template, informing the Governor and his senior staff of the status of foster family recruitment each month.

2) *Rapid deployment of resources.*

Analysis conducted by StateStat demonstrated that Baltimore City had suffered a 43% decline in the number foster families in the last four years, which resulted in a 10% statewide decline from 2003 to 2006. StateStat researched potential reasons for this dramatic decline in Baltimore City and found that the length of time that the Baltimore City Department of Social Services was taking to review and approve foster family applications was a key hindrance in attracting foster families. Applicants received paperwork from Baltimore City at different times during the application process, instead of all at once, at the beginning of the process. Fire safety inspections, which are necessary to approve a prospective foster family's home, would not occur for months on end. StateStat's research brought these issues to light, and StateStat panel identified ways streamline the application process. The Baltimore City Department of Social Services now presents all paperwork up front at the time of application, and the Department's local office in Baltimore City now has inspectors on hand to do inspections within a week's notice. The state Department of Human Resources developed a statewide protocol to bring all other jurisdictions on board with these improved procedures.

3) *Effective tactics and strategies.*

StateStat conducted field research to investigate how the Department receives incoming foster family applications, refers interested applications to local jurisdictions, and ultimately results in recruiting additional foster families. StateStat's field research revealed that the process varied by jurisdiction and lacked uniformity and accountability. For example, initial calls made to the 1-800 foster family recruitment number at the beginning of the campaign went unreturned. Sometimes calls were referred to the local jurisdictions for follow-up, sometimes they were not. As a result of the field research, the Department implemented a statewide protocol to guide the receipt and processing of foster family applications. Follow-up procedures are uniform across the state, and local jurisdictions are held accountable the leadership of department for their execution and performance.

4) *Relentless follow-up and assessment.*

StateStat continues to track the total number of foster families in each of Maryland's 24 jurisdictions on a monthly basis, allowing the Governor and his staff to pinpoint areas of success and areas in which more effort is needed in a real-time basis. Resources are now re-directed to achieve goals, and StateStat works to ensure that the initiative stays on track to meet its goals.

*Excerpt: StateStat Foster Family Tracking Report*

FOSTER FAMILIES	REPORTING PERIOD						
	Sep-07		Oct-07		Nov-07		Dec
JURISDICTION	# of active foster families	# of applications processed and approved	# of active foster families	# of applications processed and approved	# of active foster families	# of applications processed and approved	# of active foster families
Anne Arundel	95	2	99	4	102	7	101
Baltimore City	1405	30	1403	23	1391	11	1392
Baltimore	186	5	184	4	184	6	185
Calvert	25	0	25	0	25	0	28

23. How has the program grown and/or changed since its inception?

Initially, all StateStat agencies participated in a bi-weekly basis. As the program has grown and more agencies have been added, the reporting schedule has been modified for some state agencies to include a monthly reporting cycle.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

Other states might expect to encounter some of the challenges StateStat has faced in its first year of implementation, particularly in the following three areas:

1. **Department Re-Orientation:** Departmental participation in StateStat is mandatory. Several departments have demonstrated a certain degree of “growing pains” as their leadership and staff adjust to the level of disclosure, frequency of meetings, and intensity of interaction with the Governor and his senior staff. As departments progress through the StateStat process, these concerns have dissipated as StateStat analysts have provided the technical expertise and assistance to the departments. Over time, agency leadership and staff have become more familiar and comfortable with the StateStat reporting process.
2. **Data Production Challenges:** StateStat has encountered a number of extremely outdated data systems still in use by state agencies. These systems are mainframes, or web-enabled, rather than web-based, and provide little or no end user accessibility. Pulling timely data from these systems for StateStat meetings is a major challenge; making data available to frontline workers on an ongoing basis is even more difficult. To address this issue, StateStat has worked to help agencies expedite procurements of system replacements or upgrades. In some cases, replacing or upgrading these systems is not possible or practical. In these cases, StateStat assists agencies by disseminating best practices between agencies and informing agencies of state-owned or state-developed data systems and technology resources that may be available at reduced or no cost. Maryland’s Chief Information Officer attends each StateStat meeting to guide these efforts. States encountering data production challenges may want to consider appointing a Chief Information Officer or other such official to coordinate and assist with the states’ data production efforts.
3. **Cultural and Generational Challenges:** StateStat is a data-driven management process that relies heavily on the use of information technology and access to timely information. Though StateStat utilizes relatively simple “off-the-shelf” software, such as Microsoft Excel and Powerpoint, familiarity with information technology and software and the velocity of the flow of information that is expected in StateStat has proven to be a challenge at some departments. Many agencies were data-deficient as they entered StateStat, and building their data sets and core set of programmatic performance measures has been a challenge. In some cases, significant effort was involved to convince state agencies to embrace StateStat and see the reporting process as guiding their day-to-day management of the department, rather than a hassle or some new fad that would go away in a few months. These challenges were overcome as agency leadership and staff came to embrace the use of data as their “steering wheel” to drive management decisions and see StateStat meetings as collegial efforts with the Governor and his senior staff to solve the major problems facing Maryland.