

EVALUATING THE EFFECTIVENESS AND ACCESSIBILITY OF MARYLAND'S MANAGING FOR RESULTS IN RESPONSE TO CHAPTER 281 OF 2018



DEPARTMENT OF LEGISLATIVE SERVICES 2019

Evaluating the Effectiveness and Accessibility of Maryland's Managing for Results

In Response to Chapter 281 of 2018

**Department of Legislative Services
Office of Policy Analysis
Annapolis, Maryland**

November 2019

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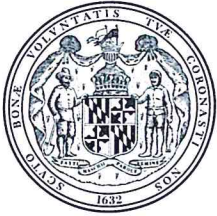
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DEPARTMENT OF LEGISLATIVE SERVICES
OFFICE OF POLICY ANALYSIS
MARYLAND GENERAL ASSEMBLY

Victoria L. Gruber
Executive Director

Ryan Bishop
Director

November 2019

The Honorable Thomas V. Mike Miller, Jr., President of the Senate
The Honorable Adrienne A. Jones, Speaker of the House of Delegates
Honorable Members of the General Assembly

Ladies and Gentlemen:

Chapter 281 of 2018 required that the Department of Legislative Services, in consultation with the Department of Budget and Management, study the effectiveness and accessibility to the public of goals developed in the managing for results (MFR) State plan. The study should include an evaluation of and recommendations on the creation of a consistent and ongoing system to measure government performance. The study should also evaluate (1) how to make agency standards more effective in measuring performance; (2) customer service surveys; (3) StateStat, which is now the Governor's Office of Performance Improvement (GOPI); (4) open data; and (5) how to publish data in graphic form and in a format that is easily accessible to the public.

The study report is divided into five chapters:

- **Chapter 1** provides background and an overview of the report;
- **Chapter 2** reviews performance measures in Maryland and other states;
- **Chapter 3** is an analysis of agency MFR measures;
- **Chapter 4** provides an overview of GOPI, open data, and customer surveys; and
- **Chapter 5** makes recommendations.

The report also includes an evaluation of agency MFR for six agencies: (1) the Department of General Services; (2) the Governor's Office of Crime Control and Prevention; (3) the Maryland Department of the Environment; (4) the Motor Vehicle Administration within the Maryland Department of Transportation; (5) the Division of Labor and Industry within the Maryland Department of Labor; and (6) the Medical Care Programs Administration within the Maryland Department of Health.

November 2019

Page 2

We trust that this report will be useful to members of the General Assembly in future deliberations about State agency performance.

Sincerely,



Victoria L. Gruber
Executive Director



Ryan Bishop
Director

Contents

Letter of Transmittal.....	iii
Chapter 1 Background and Overview of Report	1
Background	1
Overview of This Report.....	2
Chapter 2 Performance Measures in Maryland and Other States	3
Maryland's <i>Managing for Results Annual Performance Report</i>	3
Overview	3
Information Included for Each Priority Area.....	3
Review and Use of MFR Information in Maryland	4
Reporting of Agency Performance Information in Other States.....	5
Georgia.....	5
Indiana.....	5
Michigan	6
Missouri	6
New Mexico.....	7
Oregon.....	7
Texas	7
Virginia	8
Washington	8
Wisconsin.....	9
Lessons Learned from Other States	9
Chapter 3 Analysis of Existing Agency Managing for Results Mission Statements, Goals, Objectives, and Performance Measures	11
Process Used to Evaluate Agency Managing for Results	11
Observations from Agency MFR Review	12
Mission Statements and Agency Goals.....	12

	Agency Objectives	14
	Agency Performance Measures	15
	Limited MFR Despite Extensive Performance Data	16
	Conclusions	16
Chapter 4	Overview of Other State Data	17
	StateStat and the Governor’s Office of Performance Improvement	17
	StateStat	17
	Governor’s Office of Performance Improvement	18
	Open Data	18
	Open Data Council Activities	19
	Role of Open Data	20
	Customer Service Surveys	20
	Governor’s Customer Service Initiative	21
	Annual Report	21
Chapter 5	Recommendations	23
	Recommendations to Increase the Effectiveness and Accessibility of Maryland’s Performance Data	23
Appendix 1	Evaluation of Agency Managing for Results	27
	Department of General Services	27
	Governor’s Office of Crime Control and Prevention	38
	Maryland Department of the Environment	49
	Motor Vehicle Administration	62
	Division of Labor and Industry	68
	Medical Care Programs Administration	74

Chapter 1. Background and Overview of Report

Background

Chapter 281 of 2018 required the Department of Legislative Services (DLS), in consultation with the Department of Budget and Management, to study the effectiveness and accessibility to the public of the goals developed in the Managing for Results (MFR) State Comprehensive Plan developed in accordance with Title 3, Subtitle 10 of the State Finance and Procurement Article and the plan's objectives and performance measures. The study must include an evaluation of and recommendations on the creation of a consistent and ongoing system to measure government performance through an Open Performance Maryland System, including evaluating:

- how to make agency performance standards more effective in measuring performance of the mission of the agency and the services provided;
- the creation or inclusion of existing customer service surveys of agency performance and services as applicable, including those created under the State Customer Service and Business Development Efforts Training Program established under § 14-204 of the Economic Development Article;¹
- whether and how to include agency performance data from the StateStat process established under § 3-1003 of the State Finance and Procurement Article;
- whether and how to include data relevant to agency performance from open data portals developed in accordance with Title 10, Subtitle 15 of the State Government Article; and
- how to publish agency performance data in graphic form and in a format easily accessible to the public, in a manner that demonstrates how an agency is performing and meeting the agency's mission and responsibilities.

¹ This was repealed and replaced by Chapter 5 of 2018, consistent with Article II, Section 24 of the Maryland Constitution. Subparagraph 2-103.1 (d) (4) (iv) of the Business Regulation Article requires that the Maryland Department of Labor's Office of Small Business Regulatory Assistance shall adopt and distribute a standard customer service satisfaction survey for each person the agency serves.

Overview of This Report

In response to Chapter 281, during the 2019 interim, the Office of Policy Analysis (OPA) within DLS examined the following:

- the effectiveness and accessibility of the goals developed in the MFR State Comprehensive Plan;
- the mission statements, goals, objectives, and performance measures of select agencies;
- how other states measure and publish agency performance data;
- the existing StateStat data;
- the existing data relevant to agency performance from open data portals in Maryland; and
- the existing customer service surveys conducted by the Maryland Department of Labor's Office of Small Business Regulatory Assistance.

This report summarizes the findings of the evaluation conducted by OPA and makes recommendations for enhancing the effectiveness and accessibility to the public of the goals developed in the State Comprehensive Plan. Pursuant to Chapter 281, specific recommendations regarding the creation of a consistent and ongoing system to measure government performance through an Open Performance Maryland System are included.

Chapter 2. Performance Measures in Maryland and Other States

Maryland's *Managing for Results Annual Performance Report*

Overview

Maryland's [Managing for Results](#) (MFR), which has been in place for two decades, is a strategic planning, performance measurement, and budgeting process that emphasizes the use of resources to achieve measurable results, accountability, efficiency, and continuous improvement in State government programs. Statute requires the Department of Budget and Management (DBM) to provide an annual report to the Senate Budget and Taxation Committee and the House Appropriations Committee discussing the State's progress toward achieving the goals outlined in the MFR State Comprehensive Plan. DBM's MFR website includes a link to the State's Comprehensive Plan, the *Managing for Results Annual Performance Report*, and State agency performance data for current and prior fiscal years. The State agency performance data outlines each agency's mission, vision, goals, objectives, and performance metrics; this is the same information included in the Governor's Budget Books. A link to agency MFR data can also be found through the [Maryland Transparency Portal](#).

In the most recent *Managing for Results Annual Performance Report* in January 2019, DBM provides data concerning each of the performance measures included in the State plan within five priority areas as determined by the Governor Lawrence J. Hogan, Jr. Administration: (1) economic development and jobs; (2) reduced taxes and fees; (3) fiscal responsibility; (4) government reform; and (5) improved quality of life. Performance for each measure is categorized as strongly favorable (change greater than 10%), favorable (3% to 10%), stable (-2% to 2%), unfavorable (-3% to -10%), or strongly unfavorable (less than -10%) based on the most recent five years of data, where available. Colors are assigned to each of these categories, and the report includes a pie chart of the categories that summarizes overall performance for measures in the State plan.

Information Included for Each Priority Area

For each priority area identified, the report includes both a summary table and a detailed presentation of performance trends. For example, in the area of improved quality of life, which includes indicators relating to education, public safety, health and human services, and the environment, DBM reports that 78.9% of the indicators either performed favorably or held stable between 2015 and 2019. Significant trends in performance within each category are discussed. Within the public safety category, for example, DBM provides the following as particularly notable favorable trends: (1) the number of offenders under the Department of Public Safety and Correctional Services (DPSCS) jurisdiction declined by 9.6%; (2) the percent of all DPSCS cases

released from supervision where the offender was employed at closing grew by 6.9%; (3) youth recidivism (the percent of Department of Juvenile Services youth re-adjudicated within one year after release from all residential placements) fell by 5.7%; and (4) the Part I crime offense rate per 100,000 declined by 11.7%.

The report then includes more detail discussing significant trends in performance in each category, including graphs to highlight key data. In the public safety category, for example, DBM reports that the overall rate of homicides in Maryland declined significantly from 2005 through 2014 but then increased through 2017. The following indicators are then discussed in detail: (1) traffic fatality rate per 100 million miles traveled; (2) Part I crime rate (offenses per 100,000 population); (3) offenders under correctional jurisdiction; and (4) rate per 100,000 of arrests of youth ages 10 to 17 for violent criminal offenses. For each of these indicators, the report discusses trends over the past five years and programs and/or recent legislation aimed at addressing challenges in the area. For example, in discussing Indicator 5.19 (Offenders under Correctional Jurisdiction), DBM includes a graph that shows the number of Maryland offenders under correctional jurisdiction from 2014 to 2018, which shows a steady decline. The report then discusses the recently enacted Justice Reinvestment Act, which seeks to reduce corrections spending and reinvest savings in evidence-based strategies to decrease crime and reduce recidivism.

At the end of the discussion of the significant trends in each category, the annual report includes a chart showing performance detail by reporting year and by indicator. The chart includes the data for each indicator by year – in some cases, this is a percent, and in others, it is raw data. The chart also includes the four-year change (shaded with the colors that identify favorable/unfavorable progress) and the specific target (if there is one). The color-coded trend makes it easy for the reader to identify recent trends for each indicator.

Review and Use of MFR Information in Maryland

According to DBM, the Office of Budget Analysis (OBA) within DBM reviews agency goals, objectives, and performance metrics from April to June each year and reviews the MFR data from September to November each year. Each year, OBA analysts contact the designated agency MFR coordinators to remind them that they can review and update the goals, objectives, and/or performance metrics in the MFR strategic plan during the spring. For agencies that wish to make changes, they must submit any updates by the beginning of June so that OBA can determine if the proposed changes are appropriate. DBM advises, for example, that in 2019, 32 MFR strategic plans were updated, while in 2018, 41 MFRs were updated.

DBM will suggest that agencies make updates to their goals and objectives only if they seem outdated. According to DBM, agencies have ownership over their strategic plans, and DBM does not dictate what success looks like for them. Sometimes, DBM is interested in a specific performance metric and will ask an agency to provide data for that measure.

MFR enables DBM to engage in “performance-informed budgeting” – OBA analysts ask questions about many of the reported metrics to better understand agency operations and priorities. Key MFR metrics are discussed in budget analysis documents, and all metrics are reviewed for data integrity. If an agency requests additional resources through the annual budget process, the agency is required to indicate how additional resources will help meet the agency’s goals and objectives by highlighting what specific performance metric(s) will improve if the request is granted. Similarly, DBM reports that in budget reduction exercises, MFR data is also considered – how will the reduction affect performance?

The Department of Legislative Services’ (DLS) budget analysts also review MFR data as they review the Governor’s proposed budget and often raise issues that lead to recommendations.

Reporting of Agency Performance Information in Other States

The effectiveness and accessibility of state agency performance data in other states varies widely, depending on the state. Several states do not appear to have a central repository for agency performance measures; many of these states only appear to report performance information for select agencies or policy areas. Other states, however, have more centralized systems that aim to provide comprehensive information about performance and the outcomes of state government. A discussion of states that appear to have more comprehensive performance measurement systems is included below. Some of these states use this information in developing their state budgets; others do not.

Georgia

In Georgia, the Office of Planning and Budget (OPB) collects performance measures for State programs to provide accountability and transparency. Performance measures are a key component of Georgia’s budget development process. OPB publishes this information in an annual [Performance Measures Report](#). The report includes performance measures over a four-year period; the data is reported as either raw data or percentages, depending on the measure. OPB’s website also includes [dashboards](#) on six policy areas, although the dashboards have not been updated since 2013. These dashboards are similar to the existing data dashboards created for Maryland by DLS.

Indiana

Among other things, the [Indiana Transparency Portal](#), a joint project of the Office of Management and Budget and the State Auditor, provides links to performance measuring reports for State agencies, schools, and local government. The Performance Measure Dashboard within the portal allows users to view and track the performance of state programs by agency, program, or budget fund. For each agency, the dashboard includes a mission statement and key performance indicators, including a graph for the reporting period and information about why the indicator is important and how it is measured.

Michigan

Measures of department performance are available on the [Open Michigan website](#). The website provides information on the strategic direction and current performance levels of each of the Executive Branch agencies; the information appears to be updated monthly. The website provides access to detailed performance measures in a graphic MiScorecard Performance Summary for agencies in each of six thematic areas, including (1) people, health, and education; (2) quality of life; (3) public safety; (4) public treasury; (5) value for money government; and (6) economic strength. The performance summary includes the metric; a definition of the metric; how often it is updated; the target; a status of green (greater than or equal to 90% of target), yellow (greater than or equal to 75% to 90% of target), or red (less than 75% of target); and a thumbs up/thumbs down/equal sign that shows progress toward the target. In addition to information on department performance, the Open Michigan website includes an open data portal, geographic information systems open data, transportation asset management data, and information on spending and accountability.

For higher education institutions, a performance funding formula was required by law beginning in 2013 to allocate a portion of year-over-year funding increases for Michigan's public universities. Approximately half of funding increases to institutions are allocated proportional to the performance on six performance metrics. For the metrics that measure undergraduate degree completions in critical skills areas and research and development expenditures, the funds are allocated in direct proportion to performance. The four metrics that measure six-year graduation rate, total degree completions, institutional support expenditures (administrative costs) as a percentage of total core expenditures, and percentage of students receiving Pell Grants are measured on a score that compares the institution with national peers and is then weighted based on the institution's enrollment.

Missouri

The Division of Budget and Planning within the Missouri Office of Administration assists state agencies as they prepare annual budgets, using program description forms that provide key information and performance measures. The [Missouri Budget Explorer website](#) features the performance measures of the state's 16 executive departments. Launched in fall 2018, the website gives users a comprehensive review of the state budget (including an interactive tool that allows users to click on a department's bar or percentage to view more information about that department's budget) along with links to more detailed information. These agency links take the user to documents with information about the program, performance measures, data, and graphs.

New Mexico

Pursuant to the Accountability in Government Act of 1978, quarterly reports are required of key state agencies, including performance measures and targets approved for each fiscal year by the Department of Finance and Administration in consultation with the Legislative Finance Committee (LFC), as well as other measures agencies consider important to operations. Each quarter, LFC conducts a detailed review and evaluation of key agency performance reports and performance measures to identify where improvement is needed in reporting and measuring for results. [Quarterly performance report cards](#) are published online by LFC. The report cards are concise, visually appealing, and include information on each agency's performance measures as well as a rating of green, yellow, or red for each measure and the overall program. The process is supported by both the Legislative and Executive branches, and agency budget requests are required to be performance-based.

Oregon

Oregon adopted a multilevel approach to measuring the performance and outcome of state government. The Legislative Fiscal Office (LFO) and the Budget and Management Division of the Department of Administrative Services adopted a set of criteria that agencies must meet when developing measures. During the budget deliberation process, the legislature will approve, disapprove, or change/update each agency's biennial performance measures. Each year, agencies submit an annual performance progress report to LFO. The [progress reports](#) are available online by agency. The annual reports include a list of the approved key performance measures, and a pie chart that shows what percentage of the measures are within 5% of the target (green), 85% to 95% of the target (yellow), or less than 85% of the target (red). The reports include the name of each key performance measure, graphs, data/percentages, targets, a discussion of how the agency is doing, and a discussion of factors affecting results.

The Oregon Progress Board, a state commission, created benchmarks against which state agencies were to chart their progress. However, after the 2009 report was completed, funding for the board was cut and the state discontinued monitoring the benchmarks. In 2014, a similar report was completed by the Oregon Community Foundation and Oregon State University.

Texas

The State of Texas has a performance-based budgeting system. Each agency reports its performance using an automated system. The Legislative Budget Board uses the system to track agency requests for appropriations through the legislative process and agency performance through the biennial budget cycle. During the biennial budget cycle, agencies complete strategic plans, and the Texas legislature establishes agency performance targets in the General Appropriations Act. For example, the Texas Department of Transportation's website includes annual budgetary performance measures based on a stoplight approach (red – 5% or more below target; yellow – within 5% of target; green – meets or exceeds target). Other agencies, such as the Texas

Commission on Environmental Quality, have links to the quarterly and annual reports sent to the Legislative Budget Board through the Automated Budget and Evaluation System of Texas.

Virginia

[Virginia Performs](#), which terminated on July 1, 2017, showed how the state was doing in areas that affect the quality of life for Virginia residents and households. For specific policy areas, indicators were identified, and a scorecard showed the progress that the state had been making in that area (using up/down/horizontal arrows). The 2017 “Scorecard at a Glance” included seven key areas (economy, education, health and family, public safety, transportation, natural resources, and government and citizens); for each of these areas, the scorecard included the state’s goal, key measures, the arrow-based performance trend, and information regarding state influence. Within each key area, the user could click on a specific subtopic, and more information regarding the policy area and related performance was provided. The website is no longer updated, but the information is still available online. State agency performance measures continue to be collected and are available on the Virginia Department of Planning and Budget’s [website](#). This information is not nearly as interactive or visually appealing as the information provided under Virginia Performs; it is provided in table format. However, if the user drills down to a specific measure within an agency, more information is provided, including graphs.

Washington

In 2013, the Governor of Washington issued an executive order that launched a statewide performance management system called [Results Washington](#) to foster continuous improvement across government programs. It also sought to track efforts to achieve five goals statewide – a world-class education system; a prosperous economy; sustainable energy and a clean environment; healthy and safe communities; and efficient, effective, and accountable government. Washington monitors priority areas within each goal. The system tracks approximately 20 outcome measures and key drivers across state agencies that reflect the Governor’s and statewide priorities in these five areas. Online, the information on outcome measures is visually appealing, but it does not print out well. Overall, the website is easy to use and provides a significant amount of information that is readily accessible. For example, under the outcome measure of sustainable energy and a clean environment, one of the objectives is keeping the Puget Sound ecosystem healthy. The user clicks on a photo link to that objective and is taken to a website that provides background information, factors that influence Puget Sound’s ecosystem health, actions that the state is taking to deliver results, and charts that show measures of success (such as the adult Chinook populations, toxic chemical pollution, and the population of southern resident orcas).

Results Washington convenes the Governor and leadership for monthly results reviews; these 90-minute meetings are open to the public and often televised. These meetings provide an opportunity for the Governor, state leaders, and the public to meet to identify challenges and identify strategies to address them.

Wisconsin

The State of Wisconsin required state agencies to develop publicly available online dashboards to report on each agency's performance on core agency functions in 2016 under an executive order issued by the Governor. Agencies were encouraged to engage stakeholders in discussions about agency performance and were required to update the dashboards on a quarterly basis. In addition, as a part of the biennial budget process in Wisconsin, agencies are instructed to report on the performance measures identified in the previous budget and on the actual outcome measures for the previous three budgets. Planned outcome measures are required to be reported for the current budget and the next two biennial budgets. The measures are included in the [Executive Budget Book](#). Otherwise, this information is not readily available online.

For higher education institutions, four broad goals are established by statute for the University of Wisconsin System (UW System). The goals are to grow and ensure student access, to improve and excel at student progress and completion, to expand contributions to the workforce, and to enhance operational efficiency and effectiveness. The law requires the UW System Board of Regents to identify four metrics for each goal that each institution in the system is required to use to measure the institution's progress toward meeting the goals. The law also required the Board of Regents to submit a proposal to the legislature for an outcomes-based funding formula.

Lessons Learned from Other States

States take different approaches in the way they track and report performance measures. Of the states examined in this report, most appear to track and report progress through the Executive Branch rather than the Legislative Branch. Some states have a central location where all agency performance measures are tracked and published. Most states use performance measures to some extent in the budget development process. While several states have performance information available online, only a handful of states have visually appealing and/or interactive platforms that are easily accessible to the public. **Exhibit 2.1** summarizes the attributes of the performance measurement reporting approaches taken by the states examined in this report.

Exhibit 2.1
Attributes of Performance Measurement Reporting
Approaches in Selected States

<u>State</u>	<u>Executive</u>	<u>Legislative</u>	<u>Central Location</u>	<u>Used in Budgeting</u>	<u>Accessible</u>	<u>Interactive</u>	<u>Visually Appealing</u>
Maryland	✓		✓	✓	✓		
Delaware	✓			✓			
Florida		✓		✓			
Georgia	✓		✓	✓	✓		
Indiana	✓		✓		✓	✓	
Iowa	✓		✓	✓			
Michigan	✓		✓	✓	✓	✓	✓
Missouri	✓		✓	✓	✓	✓	
New Mexico	✓	✓		✓	✓		✓
North Carolina	✓	✓		✓			
Oregon	✓	✓	✓	✓	✓		
South Dakota	✓						
Tennessee	✓			✓			
Texas		✓		✓			
Utah	✓						
Virginia	✓		✓	✓	✓		
Washington	✓		✓		✓	✓	✓
Wisconsin	✓		✓	✓			

Source: Department of Legislative Services

Two notable examples, Michigan and Washington, have visually appealing, easily navigable websites that display performance information in a format that is easy for the user to understand. New Mexico has taken a unique approach, with both the Executive and Legislative branches involved in the development and approval of performance measures; the Legislative Branch then evaluates agency performance and publishes performance report cards that are accessible, visually appealing, and include a wealth of contextual information.

Chapter 3. Analysis of Existing Agency Managing for Results Mission Statements, Goals, Objectives, and Performance Measures

As part of the analysis required by Chapter 281 of 2018, the Department of Legislative Services (DLS) conducted a review of the mission statements, goals, objectives, and performance measures of the following six agencies: (1) the Department of General Services (DGS); (2) the Governor's Office of Crime Control and Prevention (GOCCP); (3) the Maryland Department of the Environment (MDE); (4) the Motor Vehicle Administration (MVA) within the Maryland Department of Transportation; (5) the Division of Labor and Industry (DLI) within the Maryland Department of Labor; and (6) the Medical Care Programs Administration (MCPA) within the Maryland Department of Health. This chapter provides an overview of our findings. **Appendix 1** provides more detail of our evaluation of each of these six agencies.

Process Used to Evaluate Agency Managing for Results

In reviewing the Managing for Results (MFR) of these six agencies, DLS considered the following statutory requirements and best practices that the agencies should be taking into account when developing and updating their MFR mission statements, goals, objectives, and performance measures:

- MFR requires that each agency have a mission statement that describes what the agency is attempting to accomplish. A mission statement should be limited to a few sentences and should be easy to understand. Agency goals, objectives, and measures should align with the mission statement.
- MFR requires each agency to select no more than six goals that are either compatible with the MFR State Comprehensive Plan or consistent with the agency's mission if the goals in the State Comprehensive Plan do not apply to the agency. A goal is defined in statute as a broad statement that describes the desired long-term results toward which an agency directs its efforts; goals support, clarify, and provide direction to the agency's mission and assist in the application of State resources toward implementation of the MFR State Comprehensive Plan. According to research on best practices, a goal should be a general statement that charts a clear direction by describing desired outcomes. Goals should be specific to the agency or program, stated in plain language and not quantified, and reflect primary components of an agency's mission in terms of stakeholder needs, personnel, and spending. Goals should not be vague; they should include details about what is to be achieved. Taken together, goals should address the most important aspects of an agency's mission.

- An objective is defined in statute as a specific and measurable short-term target for achievement of an agency's goals and includes a description of the desired results and a target date for accomplishment. Best practices indicate that objectives should be useful in assessing the performance of the agency/program, measurable and clearly defined, attainable, aspirational, and time-limited.
- A performance measure is defined in statute as a quantitative or qualitative indicator used to assess whether an agency is meeting its goals and objectives. According to best practices, a performance measure is a quantified indicator that measures whether an objective is being met. Performance measures should be performance-based with a focus on meaningful outcomes, related directly to the stated objectives, valid and measured in a consistent manner over time, supported by data that is either reported or easily available, and expressed as rates instead of raw data, where possible. All objectives should have at least one performance measure.

Determining what performance indicators that each agency should measure is not necessarily an easy task. Once agency goals and objectives are identified, agencies should create performance measures that enable them to measure progress over time. Examples of questions that the agencies should consider when creating or updating their metrics include: (1) are we accomplishing our mission; (2) are we achieving our strategic goals and objectives; and (3) are our customers satisfied? Outcome measures, which show results of the services provided, should be used whenever possible; such measures assess program impact and effectiveness and show whether expected results are achieved.

Observations from Agency MFR Review

Mission Statements and Agency Goals

Based on the review of select agency MFRs, agency mission statements are appropriate and easy to understand. In general, agency goals reflect the primary components of the agency's mission and address the most important aspects of the agency's mission in terms of stakeholder needs, personnel, and spending. Goals are generally stated plainly, clearly articulated, and easy to understand. However, our review found the following areas for improvement with respect to MFR goals: (1) some goals do not adequately address primary operating responsibilities; (2) some agency-specific goals extend beyond an agency's control; and (3) some goals are not aligned with an agency's mission and are conflated.

DLS also observed cases where agencies adopted statewide goals. The statewide goals often are not entirely under the direct control of the agency. Within GOCCP's MFRs, there is a statewide quality of life goal, with objectives such as reducing opioid-related fatalities, homicides, and nonfatal shootings. While this goal is laudable, it is clear that much of the State's activity

related to this goal is outside of GOCCP's control. While statewide goals have a place in MFR, it should be understood that a given agency is limited in its influence over broad, statewide goals.

Goals That Do Not Address Key Operations

To evaluate performance, it is important that the MFR goals address an agency's key operations. Based on our review, in some cases, key operations receive insufficient attention. For example, DGS has six goals related to its various operating units. Facilities Operations and Maintenance (FOM) is the largest unit, both in terms of budget (50%) and personnel (32%), but none of the agency's goals directly address FOM operations. Goals 4 and 5 address maintenance backlogs and operational efficiencies related to reducing emergency maintenance projects. However, there are no direct measures of operational performance, such as how quickly work orders are made or how satisfied State agencies are with their accommodations.

Goals That Extend Beyond an Agency's Control

Because the purpose of MFR is to evaluate how well an agency is doing, goals should primarily relate to operations over which an agency has direct control.

Goals should be crafted carefully to focus on that which an agency can affect. In DLI, for example, the first goal is to improve workplace safety and prevent injuries. Although this goal addresses a critical function of the division, it is not confined to the division's activity. The goal relates to the safety of private-sector workplaces and privately owned assets, such as railroads and elevators. Although the division is responsible for setting and enforcing safety standards, the implementation of those standards is largely the responsibility of private-sector employers. The inspection and enforcement programs managed by the division play a critical but only partial role in achieving the first goal. Thus, the goal could be more focused on just the division's role with respect to enforcing safety standards. For instance, the goal could be to ensure that all facilities or devices are inspected in a timely fashion and are consistent with manufacturer requirements.

Goals That Do Not Align with an Agency's Mission Statement and/or Are Conflated

Agency mission statements focus agencies so that their activities relate to their areas of expertise. This allows an agency to concentrate on that which it is most competently able to influence. At times, different public policy objectives are conflated, and an agency can stray from its core competency. GOCCP's mission statement, for example, notes that it is a coordinating agency that advises the Governor on criminal justice strategies and plans, promotes, and funds efforts to enhance public safety, reduce crime and juvenile delinquency, and serve victims. GOCCP's second goal is economic development/jobs. The goal appears to conflate two separate objectives: (1) the creation of jobs in the State; and (2) public safety. This goal's objective is to increase the number of grant positions funded to aid in the reduction of crime. While properly staffing the government is an important factor in effectively providing services, it is unclear that increasing funded positions is always the best approach. The objective offers no measures of

success that show why more grant-funded positions lead to the reduction of crime, as opposed to deploying resources differently. The point is not merely to employ people but to effectively deploy resources. At times, the goal to add staff could be at odds with GOCCP's mission to support public safety.

Agency Objectives

Most of the objectives of the agencies evaluated in this report appear to be useful in assessing agency performance. Agency objectives are generally measurable and clearly defined, attainable, aspirational, and time-limited. In addition, there tends to be a clear link between agency goals and objectives. However, there are a number of objectives that do not conform to the evaluation standards used by DLS. Specifically, DLS found the following inconsistencies: (1) objectives lacking targets; (2) targets that are not aspirational; (3) objectives that are unfocused or vague; (4) objectives without associated performance measures; and (5) objectives that have ambiguous phrasing.

Lack of Specific Targets

The most common issue observed in this report relates to objectives that do not have any targets. For example, GOCCP has an objective to conduct GrantState meetings to review the closure of grants, as well as grants in risk, without specifying how often to meet or what share of grants will be reviewed. DGS has objectives to reduce the backlog of critical maintenance projects without specifying by how much. MDE has objectives to reduce air emissions without a specific target. MVA has an objective related to increasing alternative service transactions (less at MVA) but does not specify by how much. Without targets, it is difficult to determine what constitutes success and if an agency is making progress toward its goals.

Targets That Are Not Aspirational

Some agencies have targets, but those targets are not aspirational. For example, DLI's objective to initiate investigation on improperly classified employees within 30 days of reception has a target that this occur 90% of the time, which has been consistently achieved. If a target is easily achieved and not adjusted over time, an agency could stagnate. Targets should be aspirational to encourage agencies to improve over time.

Objectives That Are Vague and Unfocused

Some agency objectives are vague and unfocused. For example, MDE has an objective to respond to environmental emergencies to reduce risk to public health and the environment. This objective is vague, and there is no quantified target associated with it; a more specific and meaningful objective might relate to the percent of environmental emergency calls received that MDE responds to each year.

Objectives without Corresponding Performance Measures

Each objective should have a performance measure associated with it. In some cases, agency objectives do not have performance measures. For example, MDE has an objective to achieve attainment with the eight-hour ozone and PM2.5 standards in the Baltimore and Washington metropolitan areas and Cecil County. While there is a measure that relates to attainment with the eight-hour ozone standard, there is no measure that relates to attainment with the PM2.5 standard.

Objectives That Have Ambiguous Phrasing

Ambiguous phrasing is also a concern. For instance, DLI has an objective to reduce the dollar amount of underpayments recovered on prevailing wage projects to \$533 per project. The objective relates to the amount of wages recovered rather than wages owed. DLI advises that the goal is meant to reflect successful enforcement, resulting in fewer and less serious violations, but its current phrasing can be interpreted to provide a disincentive to fully recover wages owed if they exceed the \$533 per project goal.

Agency Performance Measures

Overall, the performance measures of the agencies evaluated in this report are performance-based and focused on meaningful outcomes. In general, the measures relate directly to the stated objectives. However, the review of select agency performance measures found that some measures (1) do not provide any context or measure of progress; (2) do not relate to a specific objective; or (3) are missing data.

Lack of Context or Measure of Progress

A number of performance measures do not provide any context so that it is clear how well an agency is performing. For example, DGS' performance measure relating to the number of building checks shows that 60,161 checks were performed in fiscal 2018. While this number seems impressive, it is unclear how often different parts of buildings are checked or what share of DGS properties this affects, which makes it difficult to evaluate the effectiveness of this measure. Similarly, MVA measures walk-in transactions. This performance measure demonstrates the number of MVA transactions that are still conducted in person by walk-in customers. This performance measure is displayed as a raw number and does not clearly contribute to understanding the progress MVA is making toward improving the customer experience.

Measures That Do Not Relate to an Agency Objective

Some performance measures exist that do not relate to a specific objective. MDE, for example, has a performance measure (the Statewide Maryland Recycling Act rate) that does not

appear to directly measure any of the agency's objectives. There is no objective or associated target directly related to the recycling rate.

Performance Measures with Incomplete or Missing Data

While agency performance data is generally complete, and often more than a decade of data is provided, some performance measures are missing data. For example, GOCCP has performance measures relating to opioid deaths, local management board grant monitoring report findings, and children's cabinet-funded programs demonstrating improvements. However, these programs do not have any estimates for 2019 and 2020.

Limited MFR Despite Extensive Performance Data

In most of the agencies examined in this report, the MFR process appears to provide a reasonable evaluation of agency performance. Agency mission statements, goals, objectives, and performance measures align to give a sense of how a specific agency is performing. In general, available data is used to evaluate performance. As a result, the recommendations made by DLS, for the most part, reflect modest changes to improve the alignment between agency goals and performance measures.

With respect to the Medical Assistance Program (Medicaid), however, the MFR data is limited even though a substantial amount of additional data is available. DLS' observation is not that Medicaid MFR is poorly done; it is that substantially more data is available and is used in different settings to evaluate performance, which implies that MFR could be expanded to be more robust.

In the case of data-rich agencies, such as Medicaid, the sheer abundance of data can make it difficult for an agency to choose what to measure. Nonetheless, an attempt should be made to comprehensively evaluate performance when available data permits an agency to do so.

Conclusions

Based on the agencies reviewed by DLS, agency missions, goals, objectives, and performance data generally provide an informative review of agency performance. While DLS has observed that there are opportunities for improvement, most MFR data is entirely appropriate. This review does note that one agency (MCPA, which includes the Medicaid program) has extensive data that is not being robustly utilized within MFR. This implies that MFR could be expanded for a more comprehensive evaluation of the performance of MCPA.

Chapter 4. Overview of Other State Data

Chapter 281 of 2018 required the Department of Legislative Services (DLS) to evaluate whether and how to include performance data from the StateStat process established under § 3-1003 of the State Finance and Procurement Article in a system to measure government performance. Chapter 281 also required DLS to evaluate whether and how to include data relevant to agency performance from open data portals developed in accordance with Title 10, Subtitle 15 of the State Government Article. Finally, Chapter 281 required DLS to evaluate the creation or inclusion of existing customer service surveys of agency performance and service as applicable to an ongoing system to measure government performance. This chapter addresses these requirements and also discusses the Governor's Office of Performance Improvement (GOPI), which has taken the place of StateStat under the Governor Lawrence J. Hogan, Jr. Administration.

StateStat and the Governor's Office of Performance Improvement

StateStat

Established by Chapter 7 of 2007, StateStat was an Administration initiative to bring a management accountability process into the Executive Branch. Specific agencies were selected for participation. Generally, StateStat staff met monthly with selected agencies but sometimes met more frequently with larger and more complex departments. Each agency selected to participate in StateStat was required to:

- adopt a strategic plan and establish goals for its operation;
- adopt a comprehensive set of performance and citizen satisfaction measurements;
- regularly and frequently:
 - submit timely and accurate data;
 - review and analyze its submitted data; and
 - attend accountability meetings to assess its performance;
- continuously review its strategies and tactics to meet its goals; and
- continuously assess its progress toward meeting its goals.

When introduced, StateStat relied heavily on data and regular meetings between StateStat staff and agencies. When fully operational, StateStat included 9 positions and a budget of more than \$700,000.

Governor's Office of Performance Improvement

The Hogan Administration modified the StateStat program. Executive Order 01.01.2015.26 was signed by the Governor on October 8, 2015. The order created GOPI in place of StateStat. Staff was reduced from 9 to 4 positions. The fiscal 2019 budget is approximately \$380,000.

GOPI works with individual agencies to improve performance, improve customer service, and support open data. To improve performance, GOPI offers the Performance Improvement Champions Workgroup, advanced Microsoft Excel training, and Lean 5S training and certification. The office also administers the Governor's Customer Service Survey, publishes weekly reports for agencies participating in the Customer Service Survey, and co-authors the Governor's Customer Service Initiative Annual Report. GOPI supports open data, and the director of GOPI is the vice-chair of the Maryland Council on Open Data.

The executive order also requires that GOPI publish information regarding the progress of agencies and departments meeting strategic goals on its website. GOPI advises that the link can be found on the GOPI website homepage to Managing for Results (MFR). GOPI collaborates with the Department of Budget and Management (DBM) to support their program and does not run a separate or duplicative program for performance measures.

Open Data

As required by Chapter 281, DLS also reviewed the open data required by §§ 10-1501 through 10-1504 in the State Government Article to determine if and how data relevant to agency performance from open data portals should be included in a system to measure government performance. This section examines the State's open data laws, policies, and activities.

Recent Administrations have been encouraging State agencies to make more data available to the public. The State enacted an open data law, Chapter 69 of 2014, to codify a process by which data is released. The purpose of Chapter 69 was to establish a State policy that open data be machine readable and released to the public.

Chapter 69 also created the Open Data Council to establish the State's open data policies and promote open data. Council membership includes State agency designees, legislators, local government officials, and nongovernment employees from private, academic, or nonprofit organizations. The Department of Information Technology (DoIT) staffs the Open Data Council and coordinates the State's open data processes.

Open data has been defined by Chapter 69 to be machine readable and released to the public in a way that makes the data easy to find, accessible, and usable. This includes geospatial data and geographic information systems (GIS). Exceptions to what is considered open data include data that violates the law, endangers the public, hinders government operations (including law

enforcement), imposes undue financial or operational burdens, or is confidential. Agencies are not required to put draft data on open data portals.

Open Data Council Activities

The council has developed policies and built the infrastructure that State agencies use to provide open data. The State has two portals:

- an [Open Data Portal](#); and
- a [GIS catalog](#).

The council and DoIT encourage agencies to post data on these two portals. DoIT offers outreach and training for State agencies. This includes increasing knowledge and transparency about the value and reliability of Maryland's open data portals. DoIT is also making improvements to software, such as improved management systems and automated updates, to simplify managing open data.

A recent example of DoIT's open data initiatives is the [Maryland Transparency Portal](#). The portal, which was made available in August 2019, was created for DBM to provide summary information about the State's operating budget, State grants and loans, and payments made to vendors. The transparency portal has interactive graphs that lets users drill down into areas of interest. Users can find budget data about policy areas, such as health or public safety, funds, and personnel. State spending by vendors offering services to State agencies is also provided by vendor and by State agency.

Since the law was enacted, the State has increased how much data is available to the public. DoIT advises that, as of September 2019, open data and GIS portals now have:

- 41 agencies posting data;
- 1,424 data sets;
- 5,323 unique monthly hits for the homepage (excluding bots) and 8,469 hits if search engines are included; and
- 100 agency staff trained annually.

There are certainly more data sets that can be made available. There are also concerns that some data sets are not updated as soon as new data is available. Recent council meetings have addressed issues raised by users.

Role of Open Data

Open data makes data available to the public, which improves transparency and provides an important source of data for citizens, businesses, academia, nonprofits, other governments, and others. Open Data Council meetings are not only attended by members of the council but are also attended by the public, suggesting that there is significant interest in State government data. Demographic, health, public safety, transportation, education, business and economic, environmental, and GIS data are provided. While much of the data does not relate to State agency performance, it is valuable to several entities. Although open data does not provide performance measures like MFR does, it complements performance measures by offering different data sets that the public can use. The Administration should be encouraged to continue to develop and expand open data.

Customer Service Surveys

Chapter 281 required DLS to evaluate whether existing customer service surveys of agency performance and services, including those created under the State Customer Service and Business Development Efforts Training Program established under § 14-204 of the Economic Development Article, should be included in a consistent and ongoing system to measure government performance. However, in that same year, Chapter 5 of 2018 repealed § 14-204 as part of a reorganization of the Executive Branch; under the reorganization, the State Customer Service and Business Development Efforts Training Program was transferred from the Department of Commerce to the new Office of Small Business Regulatory Assistance in the Maryland Department of Labor.

Under the reorganization, the program is not charged with creating customer service surveys. Instead, it is charged with developing standards that incorporate best practices for providing excellent customer service. State agencies are charged with developing customer service improvement plans and with adopting and distributing standard customer service satisfaction surveys to each person served by the agency. The program advises that the six customer service standards are: (1) all employees must complete customer service training; (2) all employees are required to have a link at the bottom of their email with a three-question customer service survey (discussed below); (3) leadership at agencies lead by example and discuss the importance of customer service at senior leadership meetings and staff meetings; (4) agencies are required to produce an annual report on customer service; (5) all agencies have a designated customer service liaison; and (6) the Governor's Customer Service Promise. The Governor's Customer Service Promise states that:

- we will be helpful and supportive and have a positive attitude and passion for what we do;
- we will be proactive, take initiative, and anticipate your needs;

- we will always aim for 100% accuracy and be consistent in how we interpret and implement State policies and procedures;
- we will continue to simplify and improve access to information and resources; and
- we will advance a culture of honesty, clarity, and trust.

Governor's Customer Service Initiative

As noted previously, the Governor's customer service initiative asks individuals who conduct business online with a State agency to complete a brief customer service survey following their interaction/transaction. State employees are also required to include a link to the survey in all of their emails. The survey consists of the following questions/items:

- overall, how satisfied are you with the customer service provided? (5-point scale);
- to what extent do you agree with the following statement – the State agency made it easy for me to handle my issue (5-point scale); and
- comments/suggestions about our service (open-ended).

Annual Report

The Governor publishes a *Statewide Customer Service Annual Report*. The report indicates that the customer service surveys described above yielded an overall satisfaction rating of 87% in fiscal 2018 (based on 51,463 total responses); it does not distinguish between those who were very satisfied and those who were somewhat satisfied, although internal reporting by the program does track that information. In addition, 77% of respondents agreed that the agency had made it easy for them to handle their issue (69% strongly agreed and 8% somewhat agreed).

The survey results provide a useful overall rating of customer service provided by State agencies, but the survey questions are not linked to the elements of the customer service promise, and there are no specified performance objectives linked to the standards. Moreover, the data is not disaggregated by agency (although internal reporting also tracks results by agency).

Chapter 5. Recommendations

Recommendations to Increase the Effectiveness and Accessibility of Maryland's Performance Data

Maryland's *Managing for Results Annual Performance Report* includes a wealth of information regarding the existing performance measures included in the State plan within the priority areas determined by the Administration. Likewise, the State agency performance reports outline each agency's mission, vision, goals, objectives, and performance metrics. The statewide report and agency performance data are accessible on the Department of Budget and Management's (DBM) website but are not prominent or easy to find. They are also not particularly interactive or visually appealing. Thus, there is room for improvement in how, when, and where agency performance data is published. Based on an analysis of the performance metrics of select State agencies, there is also room for improvement in the actual goals, objectives, and performance measures used by the agencies so that, taken together, metrics are more effective in measuring performance of agency missions and services provided. This chapter provides several recommendations for increasing the effectiveness and accessibility of Maryland's performance data.

Recommendation 1: Create a one-stop shop for State government transparency data, agency performance data, and open data. Specifically, the State should expand the newly launched Maryland Transparency Portal to include a new Open Performance Maryland System (see Recommendation 2) and the existing Open Data Portal.

The State has a wealth of government data available on various websites. For example, agency Managing for Results (MFR) data can be found on DBM's website, while other websites house the Maryland Transparency Portal and Maryland's Open Data Portal. While the information and data that the State makes available is impressive, it could be more transparent and accessible if it were on one website. Ideally, the existing Maryland Transparency Portal would be expanded to include the new Open Performance Maryland System (see Recommendation 2) so that users can go to one single public website for information on the State's budget, State grants and loans, payments made to vendors, and agency performance information. The State's Open Data Portal should also be easily found within the Maryland Transparency Portal.

While the concepts behind open data, transparency data, and performance data are distinct, all three relate to open government and transparency. Accordingly, providing access to all of this information through a single website may be helpful in increasing the accessibility of open data, transparency data, and performance information to users. Again, because transparency and user friendliness is important, all of this information should be easily found on one website that enables a user to navigate with minimal clicks.

Indeed, our research on other states suggests that several states struggle with how and where to display agency performance data and other state government data. Some states, however, make data easily accessible on one website.

Recommendation 2: Establish an Open Performance Maryland System within the Governor's Office.

In an effort to keep agency performance data in a central location while increasing the profile and accessibility of that information, the Department of Legislative Services (DLS) recommends the establishment of an Open Performance Maryland System within the Governor's Office. This new system should utilize the Maryland Transparency Portal to present all of the State's transparency data. The system would show the State's performance measures in a way that is visually appealing and easily accessible.

DLS believes that the Governor's Office is the entity that makes the most sense to administer the Open Performance Maryland System for the following reasons: (1) because the Governor oversees the implementation of State policy priorities through the Executive Branch, it makes sense that the Governor's Office be the entity that ultimately chooses how success toward those priorities is measured and that it house the system to measure performance; (2) because the Governor has ultimate control over the Executive Branch agencies, the Governor's Office should be able to easily obtain data and information from the agencies; and (3) our review of other states indicates that in most states, the Executive Branch takes the lead on publishing agency performance information.

Executive Branch agencies should continue to measure agency performance and would be responsible for either uploading agency data to the new system via a portal or providing the information directly to the Governor's Office for office staff to upload to the new system. The Governor's Office of Performance Improvement (GOPI) could provide oversight. The data should be published on the Maryland Transparency Portal and located in a prominent place on the Office of the Governor's website so that it is easily accessible to the public.

In establishing the new system, the Governor's Office should determine the format to be used to display agency performance information. Among other things, the website should be easily navigable (minimizing the number of clicks a user must make), interactive, and visually appealing. In considering options, the Governor's Office should examine the websites of other states included in this report for examples.

Recommendation 3: Amend the existing law governing MFR and StateStat to repeal obsolete references and to address the implementation of the new Open Performance Maryland System.

Existing statute governing MFR and StateStat (State Finance and Procurement §§ 3-1001 *et seq.*) should be amended to repeal obsolete references and to address the implementation of the new system. StateStat was reorganized by the Governor Lawrence J. Hogan, Jr. Administration

through Executive Order 01.01.2015.26. This is now GOPI, and its responsibilities are different than the responsibilities outlined in statute for StateStat. Accordingly, the Administration should amend the law to remove obsolete references relating to StateStat. In addition, because GOPI supports agency performance and open data, it is the best-positioned entity within the Governor's Office to implement a new Open Performance Maryland Portal; statute should also be amended to require GOPI to implement the new system.

Recommendation 4: Agency performance data should be measured at least annually but updated more frequently if data is available.

While agencies should continue to be responsible for tracking performance data over time, the Governor's Office should establish a system to ensure that performance data is measured as frequently as possible. While some performance measures may only be able to be measured annually, others may be able to be measured on a monthly or quarterly basis.

As updated data is provided to the Governor's Office by the agencies, the new system should be updated so that the most recent data is reflected at any given point in time.

Recommendation 5: Establish a more formal process for the legislative review of State agency goals, objectives, and performance measures.

While a formal process already exists for the annual review of agency performance metrics by DBM, and while DLS budget analysts incorporate a review of MFR data during their analysis of the Governor's proposed budget, a more formal legislative review of agency performance should be undertaken. DLS recommends that public hearings on agency performance be held each fall by appropriate legislative committees.

As discussed earlier and included in Appendix 1, in preparing this report, DLS conducted a review of the MFR metrics of select agencies and made recommendations for improvement. DLS should periodically review agencies' MFRs.

Recommendation 6: During its annual review of MFRs, DBM should consider the agency-specific recommendations included in Appendix 1 and any future recommendations made by DLS.

The recommendations included in Appendix 1 should be taken into consideration during DBM's annual review of MFRs. As DLS conducts additional reviews in the future, any resulting recommendations should also be considered by DBM during its annual review.

Recommendation 7: Include the customer service surveys from the Governor's Customer Service Initiative in the development of the new system.

DLS recommends that the customer service surveys be included in the new Open Performance Maryland System but that they be expanded and/or rewritten to better align with

specific customer service goals and objectives. Moreover, results should be disaggregated by agency or program and potentially by the type of service being provided (*e.g.*, general inquiry, consumer complaint, professional licensure, *etc.*).

Appendix 1

Evaluation of Agency Managing for Results

Department of General Services

Agency Description

The Department of General Services (DGS) provides an array of services for State agencies. DGS' primary function is to serve as a landlord that operates and maintains buildings and also provides security for those buildings. DGS manages State construction projects, acquires and disposes real estate, and is the State's primary procurement oversight agency. The department also administers a grant program and is a procurement control agency.

Since DGS primarily supports State agencies, the department has fewer interactions with the public than many other agencies do. Although some functions, like the capital grant and loan program, interact with the public, most programs serve State agencies.

Exhibit 1 shows that in fiscal 2020, DGS has 631 regular employees and a budget of \$111 million. Facilities Operations and Maintenance (FOM) is the largest agency in terms of both spending and personnel.

Exhibit 1

Department of General Services Spending and Personnel Counts

Fiscal 2020
(\$ in Millions)

<u>Agency</u>	<u>Spending</u>	<u>% of Total</u>	<u>Personnel</u>	<u>% of Total</u>
Facilities Operations and Maintenance	\$55.3	50.0%	203	32.1%
Planning, Design, and Construction ¹	20.5	18.5%	94	14.9%
Security	14.7	13.3%	179	28.3%
State Procurement	9.0	8.2%	73	11.6%
Business Enterprise	4.9	4.4%	27	4.3%
Executive Direction and Administration	3.7	3.3%	30	4.8%
Real Estate Management	2.6	2.3%	26	4.2%
Total	\$110.7	100.0%	631	100.0%

¹ Includes the Energy Office.

Source: Fiscal Digest of the State of Maryland for the Fiscal Year 2020

Approximately \$51 million (46% of total spending) supports salaries and wages. Other large costs include \$23 million (21%) for contractual services (primarily maintenance, janitorial, and security services), \$15 million (14%) for energy, and \$12 million (11%) for critical maintenance projects.

Since the mission is to provide an array of services, the department's workforce is varied. In terms of personnel, the largest agencies support facilities operations and maintenance and security. These agencies employ maintenance positions, including janitors, electricians, painters, and stationary engineers as well as security personnel. In addition, DGS has construction and design engineers, procurement officers, and real estate professionals.

DGS also struggles with high turnover and vacancy rates, which are routinely in excess of 10%. The Department of Legislative Services (DLS) has reviewed personnel issues and compared DGS' salaries of the most common positions in each agency with other similar positions in local governments.¹ In seven of eight cases, DGS had the lowest paying position, and in one case, DGS had the second lowest paying position. This suggests that high turnover and vacancy rates are, at least in part, attributable to low salaries.

Review of Managing for Results

The department's mission is to be the "accessible, accountable support agency delivering expertise, essential services and facilities operations and management to the State in order to enhance the quality of work and life environments for our stakeholders and the citizens of Maryland."

DGS' vision is to "be the premier partner to our sister agencies, delivering support, expertise and essential services as needed to facilitate their missions on behalf of the citizens of Maryland."

The following examines the department's six goals along with the corresponding objectives and performance measures.

Goal 1: Provide Best Value for Customer Agencies and Taxpayers

The first Managing for Results (MFR) goal is to provide value. This goal is agency-specific and stated in plain language that is easy to understand. The goal is supported by five objectives that are measureable. The objectives primarily support State Procurement, Real Estate Management, and Business Enterprise Administration. One objective, that 85% of customer satisfaction surveys are "very satisfied," could relate to the entire department.

Specific performance measures quantify workload, efficiency, and value. **Exhibit 2** shows that there are four measures of value, two measures of efficiency, and two measures of workload. Three of the measures are well above the target, and one objective relating to the number of very satisfied survey results was below the target in fiscal 2018.

¹ The counties used in the comparison were Baltimore City, Cecil, Montgomery, and Washington counties.

Exhibit 2
Performance Measures
Fiscal 2018-2020 Est.
(\$ in Millions)

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Estimated</u>	<u>2020</u> <u>Estimated</u>	<u>Target</u>
Value				
Statewide Contracts Available to Agencies	225	400	400	n/a
Percent of Real Estate Contracts Negotiated at Favorable Terms to the State	98%	95%	95%	90%
Percentage of “Very Satisfied” Surveys Received	73%	80%	85%	85%
Percent of Bond Bills with a Term Ending That Fiscal Year, Zeroed-out within 60 Calendar Days of the Term Deadline	85%	90%	95%	80%
Efficiency				
Percent of Large Procurements Completed within 90 Days	94%	90%	90%	80%
Rate of Surplus Property Turnover	95%	96%	96%	Increase
Workload				
New Procurements	223	235	245	n/a
Total Value of Annual Procurements	\$166	\$174	\$182	n/a

Source: Department of Budget and Management

For four of the measures, there are no specific targets. The workload measures are not specifically linked to an objective. One of the value measures, the number of statewide contracts, is related to market conditions and, though important, may not be entirely controllable by DGS. As such, it may not be reasonable to set a target for this.

Goal 2: Provide a Safe and Secure Environment

Goal 2 is to provide a “safe and secure environment for State employees and visitors in complexes secured by Maryland Capital Police.” As Exhibit 1 shows, 28% of DGS’ employees support facility security. This objective is agency-specific and clearly stated. The goal has two objectives:

- to reduce criminal activity in buildings; and
- to develop and offer active assailant, active shooter, and shelter-in-place training for State-served facilities, private institutions, and local communities.

These objectives, which are clearly defined, do not include specific targets that measure success. **Exhibit 3** shows that this goal also has three performance measures. The measures are clearly defined, measurable, and relevant. However, it is difficult to put the “Building Checks” measure in context. Although upward of 60,000 building checks are done, it is unclear how often different parts of buildings are checked or what share of DGS properties this effects, which makes it difficult to evaluate how effective this measure is.

Exhibit 3
Facility Security Performance Measures
Fiscal 2018-2020 Est.

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Estimated</u>	<u>2020</u> <u>Estimated</u>	<u>Target</u>
Thefts at DGS-managed Facilities	32	31	23	Reduce
Number of Building Checks	60,161	63,000	65,000	n/a
Total Individuals Participating in DGS-offered Training	850	892	950	n/a

DGS: Department of General Services

Source: Department of Budget and Management

Goal 3: Social and Economic Responsibility

Goal 3 is to “carry out social and economic responsibility.” Social responsibility usually refers to increasing opportunity and fairness, such as encouraging minority-owned, small, or veteran-owned businesses. It is unclear specifically what economic responsibility is; it could relate to those same categories of businesses, or it could relate to the best value for citizens in Goal 1. This goal targets DGS’ procurement responsibilities.

There are four objectives supporting this goal. All objectives are clearly articulated, relate to the goal, and are measurable. **Exhibit 4** shows the seven performance measures. The first two measures, relating to Equal Employment Opportunity job categories and Minority Business Enterprise (MBE) participation, relate to the first two objectives and have clearly defined targets. The other five measures show dollars awarded through MBE, Small Business Reserve (SBR), and Veteran-Owned Small Business Enterprise (VSBE) programs.

Exhibit 4
Social and Economic Responsibility Performance Measures
Fiscal 2018-2020 Est.
(\$ in Millions)

	<u>2018 Actual</u>	<u>2019 Estimate</u>	<u>2020 Estimate</u>	<u>Target</u>
Measures with Specific Targets				
EEO Job Categories That Meet or Exceed Statewide Goals	21	21	21	Annually Increase by 1
Percent MBE Participation	15%	15%	17%	29%
Measures Showing Dollars Awarded				
Total Dollars Awarded to MBE Firms (Prime/Subcontract)	\$19.5/\$9.7	n/a	n/a	n/a
Total Dollars Paid to MBE Firms (Prime/Subcontract)	\$10.6/\$2.0	n/a	n/a	n/a
Dollars Paid to SBR Firms under Designated Procurement Contracts	\$7.4	\$10	\$12	n/a
Dollars Paid to SBR Firms under Nondesignated Procurement Contracts	\$24.3	\$10	\$12	n/a
Dollars Awarded/Paid to VSBE Firms	\$2.4/\$6.4	n/a	n/a	n/a

EEO: Equal Employment Opportunity
MBE: Minority Business Enterprise

SBR: Small Business Reserve
VSBE: Veteran-Owned Small Business Enterprise

Source: Department of Budget and Management

Curiously, two objectives clearly articulate targets but do not have performance measure that correspond to those targets, specifically:

- objective 3.3 is to “annually meet or exceed the SBR participation of 15% of annual payments under designated procurements.” As the exhibit shows, there are SBR measures, but there is not a measure that demonstrates how close DGS is to the 15% target; and
- objective 3.4 is to “annually meet or exceed the VSBE participation rate of 1% for the department’s total awarded and spent procurement dollars.” This is measured in total dollars awarded and spent, but there is no performance measure showing VSBE’s share of total awards.

Goal 4: Maintain DGS-owned Buildings

Goal 4 is to “effectively maintain the condition of DGS-owned facilities to provide a comfortable environment for State employees and visitors.” This goal’s objective is to reduce the incidence and cost of emergency maintenance projects through scheduled maintenance. This keeps costs down and reduces operational disruptions. This addresses the responsibilities of the Office of Facilities Planning, Design, and Construction.

The goal is agency-specific and stated in plain language that is easy to understand. The goal has one objective that is measurable and appropriate, but the objective does not include any specific targets.

Exhibit 5 shows that the State regularly spends \$3 million on emergency projects. DGS’ strategy is to improve scheduled maintenance so that the need for emergency maintenance projects is reduced. Recent steps taken include procuring a Computerized Maintenance Management System, implementing an expedited process for small procurements, adding 4 project manager positions, and bundling smaller projects in similar locations to realize efficiencies. In fiscal 2020, the Administration provided additional positions so that DGS can reconstitute the statewide Facility Condition Assessment Unit to gather data about the condition of State facilities.

Exhibit 5 Building Maintenance Performance Measures Fiscal 2018-2020 Est. (\$ in Millions)

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Estimated</u>	<u>Target</u>
Ratio of Preventive Maintenance to Unscheduled Work Orders	1.56:1	4:3 ¹	5:3 ²	Increase Ratio
Annual Cost of Emergency Maintenance Projects at Department of General Services-owned Facilities	\$2.8	\$3.5	\$3.8	Reduce Costs

¹ To compare to fiscal 2018 and 2020, 4:3 is equal to 1.33:1.

² To compare to fiscal 2018 and 2019, 5:3 is equal to 1.67:1.

Source: Department of Budget and Management

The MFR process did not begin tracking emergency maintenance performance data until fiscal 2017, so it is unclear to what extent these changes have improved maintenance over a longer period of time. However, the performance measures suggest that little progress will be made. The Administration and General Assembly provided additional funds for maintenance projects (as discussed in more detail in the next section). DGS may revise the fiscal 2019 and 2020 indicators when preparing the fiscal 2021 budget to reflect these added resources.

For ease of comparison, DGS should consider using a common factor in the performance measure concerning the “ratio of preventive maintenance to unscheduled work orders.” For example, the estimate for fiscal 2019 is 4:3, which is equal to 1.33:1. Since it is easier to compare 1.33:1 to 1.56:1 (the fiscal 2018 value), it is preferable to use 1 as the ratio of unscheduled work as a common factor.

Goal 5: Improve Conditions of State’s Facility Assets

DGS’ penultimate goal is to “improve the conditions of the State’s facility assets.” This is similar to Goal 4, related to the condition of DGS facilities but expands it to include facilities owned and managed by other State agencies, like the Department of Natural Resources (DNR) or the Department of Public Safety and Correctional Services (DPSCS). This goal does not include State universities. These programs are administered by the Office of Facilities Planning, Design, and Construction. As with the previous goal related to facility conditions, this goal is agency-specific since DGS is responsible for maintenance projects at DNR and DPSCS facilities. The goals are stated in plain language that is easy to understand.

The objective is to reduce the project backlog in the State’s maintenance programs. The objective is measurable and relevant but does not include any specific targets. **Exhibit 6** shows that the estimated cost of the backlog was \$199 million at the end of fiscal 2018. DGS anticipates reducing the number of projects on backlog statewide. This is attributable to initiatives discussed under Goal 4 and also to additional funding, which increased from \$13 million in fiscal 2016 to \$45 million in fiscal 2020. DGS anticipates that operational steps taken to improve facilities maintenance and additional funding for these projects will reduce the backlog.

Exhibit 6 Asset Condition Performance Measures Fiscal 2018-2020 Est. (\$ in Millions)

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Estimated</u>	<u>Target</u>
Annual Funding Appropriation for Statewide Maintenance Program ¹	\$22.5	\$30.6	\$44.9	n/a
Total Estimated Dollar Value of Projects on Backlog Statewide	\$199.3	\$187.3	\$180.6	Reduce Backlog
Percent Change in the Number of Projects on Backlog Statewide	-4%	-11%	-11%	Reduce Backlog
Annual Cost of Emergency Maintenance Projects Statewide	\$6.6	\$4.0	\$4.0	Reduce Costs

¹ Fiscal 2019 and 2020 data adjusted to reflect actions taken in the fiscal 2020 Budget Bill.

Source: Department of Budget and Management

Goal 6: Reduce Energy Consumption

DGS' final goal is to reduce State government energy consumption. Since much of this energy is used at DGS facilities, and energy is the third largest cost for DGS behind employee salaries and contracts, it is reasonable for DGS to adopt an energy consumption reduction goal. However, a substantial amount of energy is used on properties that are not managed by DGS. Examples include lights on State highways and light rail trains operated by the Maryland Department of Transportation (MDOT), prisons operated by DPSCS, and State universities. In fiscal 2020, appropriations budgeted for electricity in MDOT, DPSCS, and the universities each exceed the amount that is budgeted for electricity in DGS. Consequently, there is a substantial amount of energy consumption over which DGS does not have operational control.

To reduce energy use, the Administration issued an executive order in June 2019. The goal is that by fiscal 2029 energy consumption will be reduced by 10% compared to fiscal 2018. DGS advises that the department will rely on the influence of the executive order as an impetus for all Executive Branch agencies to reduce their energy use. The executive order requires DGS to submit an annual report to the Governor, and agencies will be given an opportunity in that report to highlight their efforts to save energy. DGS sees the annual report as a motivator for agencies.

DGS' two objectives for the energy reduction goal are to:

- ***Facilitate Energy Performance Contracts (EPC):*** When administering an EPC, the State procures a third party that examines a facility with the goal of replacing older equipment, such as heating, windows, and lighting, with newer energy-efficient equipment. Typically, the cost savings exceed the replacement costs. The payback period is up to 15 years. This arrangement reduces both energy consumption and annual spending. The objective does not include any specific targets.
- ***Increase DGS' Ability to Accurately Measure Statewide Energy Consumption:*** Energy metering in State buildings is inefficient. In some cases, multiple buildings use the same meter. This makes it difficult to pinpoint where energy is used and determine how to conserve energy. DGS has an initiative to improve metering and build a State energy database that houses consumption data about State facilities. The objective does not include any specific targets.

Exhibit 7 shows the three performance indicators that address use of EPCs, total consumption, and improving consumption data. DGS anticipates that it will increase the number of EPC contracts and percent of agencies with complete data in the energy database. However, it expects the amount of energy used to continue to increase. The measures are reasonable.

Exhibit 7
Energy Consumption Performance Measures
Fiscal 2018-2020 Est.

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Estimated</u>	<u>2020</u> <u>Estimated</u>	<u>Target</u>
Energy Performance Contracts	26	27	29	Increase Number of Contracts
Total Energy Consumption by All State Government Facilities (MMBTU)	11.8	12.0	12.1	Reduce Consumption
Percent of Statewide Facilities with Complete Data in the State's Energy Database	10%	15%	25%	Increase Number of Facilities

MMBTU: Million British Thermal Units

Source: Department of Budget and Management

MFR Summary Evaluation

Summary Evaluation of DGS' Goals

In general, DGS' MFR goals are detailed, agency-specific, clearly articulated, and easy to understand. However, the goals do not directly address FOM, and the energy consumption goal addresses costs that are outside DGS' control.

Exhibit 8 shows which of the goals relate to which agencies. For each agency, except FOM and Executive Direction and Administration, there is an MFR goal with specific objectives and performance measures that relate directly to that agency. None of these goals have measures that directly relate to FOM, which is the largest agency that consumes 50% of the budget and 32% of personnel. Goals 4 and 5 address maintenance backlogs and operational efficiencies related to reducing emergency maintenance projects. However, there are not direct measures of operational performance such as how quickly work orders are made or how satisfied State agencies are with their accommodations.

Exhibit 8
Goals by Agency
Fiscal 2020

<u>Agency</u>	<u>Goal 1</u>	<u>Goal 2</u>	<u>Goal 3</u>	<u>Goal 4</u>	<u>Goal 5</u>	<u>Goal 6</u>
Facilities Operation and Maintenance						
Planning, Design, and Construction ¹				√	√	√
Security		√				
State Procurement	√		√			
Business Enterprise	√					
Executive Direction and Administration						
Real Estate Management	√					

¹ Includes the Energy Office.

Source: Department of Budget and Management

DGS' Goal 6 is to reduce State government energy consumption. The concern is that a substantial amount of energy is used on properties that are not managed by DGS, over which DGS has no operational control, such as MDOT, DPSCS, and State universities. Each of the agencies annually spend more on energy than DGS. Consequently, there is substantial amount of energy consumption over which DGS does not have operational control. While DGS can encourage the adoption of best practices that can affect energy consumption, there are many factors outside DGS' control that will also influence usage. Even if DGS is successful in reducing energy consumption, it will be difficult attributing this success to DGS' actions.

Summary Evaluation of DGS' Objectives

DGS' objectives are useful in assessing performance. They are measurable and clearly defined. However, in a number of cases, the objectives do not set a specific target measure of success. Instead, these objectives propose that measures either increase or decrease.

There were also two objectives, 3.3 and 3.4, that do not have any performance measures. Objective 3.3 is to annually meet or exceed the SBR participation of 15% of annual payments under designated procurements. Objective 3.4 is to annually meet or exceed the VSBE participation rate of 1% for the department's total awarded and spent procurement dollars. There are measures related to these objectives, but the measures do not relate the participation rates to total procurements.

Summary Evaluation of DGS' Performance Measures

DGS' performance measures are appropriate, performance based, and related to the objective. Except as noted above with objectives 3.3 and 3.4, all objectives have performance measures.

However, there are two performance measures that are confusing. Goal 2 is to provide a safe and secure environment for employees and visitors in DGS facilities. One of the performance measures for this goal is the number of building checks. The concern with this measure is that it is difficult to put the measure, which shows 60,161 checks in fiscal 2018, in context. It is unclear how often different parts of buildings are checked or what share of DGS properties this affects, so it is difficult for the reviewer to evaluate how effective this performance measure is.

Goal 4 is to maintain DGS buildings. An objective is to reduce the incidence and cost of emergency maintenance projects. The measure is the ratio of preventive maintenance to unscheduled work orders. The concern is that the data is presented in a way that is difficult to compare different years.

Recommendations

DLS has the following recommendations concerning DGS' MFR:

- ***Adopt Performance Measures Related to Staff Retention:*** DGS has had high turnover and vacancy rates in recent years. Departmentwide vacancy rates are often over 10%, and rates as high as 15% or 20% are common in some agencies. This suggests that performance could be improved by reducing turnover and vacancy rates. There are also no performance indicators for Executive Direction and Administration. Adopting an explicit goal to keep turnover and vacancies down could help focus Executive Direction.
- ***Adopt Performance Measures for FOM:*** This office is 50% of the DGS budget and 32% of DGS personnel, yet it does not have any goals or measures directly related to its performance.
- ***Consider Adding Specific Targets to the Objectives that DGS Performance Measures Should Meet:*** DGS' objectives are clearly articulated, relate to the goal, and are measurable. But many objectives do not identify a specific target to measure success, such as increasing outcomes by 1% annually. Instead, the target of these objectives is to merely increase. DGS may want to consider developing targets that are aspirational and attainable.
- ***Add Measures that Provide Context to Goal 2's Performance Measure Related to the Number of Building Checks:*** This performance measure shows that there were 60,161 building checks in fiscal 2018. While this sounds impressive, it is difficult to put the measure in context. It is unclear how often different parts of buildings are checked or

what share of DGS properties is impacted, so it is difficult for the reviewer to evaluate how effective this measure is.

- ***Add Performance Measures to the Two Objectives That Do Not Have Performance Measures:*** Two objectives, 3.3 and 3.4, do not have any performance measures. Objective 3.3 is to annually meet or exceed the SBR participation of 15% of annual payments under designated procurements. Objective 3.4 is to annually meet or exceed the VSBE participation rate of 1% for the department's total awarded and spent procurement dollars. There are measures that show the amounts awarded, but they do not show if the objective was realized. Adding measures showing the percent of awards for SBR and VSBE would provide performance measures for these objectives.
- ***For Ease of Comparison, Modify How the Data for Goal 4's Performance Measure Concerning the Ratio of Preventive Maintenance to Unscheduled Work Orders Is Shown:*** The estimate for fiscal 2019 is 4:3, which is equal to 1.33:1. Since it is easier to compare 1.33:1 to 1.56:1 (the fiscal 2018 value), it is preferable to use 1 as the ratio of unscheduled work as a common factor.

Governor's Office of Crime Control and Prevention

Agency Description

The Governor's Office of Crime Control and Prevention (GOCCP) primarily serves as the State's criminal justice grants administering agency; however, in recent years, GOCCP's mission has expanded to include criminal justice coordination, victim services administration, oversight of the Criminal Injuries Compensation Board (CICB) and the Governor's Office of Children (GOC), and partnering with the Department of State Police to operate a new Special Operations Unit targeting violent and repeat offenders in Baltimore City.

Exhibit 9 shows that in fiscal 2020, GOCCP has 73 regular employees and a budget of \$191 million. GOCCP's primary staff (38 regular positions) focuses on grant management, coordination, and data collection and analysis.

Exhibit 9
Governor's Office of Crime Control and Prevention
Spending and Personnel Counts
Fiscal 2020
(\$ in Millions)

<u>Agency</u>	<u>Spending</u>	<u>% of Total</u>	<u>Personnel</u>	<u>% of Total</u>
Administration	\$169.4	88.9%	38.0	52.0%
Baltimore City Crime Initiative	10.6	5.6%	13.0	17.8%
Governor's Office of Children	5.9	3.0%	11.0	15.1%
Criminal Injuries Compensation Board	4.5	2.5%	11.0	15.1%
Total	\$190.4	100.0%	73.0	100.0%

Source: Governor's Budget Books, Fiscal 2020

As primarily a grant administrator, it is unsurprising that 93% (\$177 million) of GOCCP's fiscal 2020 budget is comprised of grants (including grants associated with the Baltimore City Crime Initiative). Of total grant funding, State Aid for Police Protection (SAPP) grants account for \$75 million (42%), and local law enforcement grants account for \$48 million (27%). SAPP is a formula-driven funding program used to provide additional revenue to support the operational costs of local and county police agencies.

Review of MFR

GOCCP is now regarded as Maryland's one-stop shop for resources to improve public safety. Therefore, performance for the agency encompasses both its administrative function as well as the extent to which GOCCP's contributions result in a reduction in crime across Maryland. GOCCP's MFR measures also capture performance from more recent expansions, such as the oversight of GOC and CICB. The mission of the agency is to serve as a coordinating office that advises the Governor on criminal justice strategies and plans, promotes, and funds efforts to advance public policy, enhance public safety, reduce crime and juvenile delinquency, and serve victims. GOCCP's vision is "a safer Maryland." The following examines the agency's five MFR goals along with the corresponding objectives and performance measures.

Goal 1: Ensure Fiscal Responsibility

The first MFR goal is to ensure fiscal responsibility. More specifically, the objectives suggest that the goal is to efficiently and effectively manage resources. Most of the 10 objectives are agency-specific, relating to the issuing and monitoring of grants. Some of the objectives are

broad and offer no targets (e.g., Objective 1.1 monitors efficiencies in grant operations), while others are specific and define success (e.g., Objective 1.2 maintains 90% of grants in a regular status).

Specific performance measures associated with these objectives attempt to quantify workload and effectiveness of the agency. **Exhibit 10** shows that eight performance measures relate to the workload of grant administrators and the effectiveness of the agency. Of those eight measures, four provide specific targets to measure success. Additionally, one measure (*i.e.*, percent of total grants receiving site visits) duplicates another measure (*i.e.*, percent of grants in risk status audited) because of the way that the performance measure evaluates the data. That is to say, only grants in risk status receive site visits.

Exhibit 10
Goal 1: Ensure Fiscal Responsibility
Performance Measures
Fiscal 2018-2020 Est.

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Estimated</u>	<u>2020</u> <u>Estimated</u>	<u>Target</u>
Workload and Effectiveness				
Ratio of Grants to Monitors	110:1	110:1	110:1	n/a
Percent of Grants in a Regular Status	92%	95%	95%	90%
Percent of Grants in Risk Status Audited	11%	n/a	n/a	n/a
Percent of Total Grants Receiving Site Visits	11%	n/a	n/a	n/a
Percent of Unused Federal Funds Returned	2.0%	0.5%	0.2%	1.0%
Percent of Closed Grants with Above Average Compliance with Conditions and Regulations of Grants	73%	75%	77%	70%
Subrecipient Visits to Online Technical Assistance Videos	1,382	1,200	1,200	n/a
Percentage of Grant Funding Streams with Developed Outcome-based Performance Measures	87%	100%	100%	100%
Data Inputs				
Active Grants Funded by GOCCP	791	n/a	n/a	n/a
GrantStat/funding Meetings Held	12	12	12	n/a

GOCCP: Governor's Office of Crime Control and Prevention

Source: Department of Budget and Management

There are two measures provided that do not have specific targets nor have enough information provided to utilize these measures to evaluate the effectiveness of the agency number of active grants funded by GOCCP; and number of GrantStat/funding meetings held.

Goal 2: Economic Development/Jobs

The second goal includes only one objective: increase the number of grant positions funded to aid in the reduction of crime. This objective is supported by four performance measures:

- the number of grants allocating personnel funds;
- the funds provided for overtime and salaries;
- the number of grant-funded positions; and
- the number of reentry programs funded.

This goal appears to conflate two separate objectives: (1) the creation of jobs in the State; and (2) the reduction of crime. The objective offers no measures of success that show why more grant-funded positions lead to the reduction of crime as opposed to deploying resources differently. This objective could be improved if performance measures were more specific in the issues being addressed to reduce crime (*e.g.*, the number of additional police officer positions in Baltimore City funded by GOCCP grants and the target number of police officers to address workforce shortages). The point is not merely to employ people but to effectively deploy resources. It is also curious for a crime prevention agency to focus on economic development and jobs, which is not typically thought of as the responsibility of a law enforcement agency.

The goal may be too narrowly focused. The measures only measure inputs related to increasing staffing or spending. There are no measures showing how effective the additional staffing is, if staffing is being deployed in areas with the most need, or if staffing is more effective than other resources. The objectives do not have targets.

Goal 3: Improving Quality of Life

The third goal is to “improve quality of life.” This goal is vague. The objectives cover a wide variety of government functions, such as crime victim support, public health, juvenile recidivism, human trafficking, law enforcement operations, and crimes committed. Most of the objectives involve other State, local, and federal law enforcement agencies that may devote more funding and staffing than GOCCP does. As such, GOCCP’s role may be limited. This list suggests that one of GOCCP’s functions is to focus the attention on specific concerns. There are 10 objectives associated with this goal, including:

- to increase the number of victims who receive assistance through direct service, law enforcement, prosecution, and the court system;
- to increase the number of citizens (victim, witnesses, family members, *etc.*) who have registered on the Victim Information and Notification Everyday (VINE) system;

- to increase the number of grants addressing substance use disorder;
- to reduce the number of opioid-related fatalities;
- to direct funding to programs designed to reduce recidivism among juveniles;
- to increase the number of criminal justice officials receiving training in human trafficking;
- to provide training and equipment to aid law enforcement and criminal justice agencies in the reduction of crime and to improve officer safety;
- to increase the awareness of law enforcement data-sharing technologies;
- to increase law enforcement capabilities to conduct crime analysis and geospatial mapping; and
- to reduce the number of homicides and nonfatal shootings.

There are 15 performance measures associated with these objectives, as shown in **Exhibit 11**. All but one of the performance measures are unable to provide estimates in fiscal 2019 and 2020, and none of the performance measures have targets.

Exhibit 11
Goal 3: Improve Quality of Life
Performance Measures
Fiscal 2018-2020 Est.
(\$ in Millions)

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Estimate</u>	<u>2020</u> <u>Estimate</u>	<u>Target</u>
Victim Services				
Victims Served	176,533	n/a	n/a	n/a
Registrants for VINE	47,065	50,000	50,000	n/a
Substance Abuse				
Grants Addressing Substance Abuse Treatment	21	n/a	n/a	n/a
Opioid Fatalities	n/a	n/a	n/a	n/a
Juvenile Delinquency				
Juvenile Programs Funded to Reduce Recidivism	21	n/a	n/a	n/a
Training and Equipment				
People Receiving Training in Human Trafficking	125	n/a	n/a	n/a
Funds Provided to Law Enforcement and Criminal Justice Agencies to Provide Training	\$1.9	n/a	n/a	n/a
Funds Provided for Law Enforcement Equipment	\$3.8	n/a	n/a	n/a
Criminal Analysis				
Criminal Justice Dashboard Queries	3,105,572	n/a	n/a	n/a
Maryland Offender Management System Queries	51,448	n/a	n/a	n/a
Crime Analysts Employed by Agencies Funded by GOCCP	27	n/a	n/a	n/a
Maps Generated for Various Agencies via GOCCP Mapping Grant	786	n/a	n/a	n/a
Homicides and Nonfatal Shootings				
Homicide Victims in Maryland	571	n/a	n/a	n/a
Juvenile Victims of Homicides	41	n/a	n/a	n/a
Nonfatal Shooting Victims in Maryland	1,035	n/a	n/a	n/a

GOCCP: Governor's Office of Crime Control and Prevention
VINE: Victim Information and Notification Everyday

Source: Department of Budget and Management

None of these objectives provide a specific target or measure of success. Additionally, several objectives appear to be measuring success inappropriately, such as Objective 3.1, which is to “increase the number of victims who receive assistance through direct service, law enforcement, prosecution, and the court system” and Objective 3.2, which is to “increase the number of citizens (victim, witness, family members, *etc.*) who have registered on the VINE system.” In both cases, increased victims using these services may actually indicate an increase in victims in the State, rather than indicate effectiveness of the agency. If the objectives were changed to measure the percentage of victims served in comparison to victims eligible, then the measure may be more appropriate to reflect the effectiveness of the agency.

Goal 4: Victim Services – Enhance Victim Services and Mitigate the Effects of Crime on Victims

The fourth goal is to enhance victim services and mitigate the effects of crime on victims. There are two objectives associated with this goal:

- that at least 85% of claimants responding to a survey will indicate that the decision of CICB about their claim was “fair and reasonable”; and
- that CICB will resolve (issue final decision) at least 75% of eligible claims within 120 days of determining eligibility.

The goal is specific to CICB, is stated in plain language that is easy to understand, and provides specific measures of success. As shown in **Exhibit 12**, CICB is exceeding its targets, in some cases by a wide margin. Generally, the objectives and performance measures provided for this goal are agency-specific, offer targets, and are appropriate to measure effectiveness of CICB. However, it appears that the objectives are not particularly aspirational, so GOCCP may want to consider increasing its targets.

Exhibit 12
Goal 4: Victim Services
Performance Measures
Fiscal 2018-2020 Est.

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Estimated</u>	<u>Target</u>
Percent Indicating the Decision Was Fair and Reasonable	94%	95%	95%	85%
Average Days to Process an Eligible Claim	79	70	75	Reduce
Percent of Eligible Claims Resolved and Signed by CICB within 90 Days	88%	91%	90%	n/a
Percent of Eligible Claims Resolved and Signed by Secretary within 120 Days	80%	87%	84%	75%

CICB: Criminal Injuries Compensation Board

Source: Department of Budget and Management

Goal 5: Improve the Well-being of Maryland's Children, Youth, and Families by Coordinating Efforts at the State Level and Providing Technical Assistance to Maryland's Local Management Boards

The final goal is associated with GOC and focuses on serving children. This goal includes three objectives:

- GOC staff will collaborate effectively with external partners, stakeholders, and State agencies on activities promoting and supporting sound child and family policy;
- GOC will effectively share relevant information with external partners and the public; and
- GOC will provide useful and sufficient technical assistance to local management boards (LMB).

There are six performance measures associated with these objectives, as shown in **Exhibit 13**.

Exhibit 13
Goal 5: Governor’s Office of Children
Performance Measures
Fiscal 2018-2020 Est.

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Estimated</u>	<u>Target</u>
Communication and Outreach				
Newsletters, Blog Posts, and Other Outreach Activities	330	300	300	n/a
Percentage of LMBs and Staff Reporting Relevant Information Shared on a Regular Basis	100%	98%	98%	n/a
Technical Assistance to LMBs				
Trainings and Technical Assistance Sessions Provided to LMBs and Other External Partners	232	200	200	n/a
Percentage of Training and Technical Assistance Participants Who Found the Assistance Valuable	98%	98%	98%	n/a
Percentage of LMBs Receiving Five or Fewer Findings on Grant Monitoring Reports	n/a	96%	96%	n/a
Percentage of Children’s Cabinet-funded Programs Demonstrating Improvements in Client Outcomes	n/a	80%	85%	n/a

LMB: local management board

Source: Department of Budget and Management

The three objectives for GOC focus on communication, outreach, and technical assistance to LMBs. All of the performance measures provided are appropriate measures of success for these objectives and are agency-specific. However, the measures would benefit from targets to define success more clearly.

MFR Summary Evaluation

Summary Evaluation of GOCCP’s Goals

Goals are generally focused and appropriate. However, the goal of improving quality of life is not agency-specific. The quality of life goals lists 10 objectives related to victims services, public health, juvenile recidivism, human trafficking, law enforcement operations, and crimes committed. Most of the objectives involve other State, local, and federal law enforcement agencies

that may devote more funding and staffing to these efforts than GOCCP does. The office's role appears to be to focus the attention on specific concerns.

With respect to economic development/jobs, the measures relating to this goal measure grants for positions and personnel costs, such as salaries and overtime. Of GOCCP's five goals, two goals are agency-specific, and three are overly broad.

Summary Evaluation of GOCCP's Objectives

Some of GOCCP's objectives are useful in assessing performance where objectives are measurable and clearly defined. However, the following issues were identified throughout in regard to objectives:

- ***Overly Broad without Specific Targets:*** There are several objectives that are overly broad (*e.g.*, monitor efficiencies in grant operations) and numerous that offer no specific targets, but rather a general increase or decrease without specifying how much of an increase or decrease defines success.
- ***Inappropriate Measures of Success:*** Several measures provide inappropriate measures of success with the data collected. For instance, two objectives related to victim services (*i.e.*, increase the number of victims who receive assistance through direct service, law enforcement, prosecution, and the court system and increase the number of citizens who have registered for VINE) would be better measures of success if the measures were changed to "increase the number of eligible victims," offering a percentage of the universe instead of the total number served. An increase in the total number of victims served may indicate an increase in victims in the State rather than increased efficiency and effectiveness of the agency.

Summary Evaluation of GOCCP's Performance Measures

GOCCP offers numerous performance measures associated with a wide variety of objectives. Performance measures cover categories such as victim services, criminal analysis, crime in Maryland, juvenile delinquency, training and equipment, communication and outreach, and many other measures. The span of GOCCP's performance measures reflect the increased diversity in the agency's core functions in recent years. The following issues were identified with GOCCP's performance measures:

- ***Lack of Data, Estimates, and Specific Targets:*** Numerous performance measures are lacking in data for fiscal 2018, estimates for fiscal 2019 and 2020, and specific targets. Part of this issue could stem from how quickly GOCCP has taken on responsibility for so many functions and offices and, therefore, has not had the time, staff, or other resources to maintain and report agency performance in these expanded areas.

- ***Data Inputs Rather Than Performance Measures:*** Some measures provide data that the agency is tracking but does not necessarily give insight on agency performance or effectiveness. For instance, the number of active grants funded by GOCCP is a data input the agency tracks, but the value of this data with respect to measuring agency performance is unclear.
- ***Duplicative Performance Measures Due to Incorrect Measurement:*** In one case, two measures appear to be providing identical information, due to how the performance measures are defined. Specifically, “percent of total grants receiving site visits” ends up duplicating “percent of grants in risk status audited” because only grants in risk status receive site visits.

Recommendations

DLS has the following recommendations concerning GOCCP’s MFRs:

- ***Objectives Should Have Targets:*** There are numerous objectives that do not have targets. Targets provide a benchmark by which success can be measured. Objectives should provide specific targets to measure success, and targets should periodically be reevaluated for appropriateness.
- ***Certain Objectives and Measures Should Be Revisited for Appropriateness:*** Several measures appear to provide inappropriate measures of success, such as increase the number of victims who receive assistance through direct service, law enforcement, prosecution, and the court system and increase the number of citizens who have registered for VINE. These specific measures would more appropriately measure GOCCP’s effectiveness as an agency if changed to measure the number of victims served or registered to VINE in comparison to victims eligible. In its current form, an increase in victims served could actually indicate an increase in the overall number of victims.
- ***Objectives Associated with Goal 2 (Economic Development/Jobs) Should Be Revisited:*** Goal 2 is an overarching goal of the State, but in its current form, there is no clear link between the number of jobs or grant spending on salary or overtime and a reduction in crime. It is curious for a crime prevention agency to focus on economic development and jobs, which is not typically thought of as the responsibility of a law enforcement agency. The goal may be too narrowly focused on resources. The measures only measure input related to increasing staffing. There are no measures showing how effective the additional staffing is, if staffing is being deployed in areas with the most need, or if staffing is more effective than other resources.

- ***Consistent Provision of Data, Estimates, and Targets:*** The agency should become more consistent with providing complete and accurate data, estimates, and targets for performance measures.

Maryland Department of the Environment

Agency Description

The Maryland Department of the Environment (MDE) was created in 1987 to protect and restore the quality of the State's land, air, and water resources and safeguard citizens from health risks associated with pollution. The department also enforces environmental laws and regulations, conducts long-term planning and research, and provides technical assistance to Maryland industry and communities for pollution and growth issues and environmental emergencies.

MDE's customers include Maryland citizens, businesses, governments, and individuals who are applying for permits and receiving technical assistance as well as technical personnel such as well drillers, sanitarians, wastewater operators, and asbestos contractors who require certification. Other key stakeholders include environmental and public health advocacy groups, citizen groups, educators, scientists, and natural resource users. The agency interacts heavily with the public and aims to achieve the State's environmental goals by enhancing customer service and building strong partnerships with stakeholders and customers.

As shown in **Exhibit 14**, in fiscal 2020, MDE has 893 regular employees and an operating budget of \$400.4 million (which includes pay-as-you-go (PAYGO) capital appropriations totaling \$231.1 million), not including reimbursable funds. Excluding PAYGO funds, the operating budget totals approximately \$169.3 million. In addition to the PAYGO funds, the fiscal 2020 capital budget also includes \$21.5 million in general obligation bonds, for a total of \$252.6 million.

Exhibit 14
Maryland Department of the Environment
Spending and Personnel Counts
Fiscal 2020
(\$ in Millions)

<u>Office/Administration</u>	<u>Spending</u>	<u>% of Total</u>	<u>Personnel</u>	<u>% of Total</u>
Office of the Secretary	\$233.3 ¹	58.3%	13.0	1.5%
Coordinating Offices	67.3	16.8%	99.0	11.1%
Water and Science Administration	40.3	10.1%	331.5	37.1%
Land and Materials Administration	32.6	8.1%	238.5	26.7%
Air and Radiation Administration	17.6	4.4%	166.0	18.6%
Operational Services Administration	9.4	2.3%	45.0	5.0%
Total	\$400.4²	100.0%	893.0	100.0%

¹ Includes \$231.1 million in capital appropriations for the Water Quality Revolving Loan Fund, Hazardous Substance Clean-Up Program, Drinking Water Revolving Loan Fund, and Bay Restoration Fund.

² Does not include capital appropriations of \$21.5 million in general obligation bonds.

Source: Fiscal Digest of the State of Maryland for the Fiscal Year 2020

Capital appropriations encompass more than half of MDE's total budget; these funds are used to provide grants and loans for drinking water capital projects and capital projects that improve water quality, provide funding for the State's participation in the federal Superfund Program, provide grants for enhanced nutrient removal upgrades to wastewater facilities and sewer infrastructure rehabilitation, and provide grants for septic system upgrades.

In addition to the 893 regular positions in the fiscal 2020 budget, MDE also has 72 contractual positions. The bulk of MDE's personnel are housed within the Water and Science Administration, the Land and Materials Administration, and the Air and Radiation Administration; together, these administrations account for 82.4% of MDE's workforce and 22.6% of MDE's operating budget. MDE's Coordinating Offices account for nearly 17% of MDE's operating budget. Among other things, these offices are responsible for coordinating the department's budget, the State revolving loan funds, capital project management, public information, and community outreach activities; responding to environmental emergencies; and investigating and prosecuting violation of Maryland's environmental laws and regulations.

MDE's main office is in Baltimore City, but the agency also has eight field offices across the State. MDE's workforce consists primarily of field inspectors, permit writers, engineers,

geologists, and scientists. Other MDE staff include administrative, clerical, management, information technology, and financial personnel as well as planners, lawyers, and other staff.

Review of MFR

MDE's mission is "to protect and restore the environment for the health and well-being of all Marylanders." The department's vision is to have "healthy, vibrant, and sustainable communities and ecosystems in Maryland."

The following examines the department's five goals along with the corresponding objectives and performance measures.

Goal 1: Provide Excellent Customer Service and Community Outreach

The first MFR goal is to provide excellent customer service and community outreach. While this goal is stated in plain language, it is somewhat subjective. However, taken together with the three objectives that support the goal, it is reasonable. Two of the three objectives relate to efficiency with respect to customer service: (1) respond to 90% of Public Information Act requests within 30 days of receipt; and (2) meet permit turnaround times for 90% of the permits processed. Both of these objectives are specific, measurable, and attainable. However, neither of these objectives is particularly aspirational; the targets have been reached in recent years. The third objective (Objective 1.3), to respond to environmental emergencies to reduce risk to public health and the environment, is vague; it is not clearly measurable or aspirational.

Three performance measures quantify these objectives, as shown in **Exhibit 15**. The performance measures relate directly to the objectives. Two of the three performance measures have specific targets and are performance-based; one of these is an outcome measure, and the other is an efficiency measure. The third performance measure, which relates to Objective 1.3, is an output measure expressed as raw data. This does not provide meaningful information about how well the department is doing in responding to environmental emergencies over time. From fiscal 2018 through 2020, MDE reports that it has responded to (or is estimated to respond to) 450 emergencies annually. For context, it received 2,779 emergency calls in fiscal 2018, with an estimated 2,800 calls in both fiscal 2019 and 2020; accordingly, the department responds only to about 16% of the calls it receives each year.

Exhibit 15
Customer Service Performance Measures
Fiscal 2018-2020 Est.

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Estimated</u>	<u>Target</u>
Percentage of PIA Responses Issued within 30 Days	90%	91%	92%	90%
Percentage of Permits Processed within Applicable Standard Time	95.4%	90%	90%	90%
Environmental Emergencies Responded to	450	450	450	n/a

PIA: Public Information Act

Source: Department of Budget and Management

Goal 2: Manage Air Quality and Emissions for Maximum Protection of Human Health and the Environment

The second MFR goal is to manage air quality and emissions for maximum protection of human health and the environment. This goal is agency-specific and clearly stated. The goal is supported by three objectives:

- achieve attainment with the eight-hour ozone and PM2.5 standards in the Baltimore and Washington metropolitan areas and Cecil County;²
- reduce greenhouse gas (GHG) emissions; and
- reduce emissions of criteria pollutants from power plants.

² The federal Clean Air Act requires the U.S. Environmental Protection Agency (EPA) to identify air pollutants that pose a risk to the public health and welfare and set standards indicating the permissible air concentration of each. EPA has identified six criteria pollutants: ground-level ozone; particulate matter (PM) (course and fine); lead; carbon monoxide; nitrogen dioxide; and sulfur dioxide. (PM2.5 refers to fine PM.) Once EPA sets a standard for a pollutant, it designates individual counties and multicounty metropolitan areas of a state as nonattainment, attainment, or maintenance for the standard. Nonattainment means that the county/area is not meeting the standard, attainment means that it is, and maintenance means that it has only more recently begun to meet the standard (and must continue to provide EPA with information showing that it is maintaining the standard before the area can qualify for redesignation as attainment). For each area that is nonattainment for a standard, state and local air quality management agencies must develop a State Implementation Plan to attain the standard. While all of Maryland is currently in attainment/maintenance for lead, nitrogen dioxide, carbon monoxide, and PM, portions of Maryland are designated as being in nonattainment for ozone and sulfur dioxide. Previously, portions of the State were in nonattainment for PM2.5.

These objectives, while clearly stated, do not include specific targets that measure performance. Because the first objective relates to achieving attainment with federal air quality standards, it is assumed that the objective is to achieve attainment 100% of the time; therefore, this objective is measurable and attainable. This objective, however, includes achieving attainment with the PM2.5 standard for which all of Maryland is currently either in attainment or maintenance but does not include achieving attainment with the sulfur dioxide standard for which portions of Maryland are designated as being in nonattainment. Accordingly, it could be more aspirational. The second and third objectives are not quantified or time-limited; it is unclear by how much the department aims to reduce emissions and in what timeframe it aims to do so.

Exhibit 16 shows that this goal also has three performance measures. While the measures all relate to the objectives and are clearly defined and measurable, two of the measures do not have targets that provide meaningful information about performance. The first performance measure, which is an outcome measure, is relevant, measurable, and performance-based. However, that measure relates only to one portion of the objective (relating to the eight-hour ozone standard); there is no measure relating to exceedances of the PM2.5 standard. (This is likely due to the fact that, in recent years, all of Maryland has met the PM2.5 standard.) The second and third performance measures are just raw data; there are no specific targets for reductions over time. With respect to the performance measure relating to the amount of GHGs emitted from power plants, this output measure focuses only on emissions from power plants as measured by the Regional Greenhouse Gas Initiative; it does not cover any other sources of GHGs.

Exhibit 16
Air Quality Performance Measures
Calendar 2018-2020 Est.

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Estimated</u>	<u>2020</u> <u>Estimated</u>	<u>Target</u>
Exceedances of the Eight-hour Ozone Standard	20	18	15	0
GHGs (in Millions of Tons Per Year) Emitted from Power Plants	17.6	17.2	16.8	Reduce
Criteria Pollutants (in Thousands of Tons Per Year) Emitted from Power Plants	15	14	14	Reduce

GHG: greenhouse gas

Source: Department of Budget and Management

Goal 3: Reduce Maryland Citizens' Exposure to Hazards

The department's third MFR goal is to reduce Maryland citizens' exposure to hazards. This goal is agency-specific and fairly clear, though it could be a bit more specific regarding the types of hazards to which the goal refers. The goal is supported by three objectives, all of which relate to the goal:

- improve the initial significant compliance rate at radiation machine facilities to at least 80%;
- ensure that Maryland shellfish are harvested from waters that are clean enough to meet National Shellfish Sanitation Program (NSSP) requirements;³ and
- reduce the number of elevated blood lead levels found.⁴

The first objective has a target, but the target is not aspirational – it has been exceeded for several years. The second objective is vague, but since it relates to NSSP requirements, it is presumably measurable. There is no stated target for the third objective, even though substantial historical data regarding the number of children with elevated blood lead levels exist and MDE established a plan to eliminate childhood lead poisoning more than a decade ago.

Exhibit 17 shows the four performance measures for this goal. The first performance measure, which is an outcome measure, is strong; it relates to Objective 3.1 and is performance-based. The second performance measure, an efficiency measure, is the “percent of required shellfish waters sampling achieved.” While the name of this measure is not descriptive in terms of what is being measured, the department advises that it measures the percent of shellfish waters sampled that meet the NSSP requirements; thus, it relates to Objective 3.2.

³ MDE's fish and shellfish programs put a strong emphasis on preventing pollutants from entering the waters of the State, monitoring the quality of shellfish harvesting waters, and testing edible fish tissue to certify that fish are safe for human consumption. Study results are used to issue consumption guidelines for recreationally caught species. The U.S. Food and Drug Administration (FDA) issues nationwide guidance for commercial fish. NSSP is the federal/state cooperative program recognized by FDA and the Interstate Shellfish Sanitation Conference for the sanitary control of shellfish (oysters, clams, and mussels) produced and sold for human consumption. The purpose of NSSP is to control the safety of shellfish by preventing the harvest of shellfish from polluted harvest areas. Shellfish are filter-feeding animals; they strain the surrounding water through their gills that trap and transfer food particles to their digestive tract. If the water is contaminated with disease-causing bacteria, the bacteria are also trapped and consumed as food.

⁴ MDE's Lead Poisoning Prevention Program serves as the coordinating agency of statewide efforts to eliminate childhood lead poisoning. MDE assures compliance with mandatory requirements for lead risk reduction in rental units built before 1978, maintains a list of registered and inspected rental dwelling units, and provides blood lead surveillance through a registry of test results of all children tested in Maryland. The program also oversees case management follow-up by local health departments for children with elevated blood lead levels, certifies and enforces performance standards for inspectors and contractors working in lead hazard reduction, and performs environmental investigations for lead-poisoned children. The Department of Housing and Community Development provides grants to assist homeowners and landlords in lessening the risk of lead poisoning and preserving the housing stock by reducing or eliminating lead-based paint hazards.

Exhibit 17
Exposure to Hazards Performance Measures
Calendar 2018-2020 Est.¹

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Estimated</u>	<u>2020</u> <u>Estimated</u>	<u>Target</u>
Percent of Inspected Radiation Machines in Initial Compliance	89%	89%	89%	80%
Percent of Required Shellfish Waters Sampling Achieved	81%	81%	81%	n/a
Children Tested for Elevated Blood Lead Levels	130,014	132,998	135,983	n/a
Reported Exceedances of Elevated Blood Lead Standard	342	320	300	Reduce

¹ Percent of inspected radiation machines in initial compliance is reported by fiscal year.

Source: Department of Budget and Management

There are two performance measures that relate to Objective 3.3 (to reduce the number of elevated blood lead levels found). One of these measures (the number of children tested for elevated blood lead levels) is an output measure that relates broadly, but not directly, to the objective. The other performance measure (the reported exceedances of elevated blood lead standard) is an outcome measure that relates directly to Objective 3.3; it is measurable and performance-based, but there is no associated target.

Goal 4: Protect Water Resources and Ensure Safe and Adequate Supplies of Drinking Water

The fourth goal is to protect water resources and ensure safe and adequate supplies of drinking water. This goal is specific and clear. The goal is supported by five objectives, all of which relate to the goal and have targets:

- achieve 60% of Maryland's Chesapeake Bay nitrogen and phosphorus reduction goals by 2017 and 100% by 2025 (45.48 million pounds nitrogen target by 2017 and 41.17 million pounds by 2025 and 3.01 million pounds phosphorus target by 2017 and 2.81 million pounds by 2025);
- reduce the volume of sewage overflows by an amount equal to a 50% reduction of the three-year average amount (2002-2004: 521,761,000 gallons);

- ensure that of the Maryland population served by public community water systems, at least 97% are served by systems that are in compliance with all drinking water regulations for which MDE has received EPA's delegated authority approval (primacy);
- complete all federally required Total Maximum Daily Load (TMDL) analyses to address 303(d) impaired waters⁵ listings; and
- maintain 80% significant compliance with groundwater standards for all active municipal solid waste landfills each year.

The first objective (Objective 4.1) is an excellent example of a meaningful objective – it provides a clear target (percent reduction and specific data) and a date by which that is expected. The reason this objective is so specific is because it is a requirement of the Chesapeake Bay TMDL. The second and third objectives are also quantified, measurable, and attainable. The fourth objective is not time-limited; it is unclear when the department aims to complete the objective of completing the TMDL analyses. The fifth objective is quantified, measurable, and attainable. However, it is not particularly aspirational; the target has been exceeded for several years.

Exhibit 18 shows the six performance measures for these objectives, all of which relate to the objectives. The first two measures, which are outcome measures, relate specifically to the Chesapeake Bay TMDL; therefore, the targets are clear and the progress toward those targets is measurable. The other performance measures (which include outcome, output, and efficiency measures) are also measurable and performance-based.

⁵ Section 303(d) of the federal Clean Water Act requires states to identify waters where current pollution control technologies alone cannot meet the water quality standards set for that water body. Every two years, states are required to submit a list of impaired waters to EPA for approval. In general, once a water body has been added to a state's list of impaired waters, it stays there until the state develops a TMDL and EPA approves it. Once EPA approves a TMDL for a particular water body, it is removed from the 303(d) impaired waters list but is tracked until it is fully restored. (A TMDL is the calculation of the maximum amount of a pollutant allowed to enter a waterbody so that the waterbody will meet and continue to meet water quality standards for that particular pollutant. A TMDL determines a pollutant reduction target and allocates load reductions necessary to the sources of the pollutant.)

Exhibit 18
Water Resource Performance Measures
Fiscal 2018-2020 Est.¹

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Estimated</u>	<u>2020</u> <u>Estimated</u>	<u>Target</u>
Annual Maryland Nitrogen Load to Bay (in Millions of Pounds)	44.94	44.94	44.94	41.17 ²
Annual Maryland Phosphorus Load to Bay (in Millions of Pounds)	2.80	2.80	2.80	2.81 ²
Percentage Change in Gallons of Actual Sewage Overflow during the Most Recent Consecutive Three-year Average Compared to the Fiscal 2002-2004 Three-year Average Amount of 521,761,000 Gallons	-52%	-40%	-40%	-50%
Of the Maryland Population Served by Public Community Water Systems, Percentage Served by Systems that Are in Compliance with All Drinking Water Regulations for Which the Department Has Primacy	90%	95%	97%	97%
Percentage of Total Required Listings Addressed from the Schedule of 2016-2022 TMDL Priority Waters	29%	44%	64%	100%
Percentage of Municipal Solid Waste Landfills in Significant Compliance with Groundwater Standards	90%	90%	90%	80%

TMDL: Total Maximum Daily Load

¹ Annual nitrogen and phosphorus loads are reported by calendar year.

² By calendar 2025.

Source: Department of Budget and Management

Goal 5: Support and Track Sustainable Materials Management and Waste Reduction

The fifth goal is to support and track sustainable materials management and waste reduction. This goal is vague; it does not include details about what is to be achieved. There are two objectives for this goal: (1) reduce the quantity of waste disposed, per person, per year; and (2) increase diversion of organic materials from disposal by increasing the number of permitted

composting facilities and increasing the quantity of organic materials recycled annually. While both of the objectives relate to the goal, neither of them have specific targets and neither of them are time-limited. The State has a wealth of data relating to waste diversion and recycling rates; more meaningful objectives could be established.

Exhibit 19 shows the four performance measures for these objectives. The first measure, which is an outcome measure, relates broadly to a portion of the second objective; there is no objective that directly focuses on the Maryland Recycling Act (MRA). The second performance measure relates to the first objective; it is measurable, but it is an output measure (only raw data is provided). The third and fourth performance measures, which relate to the second objective, are also measurable; again, however, only raw data is provided for these input/output measures.

Exhibit 19
Sustainable Materials Management/Waste Reduction Performance Measures
Calendar 2018-2020 Est.

	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Estimated</u>	<u>Target</u>
Statewide Maryland Recycling Act (MRA) Recycling Rate	44.52%	44.96%	45.27%	n/a
MRA Waste Disposed Per Capita (in Tons)	0.62	0.62	0.61	Reduce
Permitted Composting Facilities	22	24	26	Increase
Organic Materials Recycled (in Tons)	1,022,953	1,047,365	1,072,360	Increase

Source: Department of Budget and Management

MFR Summary Evaluation

Summary Evaluation of MDE's Goals

Overall, MDE's goals reflect the primary components of the agency's mission and address the most important aspects of the agency's mission in terms of stakeholder needs, personnel, and spending. Most of MDE's goals are detailed, clearly articulated, and easy to understand. However, the fifth goal, to support and track sustainable materials management and waste reduction, is vague.

The five goals correspond to the work MDE does through all of its offices/administrations with the exception of the Operational Services Administration, which provides general administrative and fiscal services to the department.

Four of the five goals are agency-specific; the first goal, to provide excellent customer service and community outreach, is fairly broad and not necessarily agency-specific.

Summary Evaluation of MDE's Objectives

MDE's objectives are generally useful in assessing performance, but more meaningful objectives could be established in certain cases. While most of the department's objectives are measurable, others are not clearly defined and have no targets. Determining success or progress is difficult if a specific target has not been established. For example, Objective 1.3 is to "respond to environmental emergencies to reduce risk to public health and the environment." This objective is vague, and there is no quantified target associated with it; a more specific and meaningful objective might relate to the percent of environmental emergency calls received that MDE responds to each year with an attainable but aspirational target (*e.g.*, respond to 25% of environmental emergencies reported each year).

Several other objectives do not set a specific target; rather, these objectives propose that measures either increase or decrease. Examples of these include objectives 2.2 and 2.3, which aim to reduce air emissions. It is particularly interesting that no specific target exists for Objective 2.2 (to reduce GHG emissions), considering that the Greenhouse Gas Emissions Reduction Act requires the State to reduce GHG emissions from 2006 levels by 25% by 2020 and by 40% by 2030.

In certain cases where targets have been established, the stated targets have been met or exceeded in recent years. More aspirational targets could be developed in these cases.

All of MDE's objectives have performance measures. However, Objective 2.1 only has a performance measure that relates to part of the objective (attainment with the eight-hour ozone standard); there is no measure that relates to attainment with the PM_{2.5} standard. Again, this is likely due to the fact that, in recent years, all of Maryland has met the PM_{2.5} standard. It should also be noted that there is no objective or performance measure that relates to attainment with the sulfur dioxide standard, even though a portion of the State has been designated as nonattainment for sulfur dioxide.

There are no objectives relating directly to enforcement (the investigation and prosecution of violations of environmental laws and regulations).

Summary Evaluation of MDE's Performance Measures

In general, MDE's performance measures are appropriate and relate to the stated objectives. However, while some of the performance measures are performance-based with a focus on meaningful outcomes, others simply report raw data. MDE's performance measures would be more meaningful if more of them were outcome measures.

In one case, the performance measures do not appear to measure the objective – statewide MRA recycling rate (related broadly to Objective 5.2). There is no objective (or associated target) directly related to the MRA recycling rate.

The performance measure on the number of children tested for elevated blood lead levels relates somewhat to Objective 3.3 (to reduce the number of elevated blood lead levels found), but there is no objective directly related to the number of children tested.

Recommendations

DLS has the following recommendations regarding MDE's MFR:

- ***Consider Modifying the Targets for Those Objectives That Have Been Met, If Appropriate:*** While several of MDE's objectives have specific targets to measure performance, some of these are no longer aspirational; the targets have either been met or exceeded in recent years. MDE should modify the targets as appropriate and revise them over time as necessary. Likewise, MDE should consider modifying the objective that relates to attainment with federal air quality standards to align more closely with the current nonattainment/attainment/maintenance designations; this should be updated over time as needed; related performance measures should also be modified as necessary.
- ***Consider Adding Specific Targets to the Objectives That MDE's Performance Measures Should Meet and Establish Time Limits as Necessary to Provide Context to the Goals:*** In general, MDE's objectives are well articulated, relate to the goal, and are measurable. But several objectives do not identify a specific target against which to measure performance, such as increasing/decreasing by 10% annually. Instead, the target of these objectives is simply to increase or reduce. MDE may want to consider developing specific targets that are aspirational and attainable. For example, Objective 2.2 is to reduce GHG emissions, and the measure is the amount of GHGs emitted from power plants. A more meaningful objective would use the required percent reductions in GHG emissions established by the Greenhouse Gas Emissions Reduction Act (*i.e.*, reduce GHG emissions by 25% from 2006 levels by 2020 and by 40% from 2006 levels by 2030). The associated performance measure would likewise need to be modified to measure GHG emissions from all sources (rather than just power plants).
- ***Revise Objective 1.3 and Its Performance Measure to Be More Specific, Clear, and Measurable:*** The current objective to respond to environmental emergencies to reduce risk to public health and the environment is vague. It also does not have a target, and there is no context provided regarding the total number of environmental emergency calls that are received by MDE each year. A better objective might be to respond to a certain percentage (*e.g.*, 25%) of environmental emergency calls received each year. The associated performance measure could be the percent of calls to which MDE responded.

- Consider Modifying the Objective and Performance Measures Relating to Elevated Blood Lead Levels:*** Objective 3.3 is to reduce the number of elevated blood lead levels found. No target is established, and there are two related performance measures: (1) number of children tested for elevated blood lead levels; and (2) reported exceedances of elevated blood lead standard. MDE may want to consider modifying the existing objective to include a target; a better objective might be to reduce the exceedances of the blood lead standard by a certain percentage annually (or to zero). In addition, because both of the performance measures report raw data, little context is provided. Under the State's universal testing initiative, children born on or after January 1, 2015, must be tested for blood lead level at ages one and two. Accordingly, the first performance measure (the number of children tested) is not particularly meaningful. A more appropriate performance measure might be the percent of the total population at ages one and two that exceeds the blood lead standard. Another concern is that not all children are being tested. MDE measures show that 130,000 children were tested in calendar 2018, while the Maryland Department of Planning estimates that there were more than 142,000 children younger than age two, which implies that 8% of children were not tested. Many of these children could be at risk of having elevated blood lead levels. Accordingly, MDE could also add a measure showing the percent of children tested.
- One Performance Measure Does Not Relate Directly to its Stated Objective; Rewrite the Objective so That the Performance Measure Makes More Sense:*** As noted previously, the performance measure relating to the MRA recycling rate does not relate directly to its objective. There is no objective directly related to the recycling rate; an objective focused more specifically on the MRA recycling rate (and source reduction) might be more meaningful in assessing performance.
- Revise Goal 5 and Its Related Objectives and Performance Measures to Be More Meaningful:*** MDE's fifth goal, to support and track sustainable materials management and waste reduction, is broad and vague. MDE should consider rewriting this goal and its related objectives and performance measures to be more specific and more meaningful. A wealth of data exists on waste management and recycling in the State. MDE has historical data on Maryland's waste diversion rate, which is equal to the recycling rate plus the source reduction credit. Maryland has already exceeded the requirements of MRA and its annual waste diversion goal of 40%. However, Maryland has a voluntary waste diversion goal of 60% and a voluntary recycling rate of 55% by 2020. These percentages might be useful targets for MDE to use in establishing objectives related to the waste diversion rate and the recycling rate. MDE could also add targets (expressed as a percent increase each year) to the existing objectives regarding the number of permitted composting facilities and quantity of organic materials recycled.
- Consider Establishing an MFR Goal, Objectives, and Performance Measures That Relate to Enforcement:*** Enforcement is an important part of what MDE does to protect public health and the environment. MDE publishes an annual enforcement and compliance report that includes performance data on the enforcement workforce, the number of

permits/licenses issued, the number of sites inspected/audited, the number of enforcement actions taken, and the amount of penalties collected. Although the annual report includes this information, MDE should consider establishing a goal, objectives, and performance measures for its enforcement activities that can be included in the MFR process. In establishing an MFR related to enforcement, care should be taken to establish meaningful objectives and related performance measures. A meaningful objective, for example, might be to reduce illegal activity. A related performance measure should indicate to what extent illegal activity is declining. In establishing performance measures related to enforcement, MDE should try to avoid reporting raw data, such as the number of enforcement actions taken, since an increase in the number of enforcement actions taken could simply indicate an increase in violations rather than an increase in MDE's enforcement efforts.

- ***Reword the Performance Measure Relating to the Percent of Shellfish Waters Sampled to Be More Specific about What Is Being Measured:*** The existing terminology makes it difficult to determine what is actually being measured. The current wording – the percent of required shellfish waters sampling achieved – could be interpreted to mean the percent of waters sampled that is required to be sampled, rather than what is actually being measured. According to the department, this performance measure relates to the percent of shellfish waters sampled that meets the NSSP requirements.

Motor Vehicle Administration

Agency Description

MDOT is a State agency comprised of the Secretary's Office and five business units, including the State Highway Administration, the Maryland Transit Administration, the Motor Vehicle Administration (MVA), the Maryland Port Administration, and the Maryland Aviation Administration. According to MDOT's website, this unique approach provides the State's leadership with the ability to develop a coordinated and balanced approach to transportation. MDOT's mission statement is "the Maryland Department of Transportation is a customer-driven leader that delivers safe, sustainable, intelligent, and exceptional transportation solutions in order to connect our customers to life's opportunities."

As noted previously, MVA is one of the agencies within MDOT. MVA is responsible for supplying motor vehicle services to the citizens of Maryland, including driver license services, registration and titling of vehicles, administering vehicle inspection and driver safety programs, and the regulation of businesses related to the sale and rental of motor vehicles and the training of drivers.

Because MVA provides a wide range of direct services to citizens of Maryland, it has a large volume and variety of interactions with the public. As of 2018, there are 24 branch offices, including 18 full-service offices, 3 limited-service offices, 1 express office, and 2 satellite offices. The administration also oversees 19 stations under the Vehicle Emissions Inspection Program.

MVA also runs 51 self-service kiosks, MVA on Wheels (buses that provide mobile MVA services), and a call center in Cumberland.

MVA has 1,707.5 regular employees, an operating budget of \$206.3 million, and a capital budget of \$44 million.

Review of MFR

MDOT identifies seven goals as key to its performance. Associated with each of these goals are several objectives and performance measures. MVA operations fall under two of MDOT's seven goals: Goal 3 and Goal 7; a discussion of these goals is included in the following. The other goals, objectives, and performance measures, while important to the work being done by MDOT, do not directly relate to MVA and are therefore not included in this analysis.

Goal 3: Improve the Customer Experience

MDOT's Goal 3 is, "Improve the Quality and Efficiency of the Transportation System to enhance the customer experience – Increase the use of technologies and operational improvements to enhance transportation services and communication to satisfy our customers." This goal is consistent with MVA's mission to provide motor vehicle services to residents of Maryland. This goal is not specific to MVA, as it is written broadly to apply to all of MDOT's business units. However, the goal is stated clearly and easy to understand.

The third goal has two objectives. The first objective is to increase the efficiency of transportation services through partnerships, advanced technologies, and operational enhancements to improve service delivery methods. This objective supports the goal to improve the customer experience. Five performance measures support this objective, as shown in **Exhibit 20** and outlined below.

- The first performance measure is MDOT MVA alternative service delivery transactions as a percent of total transactions. The push for greater use of alternative service delivery transactions feeds into the objective of the use of operational enhancements. This performance measure is expressed as a rate and measures the output of MVA in terms of a particular method of transaction delivery.
- The second performance measure is the number of MDOT MVA walk-in transactions. This performance measure demonstrates the number of MVA transactions that are still conducted in person by walk-in customers. It is important because it provides context to the use of alternative service delivery transactions by demonstrating the scope of MVA transactions that are still handled by staff in person. This performance measure is displayed as a raw number and does not clearly contribute to understanding the progress MVA is making toward improving the customer experience.

- The third performance measure is the MDOT MVA number of alternative service delivery transactions. This measure provides the raw number of transactions that supports the first performance measure. This performance measure is presented as a raw number. While this is related to the customer experience, the information is better captured in the first performance measure that displays the information as a percent of total transactions.
- The fourth performance measure is the total active E-ZPass accounts. This is the raw data that supports the fifth performance measure. This information is better captured in the fifth performance measure that displays the progress being made on E-ZPass transactions as a percentage of total toll transactions.
- The fifth performance measure is the percent of E-ZPass toll transactions. This performance measure demonstrates the extent to which MVA's work providing E-ZPass transponders has been successful in increasing the rate of E-ZPass tolling. This performance measure records a key outcome of MVA's distribution of E-ZPass transponders. This is important to measure as the State moves toward eliminating cash tolling.

Exhibit 20
Performance Measures Relating to the Objective
Regarding Increasing the Efficiency of Transportation
Fiscal 2017-2020 Est.

<u>Performance Measures</u>	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Estimate</u>	<u>2020 Estimate</u>	<u>Target</u>
MDOT MVA Alternative Service Delivery Transactions as Percent of Total Transactions	59%	66%	70%	72%	72.4%
Number of MDOT MVA Walk-in Transactions (in Millions)	3.7	3.0	2.8	2.8	n/a
MDOT MVA Number of Alternative Service Delivery Transactions	5,337,952	5,789,736	6,381,502	6,538,159	Increase
Total Active E-ZPass Accounts	1,054,922	1,133,396	1,144,729	1,156,177	Increase
Percent of E-ZPass Toll Transactions	78%	79%	79%	80%	80%

MDOT: Maryland Department of Transportation
MVA: Motor Vehicle Administration

Source: Department of Budget and Management

The second objective is to enhance customer satisfaction with transportation services across all modes of transportation. This objective is not specific to MVA; again, it relates more broadly to MDOT as a whole. However, two of the supporting performance measures do relate specifically to MVA. Additionally, while the performance measures related to MVA are measureable, the objective itself is more difficult to measure. There are two MVA-related performance measures that support this objective, as shown in **Exhibit 21** and discussed below:

- the average MDOT MVA branch office customer wait time; and
- the average MDOT MVA branch office customer visit time.

According to customer satisfaction data collected by MVA, long (in line) wait times is the most often expressed complaint and biggest driver of negative customer satisfaction surveys. This data justifies the use of wait (in line) and visit (waiting in line and transaction) time as a performance measure for the objective of enhancing customer satisfaction with MVA. The average wait time indicates the amount of time that a customer spends before he/she receives the service needed. The average visit time includes the wait time plus the time that it takes for the customer to receive the service. A decrease in the average wait time corresponds with the objective of enhancing customer satisfaction with MVA.

Exhibit 21
MVA-related Performance Measures that Support the Objective
Relating to Enhancing Customer Satisfaction
Fiscal 2017-2020 Est.
(in Minutes)

<u>Performance Measures</u>	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Estimate</u>	<u>2020 Estimate</u>	<u>Target</u>
Average MDOT MVA Branch Office Customer Wait Time (waiting in line)	21	17	15	14	14.8
Average MDOT MVA Branch Office Customer Visit Time (waiting in line and transaction time)	31.1	26.8	25.3	25.3	25.3

MDOT: Maryland Department of Transportation
MVA: Motor Vehicle Administration

Source: Department of Budget and Management

Goal 7: Promote Fiscal Responsibility

The seventh MDOT goal is, “Promote Fiscal Responsibility – Ensure responsible investment and management of taxpayer resources to add value and deliver quality transportation improvements through performance-based decision-making and innovative funding mechanisms and partnerships.” Again, this goal is not specific to MVA, but it is stated in clear language. The seventh goal has three objectives, one of which relates to MVA. This objective (Objective 7.2) is to provide transportation services and solutions that maximize value. Two MVA-related performance measures support this objective, as shown in **Exhibit 22**. The first performance measure is the MDOT MVA operating expenditures. This measure tracks the overall increase or decrease in operating funds used by MVA annually. This performance measure is presented as a raw number and does not provide much information for evaluating MVA’s performance. Just because MVA is spending more money does not necessarily mean that it is providing services and solutions that maximize value. The second performance measure, the average cost per MDOT MVA transaction, places the first performance measure in context. It is more useful in evaluating MVA’s progress toward fiscal responsibility. This measure quantifies the increase or decrease in the amount of money spent by MVA compared to the number of transactions undertaken. A decrease in the average cost per MVA transaction supports the objective to provide transportation services and solutions that maximize value. This performance measure also measures the outcome of MVA efforts to minimize the cost to taxpayers of the transactions it provides.

Exhibit 22 MVA-related Performance Measures that Support Objective 7.2 (To Provide Transportation Services and Solutions that Maximize Value) Fiscal 2017-2020 Est.

<u>Performance Measures</u>	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>2020 Estimated</u>	<u>Target</u>
MDOT MVA Operating Expenditures (in Millions)	\$189.0	\$185.1	\$188.1	\$191.0	n/a
Average Cost Per MDOT MVA Transaction	\$16.94	\$16.97	\$17.19	\$17.41	\$16.00 or Less

MDOT: Maryland Department of Transportation

MVA: Motor Vehicle Administration

Source: Department of Budget and Management

MFR Summary Evaluation

Summary Evaluation of MDOT's Goals for MVA

Taken together, the two MDOT goals that relate to MVA are clearly articulated and easy to understand. The goals relate to work that is important to MVA. The first goal, improving the customer experience, is critical to the overall performance of a customer-focused agency such as MVA. The second goal, which relates to fiscal responsibility, tracks the input of taxpayer money to ensure that it is being used in the best possible manner. For MVA, this means measuring costs against the services provided to Maryland residents.

Summary Evaluation of MDOT's Objectives for MVA

MDOT's objectives that relate to MVA's work are easy to understand and support the larger goals outlined. However, the objectives do not set targets and merely aim to increase or decrease a given measure. The objectives are clear and useful for assessing performance. However, they could be paired with more aspirational targets.

Summary Evaluation of MDOT's Performance Measures for MVA

MDOT's performance measures that relate to MVA are related to the objectives and performance-based. The performance measures that are recorded in the form of raw numbers could be replaced or supplemented with additional measures that are easier to interpret from a performance review perspective.

Recommendations

DLS has the following recommendations concerning MVA's MFR:

- ***Adopt a Performance Measure on Alternative Service Delivery Time:*** In addition to the average wait time and visit time measures, MVA should establish a measure that records the average completion time for alternative service delivery transactions. This is important because MVA has made an effort to transition to this type of transaction. Tracking the time that these transactions take will be increasingly important to understanding the performance of MVA going forward. Adding this measure will help to track the customer experience.
- ***Consider Adding Performance Measures That Break Down Cost by Transaction Method:*** MDOT tracks the cost per MVA transaction. MDOT should consider modifying this performance measure to evaluate it based on type of transaction. Specifically, MDOT should add a performance measure that tracks the average cost of alternative service delivery transactions and another performance measure that tracks average cost of in-person transactions. This will help provide justification and context for MVA's efforts to increase the use of alternative service delivery transactions.

- ***Consider Modifying Certain Targets to Be More Aspirational in Light of Progress Made by MVA:*** MVA should consider the periodic revaluation and modification of targets that have already been met so that they are more aspirational.
- ***Consider Expressing Data as Rates or Percentages:*** Where possible, MVA should consider expressing performance data in the form of rates or percentages.

Division of Labor and Industry

This analysis covers the Division of Labor and Industry (DLI) within the Maryland Department of Labor (MDL).

Agency Description

DLI enforces wage laws (including the State's minimum wage, living wage, and prevailing wage statutes, among others); performs safety inspections of railroads, amusement rides, elevators, boilers, and pressure vessels; and promotes workplace safety by administering the Maryland Occupational Safety and Health (MOSH) program. It recently assumed responsibility for adopting State building codes, including for modular buildings. In these capacities, DLI interacts frequently with employers and employees as it performs inspections, processes wage and workplace safety complaints, and conducts related tasks. The division is divided into seven units and is funded with a combination of special funds (59.5%), federal funds (26.8%), and general funds (13.7%).

Exhibit 23 shows that in fiscal 2020, DLI has 195 regular positions and a budget of \$20.1 million. MOSH is the largest division in terms of both spending and personnel.

Exhibit 23
Division of Labor and Industry Spending and Personnel Counts
Fiscal 2020
(\$ in Millions)

<u>Program</u>	<u>Spending</u>	<u>% of Total</u>	<u>Personnel</u>	<u>% of Total</u>
Occupational Safety and Health Administration	\$9.8	48.6%	93	47.7%
Safety Inspection	5.3	26.1%	53	27.2%
Employment Standards	2.3	11.4%	24	12.3%
General Administration	1.0	5.1%	8	4.1%
Prevailing Wage	0.8	3.8%	10	5.1%
Building Codes	0.6	2.8%	3	1.5%
Railroad Safety and Health	0.4	2.1%	4	2.1%
Total	\$20.1	100.0%	195	100.0%

Note: Columns may not sum to total due to rounding.

Source: Fiscal Digest of the State of Maryland for the Fiscal Year 2020

Review of MFR

MDL's mission is to safeguard and protect Marylanders and to support the economic stability of the State by providing businesses, the workforce, and consumers with high quality, customer-focused regulatory, employment, and training services. Of the department's six MFR goals, two relate directly to DLI's functions. The following examines the two MFR goals along with the corresponding objectives and performance measures that relate to DLI.

Goal 1 (MDL Goal 3): To Improve Workplace Safety and Health for All Workers and Prevent Injuries and Save Lives of Individuals Using Railroads, Elevators, Escalators, Boilers, Pressure Vessels, and Amusement Rides in the State

The first goal, to improve workplace safety and prevent injuries, is clearly stated in plain language. Although it addresses a critical function of the division, it is not confined to the division's activity. The goal relates to the safety of private-sector workplaces and privately owned assets (railroads, elevators, *etc.*). Although the division is responsible for setting and enforcing safety standards, the implementation of those standards is largely the responsibility of private-sector employers. The inspection and enforcement programs managed by the division play a critical, but only partial, role in achieving the first goal. Thus, the goal could be more focused on just the division's role with respect to enforcing safety standards. For instance, the goal could be

to ensure that all facilities or devices are inspected in a timely fashion and are consistent with manufacturer requirements.

Of the eight performance objectives, five establish ceilings for the occurrence of workplace incidents and accidents, one measures efficiency, and two relate to customer satisfaction. All of the measures are time-limited (current fiscal year) and easily quantifiable. The efficiency target addresses the initiation of formal complaint investigations, which is entirely within the control of the division but not the completion of those investigations, which can be affected by external factors (*e.g.*, availability of data from the entity subject to the investigation). **Exhibit 24** shows that accomplishment of safety objectives is mixed (targets are met for workplace safety, railroads, boilers, and pressure vessels but not for amusement park rides or elevators and escalators). Exhibit 25 also shows that the division consistently meets its efficiency and customer satisfaction targets.

Exhibit 24
Performance Measures
Fiscal 2017-2019 Est.

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>Target</u>
Workplace Safety				
Maryland DART () Rate	1.5%	n/a	n/a	1.725%
Railroad Accidents/Injuries	15	13	11	18
Amusement Park Incidents and Accidents	10	15	19	3
Elevator, Escalator, and Lift Incidents and Accidents	3	7	10	4
Boiler and Pressure Vessel Incidents and Accidents	0	0	1	2
Efficiency				
Initiation of Formal Complaint Inspections from Initial Notification (in Days)	3.0	4.8	3.0	5.0
Customer Satisfaction				
MOSH Services Rated as Satisfactory	92%	94%	94%	90%
Consultation Services Rated as Satisfactory	99%	100%	100%	90%

DART: Days Away, Restricted, or Transferred Due to Work-related Injury or Illness

MOSH: Maryland Occupational Safety and Health

Source: Department of Budget and Management

The Days Away, Restricted, or Transferred Due to Work-related Injury or Illness (DART) measurement is a federally determined calculation used to measure the frequency of missed work days due to work-related injury or illness. The DLI standard is linked to the federal standard and requires that the State's DART measure always be below the federal standard.

Goal 2 (MDL Goal 4): Protect Workers and Employers through the Effective Enforcement of Wage Laws to Ensure a Level Playing Field and That Workers Receive the Wages and Protections They Are Due

This goal is stated in plain language and better addresses activities that are entirely within the division's control (enforcement) than the first goal. The first half of the goal is fairly vague in its reference to "effective enforcement," but the second half establishes more clarity in establishing a requirement for a level playing field among employers and ensuring that workers receive wages and protections that are due to them.

Of the six objectives related to this goal, four deal with administrative efficiency and the remaining two are related to enforcement activities. The efficiency objectives are time-limited and include a mixture of objectives related to initiation and completion of enforcement and related actions. However, the objectives are not aspirational, as the agency has consistently met the objectives in recent years. The enforcement objectives are measureable but are limited in their usefulness in gauging the division's performance because they relate more to employer behavior than to agency functions. Also, the targets appear arbitrary. For instance, one objective is to reduce the dollar amount of underpayments recovered on prevailing wage projects to \$533 per project, a figure that lacks meaning by itself. Indeed, DLI staff indicate that the figure at one time represented a three-year average, but cannot recall the last time it was recalculated. The division has little or no control on how much in wages an employer withholds (and is thus eligible to be recovered) on a project; although effective enforcement can reduce unfair wage withholding, other factors can cause an employer to pay insufficient wages. In addition, the objective relates to the amount of wages *recovered* rather than wages *owed*. DLI advises that the goal is meant to reflect successful enforcement, resulting in fewer and less serious violations, but its current phrasing can be interpreted to provide a disincentive to fully recover wages owed if they exceed the \$533 per project goal. **Exhibit 25** summarizes the division's performance with respect to the six objectives.

Exhibit 25
Performance Measures
Fiscal 2017-2019 Est.

	<u>2017 Actual</u>	<u>2018 Actual</u>	<u>2019 Estimated</u>	<u>Target</u>
Efficiency				
Reach Disposition on Wage Claims within 90 Days	77%	82%	78%	75%
Initiate Investigation on Improperly Classified Employees within 30 Days of Reception	100%	100%	100%	90%
Issue Wage Determinations within Two Working Days	100%	100%	100%	100%
Conduct Initial Compliance Reviews within 120 Days	100%	100%	100%	100%
Enforcement				
Reduce Dollar Amount of Underpayments Recovered on Prevailing Wage Projects to \$533 Per Project	\$478	\$1,971	\$400	\$533
Maintain the Percentage of Workers Found to Be Owed Prevailing Wages at or Below 8%	4%	10%	4%	8%

Source: Department of Budget and Management

MFR Summary Evaluation

Summary Evaluation of DLI's Goals

In general, DLI's MFR goals are stated plainly and address key elements of the division's responsibilities. However, the goals seek improvement in outcomes that often are beyond DLI's control and authority. For example, although DLI's mission includes improving workplace safety, and it can play an important role in achieving that mission, ultimate responsibility for workplace safety rests with employers, not the division. Even if the goal is achieved, it is not necessarily evident that DLI would have played a role in that because of the myriad of factors that are at play. Thus, it is difficult to use the goals to adequately gauge DLI's performance and effectiveness. The goals should be more narrowly stated to reflect DLI's unique role in promoting workplace safety and fair employment.

Summary Evaluation of DLI's Objectives

DLI uses a mixture of process- and outcome-oriented objectives to measure attainment of its goals. The objectives are related directly to the stated goals. However, several of the objectives are not aspirational, as DLI regularly achieves them. Also, the objectives related to wage

enforcement are incomplete in that there are no objectives related to enforcement of the minimum wage or the living wage. One objective related to wage enforcement is phrased ambiguously, such that attainment of the objective can be viewed as either a positive or negative reflection of the division's work, depending on one's perspective.

Summary Evaluation of DLI's Performance Measures

The data collected by DLI is valid and appropriate given the goals and objectives that it is measuring. Indeed, through its StateStat and MFR reporting, DLI collects and has available data on many more performance measures than it reports publicly.

Recommendations

DLS has the following recommendations concerning DLI's MFR:

- ***Expand Wage Recovery Goals to Include Minimum Wage and Living Wage:*** Currently, wage recovery targets only apply to enforcement of the prevailing wage. DLI should expand the existing goals to include the minimum wage and the living wage.
- ***Explore Best Practices for Setting Objectives for Wage Enforcement:*** Establishing enforcement-related objectives is challenging. With respect to recovery of owed wages, one option is to require annual increases in recovered wages, signaling more effective enforcement. However, effective enforcement should result in fewer violations, which leads to fewer wages being recovered. Setting quotas can also provide adverse incentives (either for overly aggressive enforcement or lax enforcement, depending on where the quotas are set). DLI should explore how other states establish wage enforcement objectives to create a fair and meaningful incentive structure for both employers and enforcement staff.
- ***Focus on Completion of Investigations Rather Than Initiation:*** Several MFR objectives require that DLI initiate investigations within a specified timeframe but are silent on how quickly those investigations are completed. As both complainants and the targets of complaints desire rapid resolution of complaint investigations, DLI should establish objectives for the completion of complaint investigations. Although factors beyond its control can affect the timing of complaint resolutions (e.g., the complexity of the complaint or the cooperativeness of the target of the complaint), the objectives can be developed in a way that promotes improvement in completion rates over time. For example, if 80% of investigations are completed within 90 days, the objective can be to complete 85% within that timeframe.

Medical Care Programs Administration

Agency Description

The Medical Care Programs Administration (MCPA) is responsible for administering the Medical Assistance Program (Medicaid) and the Maryland Children's Health Program (MCHP) that provide comprehensive health benefits to almost 1.4 million Marylanders. MCPA administers various other programs, including specialty mental health and substance use disorder services for Medicaid recipients.

Exhibit 26 shows that Medical Care Provider Reimbursements are 83% of total spending. These reimbursements are managed by administering agencies. Spending in programs with personnel totals \$118 million, which is approximately 1% of total spending.

Exhibit 26
Medical Care Programs Administration Spending and Personnel Counts
Fiscal 2020
(\$ in Millions)

<u>Program</u>	<u>Spending</u>	<u>% of Total</u>	<u>Positions</u>	<u>% of Total</u>
Deputy Secretary for Health Care Financing	\$11.1	0.1%	26	3.5%
Office of Systems, Operation and Pharmacy	24.0	0.2%	214	29.5%
Medical Care Provider Reimbursements	9,449.8	82.7%	0	0.0%
Office of Health Services	51.3	0.4%	253	34.9%
Office of Finance	4.2	0.0%	47	6.5%
Kidney Disease Treatment Services	5.4	0.0%	0	0.0%
Maryland Children's Health Program	266.4	2.3%	0	0.0%
Major Information Technology Development	38.7	0.3%	0	0.0%
Office of Eligibility Services	12.9	0.1%	184	25.3%
Medicaid Behavioral Health Provider Reimbursements	1,546.9	13.5%	0	0.0%
Senior Prescription Drug Assistance Program	14.9	0.1%	1	0.1%
Total	\$11,425.4	100.0%	725	100.0%

Source: Department of Budget and Management

MCPA administers contracts and does not provide direct health care services. Common positions include medical care program associates and specialists that administer the Medicaid program, nursing program administrators that monitor services provided, as well as finance, accounting, and administrative positions. MCPA interacts with clients applying for and receiving benefits, health care providers, and other governmental agencies.

Review of MFR

MCPA's mission is to "improve the health and well-being of low-income Marylanders by assuring access to medically necessary and appropriate health services." Its vision is to "provide leadership to promote equal access and high quality health care services for all Marylanders." The following examines the agency's two goals along with the corresponding objectives and performance measures.

Goal 1: Improve the Health of Maryland's Children

The first MFR goal is to improve the health of Maryland's children. The goal is clearly stated and relates to the agency's mission. The goal has seven objectives. Some objectives relate to specific health services, such as immunizations, lead testing, birth weights, and dental services. Other objectives, such as reducing avoidable hospital admissions, measure quality of care. Each measure has a target. Unlike most other agencies, the objectives specifically relate to calendar 2019.

Each of the seven objectives has one performance measure. **Exhibit 27** shows these measures. The agency anticipates meeting its targets for all measures except very low birth weights. The agency anticipates that 1.8% of births will be at a very low weight, while the target is that this be 1.3% of births. It appears that most of the targets are quite attainable and not particularly aspirational.

Exhibit 27
Children's Health Performance Measures
Calendar 2017-2019 Est.

<u>Service Quality Measures</u>	<u>2017 Actual</u>	<u>2018 Estimated</u>	<u>2019 Estimated</u>	<u>2019 Target</u>
Percent of HealthChoice Children Age Two in Sample Who Had Received Necessary Immunizations	78%	80%	82%	82%
Percent of HealthChoice Children Ages 12-23 Months Receiving a Lead Test	63%	63%	64%	63%
Percent of HealthChoice Children Ages 12-23 Months in Baltimore City Receiving a Lead Test	63%	63%	64%	64%
Very Low Birth Weight Births in the HealthChoice Program as a Proportion of Total Medicaid Births	1.7%	1.8%	1.8%	1.3%
Percent of Medicaid Children Aged 4-20 Receiving Dental Services	68%	69%	69%	2% Increase
Percent of HealthChoice Children Aged 0-20 Receiving at Least One Ambulatory Service	82.4%	82.9%	83.4%	1.3% Increase
Avoidable Hospital Admissions Per 100,000	166	163	161	157

Source: Department of Budget and Management

Goal 2: Improve the Health of Maryland's Adults

MCPA's second MFR goal is to improve the health of Maryland's adults. The goal is clearly stated and relates to the agency's mission. The goal has four objectives related to service delivery. The objectives include a measure with a target. Unlike most other agencies, the objectives specifically relate to calendar 2019.

Exhibit 28 lists the performance measures. The agency appears to be meeting three of its four targets. With respect to the number of avoidable hospital admissions per 100,000, the measures are more than two times higher than the target. Most of the targets are attainable and not aspirational.

Exhibit 28
Adult Health Performance Measures
Calendar 2017-2019 Est.

<u>Service Delivery Measures</u>	<u>2017 Actual</u>	<u>2018 Estimated</u>	<u>2019 Estimated</u>	<u>Target</u>
Percent of Gap Between Access Rate for Caucasians and the Access Rate for African Americans to Ambulatory Care Services	3.7%	3.6%	3.6%	3.4%
Percent of Elderly and Individuals with Disabilities Receiving State-funded Services in Community Alternatives versus Nursing Facilities	54%	57%	57%	2% Increase
Percent of HealthChoice Adults Aged 21-64 Receiving at Least One Ambulatory Care Service	72.8%	73.7%	74.8%	73.0%
Avoidable Hospital Admissions Per 100,000	1,516	1,468	1,419	647

Source: Department of Budget and Management

MFR Evaluation: What Is Not There

MCPA's MFR goals, objectives, and measures are reasonable. They focus on the agency's mission, are understandable and relevant, and have clear targets. The concern is that the measures are quite limited for an agency that has a substantial amount of performance data available. For example, in the DLS Medicaid operating budget analysis, performance is measured in eight separate areas:

- Medicaid and MCHP application times;
- managed care organizations' (MCO) quality performance;
- MCO value-based purchasing (VBP);
- MCO financial performance;
- MCO access to care;
- rebalancing services from institutional care (such as nursing homes) to community-based services (such as personal care and private duty nursing provided in the home);

- nursing home performance; and
- dental care.

The State is fortunate that there is an abundance of health care data available to measure performance. For the previously listed areas, performance data is collected by the State, federal government, and nonprofit organizations such as HealthcareData Company and the Hilltop Institute.

Value-based Purchasing

An example of the availability of data is VBP. VBP is a pay-for-performance effort with the goal of improving MCO performance by providing monetary incentives and disincentives. For calendar 2017, 13 measures were chosen for which the Maryland Department of Health (MDH) sets targets, including ambulatory care visits, immunizations, early childhood lead screenings, postpartum care, well-child visits, adult body mass index assessment, breast cancer screening, comprehensive diabetes care, controlling high blood pressure, and medication management for people with asthma.

MCOs with scores exceeding the target receive an incentive payment, while MCOs with scores below the target must pay a penalty. There is also a midrange target for which an MCO neither receives an incentive payment nor pays a penalty. The penalty payments are used to fund the incentive payments. If collected penalties exceed incentive payments, the surplus is distributed in the form of a bonus to the four highest performing MCOs using normalized scores and relative enrollment.

VBP is a program in which the State collects performance data to reward top performers and penalize poorer performers. MDH is collecting performance data, but much of the data is not part of the MFR process.

Recommendations

The massive size of Medicaid allows the State to invest a small share of Medicaid costs in quality measurement and receive a substantial amount of data. This makes Medicaid an unusually data-rich agency. It is not difficult to imagine many pages of MFR goals, objectives, and measures. It also appears that the Medicaid program is regularly evaluating its performance and making data-driven decisions.

One purpose of MFR is to provide the public with some key performance indicators from which the public can get a sense of how well a program is performing. In the case of data-rich agencies like Medicaid, the sheer abundance of data can complicate this process. Nonetheless, an attempt should be made to evaluate performance.

While the MFR process provides some basic performance data about MCPA, it seems as though 11 measures for more than \$11 billion in spending does not provide a sufficiently thorough analysis of this agency's performance. **DLS recommends that MCPA adopt additional goals, objectives, and performance measures so that the MFR provides a more comprehensive evaluation of Medicaid performance.**