



PB² Performance Report

No. 98-37

January 1999

DMS Workforce Program Services' Efficiency Improves; Customer Satisfaction Has Doubled

This report assesses the performance of the Department of Management Services Workforce Program based on 1997-98 measures and comments on measures proposed for 1999-2000 under performance-based program budgeting (PB²).

Summary

- The Workforce Program has increased its administrative efficiency by 4.2% during Fiscal Year 1997-98.
- According to a survey of agency personnel officers, customer satisfaction with program services has doubled since OPPAGA's prior review in April 1998.
- The program's accountability system meets OPPAGA's expectations in three of four areas (*program purpose and goals, performance measures, and reporting of information and its use by management*). The program's procedures for ensuring *data reliability* need some modification.
- Workforce Program management has developed new customer satisfaction measures that are better indicators of how well the program performs.
- The Workforce Program is currently piloting a new system for monitoring state agency personnel offices and is developing outcome measures for assessing the results of its monitoring activities.
- The program should develop outcome measures to assess the overall performance of the state personnel system.
- The Acting Secretary of the Department of Management Services provided a written response to our findings and recommendations. (See Appendix C.)

Background

State personnel functions in Florida are partly decentralized and partly centralized. Each state agency is responsible for handling day-to-day personnel matters including recruiting and selecting employees, assessing employee performance, taking disciplinary actions, and providing training. However, Florida's state personnel functions are also partly centralized in that the Department of Management Services Workforce Program is responsible for overall administration of the state personnel system.

The program's primary function is to establish a framework for a fair and equitable personnel system that promotes the state's personnel policy and imposes uniformity of employee treatment and personnel actions among state agencies. In its role of developing and supporting the state's human resource infrastructure, the program provides agencies with information and technical assistance on human resource issues. The program is also required by statute to conduct periodic audits of state agency personnel offices and to provide technical assistance to agencies for the development and evaluation of training programs.

The program shares responsibility for the Cooperative Personnel Employment Subsystem (COPES) with the department's Information Technology Program. COPES is an automated database that provides state agencies with statewide personnel data, such as employee salaries, positions, vacancies, turnover, leave, and recruitment. The Information Technology Program operates and maintains the COPES database, and the Workforce Program administratively supports and coordinates COPES activities.

The Workforce Program is funded from the State Personnel System Trust Fund and general revenue. For Fiscal Year 1998-99, the program was appropriated \$9.5 million (\$8.2 million from the trust fund and \$1.3 million from general revenue) and had 50 authorized positions.

Performance

The Workforce Program has increased its efficiency and customer satisfaction with its services. Since Fiscal Year 1996-97, the program has lowered its cost per authorized full-time equivalent position (FTE) in the state personnel system by 4.2%. Program management has also implemented changes that doubled the program's customer satisfaction rate since OPPAGA's prior review in April 1998.¹

See Appendix A for a more detailed discussion of program performance for each of its measures.

¹ *Program Evaluation and Justification Review, Workforce Program, Administered by the Department of Management Services, OPPAGA Report No. 98-01, July 1998*

Proposed Performance Measures

The Workforce Program has proposed new customer satisfaction outcome measures that will better assess program performance. Additionally, as recommended by OPPAGA, the Workforce Program is currently piloting a new system for monitoring state agency personnel offices and is developing outcome measures for assessing the results of its monitoring activities. If the pilot system generates sufficient baseline data, program management intends to propose new monitoring performance measures in the program's Fiscal Year 2000-2001 legislative budget request.

The program needs to develop outcome measures for assessing the overall state personnel system. These measures should include the turnover rate for state employees, comparisons of state employee salary levels and benefits packages with those of other states and the private sector, and state employee rankings of the factors responsible for their attraction to and retention in Florida state government. Although the program should not be held fully accountable for these outcomes, the information would help the Legislature assess the effectiveness and competitiveness of the state personnel system.

See Appendix B for a more detailed discussion of our recommendations for the program's measures.

Rating of Program Accountability

A key factor in PB² is that agencies need to develop strong accountability systems that enable the Legislature and the public to assess program performance. An *accountability system* consists of these key elements: program purpose or goals, performance measures, a process for valid and reliable data, and credible reports of performance that can be used to manage the program. OPPAGA's rating tells decision-makers whether they can rely on the program's performance information. We compared the components of the Workforce Program's accountability system against our established criteria to determine its rating.

Accountability System Component	Meets Expectations	Needs Some Modifications	Needs Major Modifications
Program Purpose and Goals	X		
Performance Measures	X		
Data Reliability		X	
Reporting Information and Use by Management	X		

Source: OPPAGA analysis

The Workforce Program meets OPPAGA's expectations of an adequate accountability system for three of the four elements specified in the table above. The program has

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developed a clear and comprehensive mission statement as well as measurable objectives that are consistent with the program's goals. Furthermore, the program's performance measures and standards relate to program purpose and statutory direction and cover all major aspects of the program. The program also provides information on program resources and performance to the Legislature in a clear and understandable manner, and program managers use this information for internal decision making.

However, while the program has some procedures to ensure the reliability of performance data, these procedures need to be improved. The program recognizes this limitation and will implement data control procedures in the future. For example, the program will perform more in-depth statistical analysis of customer survey methodology to help ensure data reliability.

For More Information

See OPPAGA Report Nos. 98-01 and 97-54 for the results of the comprehensive program evaluation and justification review of the DMS Workforce Program. OPPAGA reports are on-line at <http://www.oppaga.state.fl.us/reports/reports.html>. Information regarding the Workforce Program can also be found in the program's on-line FGAR profile at <http://www.oppaga.state.fl.us/profiles/6088/> or by calling Steven Birnholz at (850) 487-3631. Information from the program is available on its web site at <http://fcn.state.fl.us/dms/pms/> or by calling (850) 921-7931.

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Appendix A

Analysis of Program Performance for Each of its Performance Measures

Outcome Measures

Performance		1997-98	Met	Comments
1996-97	1997-98	Standard	Standard?	
Administrative Cost Per FTE: COPES Cost				
\$40.20	\$40.35	\$42.84	Yes	This measure reports the amount allocated to and expended by the Workforce Program per authorized FTE in the state personnel system for funding the Cooperative Personnel Employment System (COPES). The measure does not include the estimated additional amount expended by the Department of Management Services Information Technology Program to run the system. However, a revised measure reporting the entire cost of operating COPES will be included in the Workforce Program's 2000-2001 Legislative Budget Request.
Administrative Cost Per FTE: Administrative Cost Net of COPES				
\$32.37	\$31.00	\$36.01	Yes	This measure reports the Workforce Program's cost per authorized FTE in the state personnel system less the amount allocated to and expended by the program for funding COPES. Due to reduced expenditures for computer-related hardware and other miscellaneous items, the program's administrative efficiency improved by 4.2% from the prior year. Although program management overestimated the program's future costs and therefore proposed too high a standard, management has recently improved its methodology for calculating cost projections.
Administrative Cost Per FTE: Total				
\$72.57	\$71.35	\$78.85	Yes	This measure is the sum of the previous two measures.

Outcome Measures

Performance		1997-98 Standard	Met Standard?	Comments
1996-97	1997-98			
Administrative Cost Per FTE: Comparable States				
\$160.29	N/A	\$166.83	N/A	This measure is not valid because of a lack of comparable data from other states.
Percentage of Agencies at or Above Equal Employment Opportunity Parity With the Available Labor Market				
50.00%	56.00%	49.78%	Yes	While the Workforce Program does not directly influence the state agencies' hiring trends, the measure provides information on minority representation in the executive branch agencies as compared to the available labor market.
Percentage of Agencies at or Above Equal Employment Opportunity Gender Parity With the Available Labor Market				
N/A	80%	N/A	N/A	While the program does not directly influence the state agencies' hiring trends, the measure provides information on female representation in the executive branch agencies as compared to the available labor market.

Outcome Measures

Customer Satisfaction		
Measures	1997-98 Performance	Comments
Percentage of customers satisfied that the information provided resulted in more effective and efficient HR-related decision making	77%	These customer satisfaction measures provide more valid information than the program's previous customer feedback ratings. The program's new measures assess the satisfaction of its direct customers, the agency personnel officers. These data, collected by program staff, indicate a doubling of the program's customer satisfaction rate since OPPAGA's prior review in April 1998. This improvement is a result of program initiatives to provide more timely and accurate technical assistance to customer agencies, enhance communication within the state personnel system, and actively seek customer input into its human resource management policymaking process.
Percentage of customers satisfied that the technical assistance provided resulted in more effective and efficient HR-related decision making	77%	
Percentage of customers satisfied that the information provided was timely	71%	
Percentage of customers satisfied that the information provided was accurate	77%	
Percentage of customers satisfied that the information provided was consistent with past practices	77%	
Percentage of customers satisfied that the technical assistance provided was timely	81%	
Percentage of customers satisfied that the technical assistance provided was accurate	81%	
Percentage of customers satisfied that the technical assistance provided was consistent with past practices	68%	

Sources: *Department of Management Services Workforce Program Fiscal Year 1999-2000 Legislative Budget Request; Program Evaluation and Justification Review, Workforce Program, Administered by the Department of Management Services*, OPPAGA Report No. 98-01, July 1998; *Review of the Performance of the Department of Management Services Workforce Program*, OPPAGA Report No. 97-54, February 1998; discussions with Department of Management Services Workforce Program management; OPPAGA analysis

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Appendix B

OPPAGA Recommendations for the Workforce Program's Fiscal Year 1999-2000 Measures

Fiscal Year 1999-2000 Outcome Measures

Measures Proposed by Agency	Proposed Standards	OPPAGA Recommendations/Comments
Administrative Cost per FTE: COPEs Cost	\$42.67	We recommend modifying these measures. The primary name of this measure should be changed to <i>Program Cost per Authorized FTE in the State Personnel System</i> in order to more accurately reflect the measure's data components.
Administrative Cost per FTE: Administrative Cost Net of COPEs	\$33.84	
Customer Satisfaction		We recommend adopting these measures. These customer satisfaction measures are valid indicators of how well the program performs in developing and administering the policies and guidelines provided to state agencies. Specifically, the measures are designed to directly assess customer satisfaction with the program's timeliness, accuracy, and consistency in providing services as well as the program's impact on customers' HR-related decision making.
<ul style="list-style-type: none"> Percentage of customers satisfied that the information provided resulted in more effective and efficient HR-related decision making 	83%	
<ul style="list-style-type: none"> Percentage of customers satisfied that the technical assistance provided resulted in more effective and efficient HR-related decision making 	83%	
<ul style="list-style-type: none"> Percentage of customers satisfied that the information provided was timely 	83%	
<ul style="list-style-type: none"> Percentage of customers satisfied that the information provided was accurate 	83%	

Fiscal Year 1999-2000 Outcome Measures

Measures Proposed by Agency	Proposed Standards	OPPAGA Recommendations/Comments
<ul style="list-style-type: none"> Percentage of customers satisfied that the information provided was consistent with past practices 	83%	
<ul style="list-style-type: none"> Percentage of customers satisfied that the technical assistance provided was timely 	87%	
<ul style="list-style-type: none"> Percentage of customers satisfied that the technical assistance provided was accurate 	87%	
<ul style="list-style-type: none"> Percentage of customers satisfied that the technical assistance provided was consistent with past practices 	74%	
<p>Percentage of agencies at or above Equal Employment Opportunity minority parity with the available labor market</p>	63.3%	<p>We recommend adopting these measures. While the program does not directly influence the state agencies' hiring trends, these measures provide information on minority and female representation in the executive branch agencies as compared to the available labor market.</p>
<p>Percentage of agencies at or above Equal Employment Opportunity gender parity with the available labor market</p>	86.7%	

Fiscal Year 1999-2000 Output Measures

Measures Proposed by Agency	Proposed Standards	OPPAGA Recommendations/Comments
Number of information materials provided	1,820	We recommend adopting these measures. They will help the Legislature assess the level of products or services actually provided by the program.
Number of responses to technical assistance	15,343	

OPPAGA Recommendations for Additional Measures, Fiscal Year 1999-2000

Measures	Proposed Standards	OPPAGA Recommendations/Comments
Program Cost per Authorized FTE in the State Personnel System: Total	\$76.51	Currently, this measure is the sum of the measures <i>Administrative Cost per FTE: COPEs Cost</i> and <i>Administrative Cost per FTE: Administrative Cost Net of COPEs</i> . In an effort to streamline the program's performance measures, program management did not propose this measure for continuation since it can be calculated by totaling its reported components. However, reporting this summary measure would make it easier and faster for policy makers to assess the program's performance.

Sources: *Department of Management Services Workforce Program Fiscal Year 1999-2000 Legislative Budget Request*; discussions with Department of Management Services Workforce Program management; OPPAGA analysis

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Appendix C

Response From the Department of Management Services

DEPARTMENT OF MANAGEMENT

SERVICES

4050 Esplanade Way · Tallahassee, Florida 32399-0950

BUDDY MACKAY, GOVERNOR

December 29, 1998

Mr. John W. Turcotte, Director
Office of Program Policy Analysis
and Government Accountability
Claude Pepper Building, Room 312
111 West Madison Street
Tallahassee, Florida 32302

Dear Mr. Turcotte:

The Office of Inspector General is providing this information pursuant to your request dated December 18, 1998. Our response regards the preliminary report related to the Department of Management Services Workforce Program.

Rating of Program Accountability

Program Purpose & Goals Our office concurs with the current rating of "Meets Expectation." The conditions in place at the time of the original rating still exist.

Performance Measures Our office concurs with the current rating of "Meets Expectation." The conditions in place at the time of the original rating still exist.

Data Reliability Our office concurs with the current rating of "Needs Some Modification." The Workforce Program has implemented data control procedures for the performance measures proposed for FY 1999-2000. These procedures include performing a more in-depth statistical analysis of the customer survey results to ensure data reliability. The current rating of "needs some modifications" addresses the performance measures approved in the FY 1997-1998 General Appropriations Act and does not pertain to the proposed measures. The Program believes that it is too soon to assess the impact of changes with regard to the reliability of the data since the proposed measures for FY 1999-2000 have not been approved by the Legislature.

Mr. Turcotte
December 29, 1998
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Reporting Information & Use by Management Our office with the current rating of "Meets Expectation." The conditions in place at the time of the original rating still exist.

Proposed Outcome Measures

Our office concurs with OPPAGA's recommendation of developing outcome measures that will assess the results of the Program's monitoring activities.

In regards to OPPAGA's recommendation to develop outcome measures for assessing the overall state personnel system, the Workforce Program will review some of its existing internal measures and/or develop outcome measures that capture information pertaining to the effectiveness and competitiveness of the state personnel system. Some of the internal measures could include data regarding comparisons of state employee salary levels and benefits packages as well as the turnover rate of state employees. These new outcome measures should be captured only as informational measures. The Workforce Program does not directly influence things such as turnover, salary, or benefits and therefore should not be held accountable for these outcomes. However, our office concurs that the Program is the appropriate entity for providing this type of information to the Legislature and the public.

OPPAGA Recommendations for the Workforce Program's Fiscal Year 1999-2000 Measures

Our office concurs with OPPAGA's recommendation to adopt the proposed measures.

OPPAGA Recommendations for Additional Measures, Fiscal Year 1999-2000

Our office concurs with OPPAGA's recommendation to add an additional measure (*Program Cost per Authorized FTE in the State Personnel System: Total*).

If further information is needed concerning our response, please contact Millie Seay, Inspector General, at 488-5285.

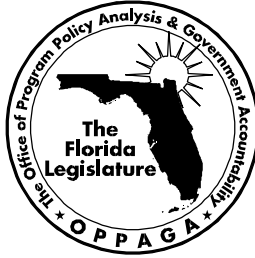
Sincerely,

Don Mills
Acting Secretary

DM/ks
cc: Derick Daniel
Sharon Larson
Libby Williams

The Florida Legislature

Office of Program Policy Analysis and Government Accountability



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