
Special Report

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Continuous Quality Improvement Enhances Florida Taxpayer Services, Cuts Costs, and Targets Government Accountability

The Quality Movement

In his 1980s best sellers, *In Search of Excellence* and *A Passion for Excellence*,¹ Tom Peters spread the message that U.S. companies could regain their competitive edge by paying more attention to customers and giving employees more freedom to create. Soon after, Harvard University's School of Business Administration proclaimed quality as *the* competitive weapon of the 1990s.² Both echoed the pioneering work of W. Edwards Deming, which helped Japan recover and prosper following World War II.³

Quality improvement, continuous improvement, total quality management, efficiency and productivity are now central to the successful operation of many private and public organizations. Top-level commitment to data-driven decision making, more horizontal management, and teamwork characterize today's quality improvement environment.

Achieving government agency missions and desired outcomes requires executing policies and streamlining programs to meet and exceed external and internal customer requirements, cut costs, and boost taxpayer confidence and employee job satisfaction.

Why Quality Is Important

Continuous quality improvement in Florida government is more important today than ever in light of our rapidly changing economy, pressure to pay for disasters, a baby boomer generation about to retire and become more reliant on government services, and the trend of more services devolving from the federal government to state and local entities.

Continuous improvement has gained increased "bottom line" relevance with Speaker of the Florida House of Representatives Allan Bense and his next two designated successors proposing the 2006 Government Accountability Act requiring state agencies, every eight years, to convince the Legislature that they should continue to exist.

"Improving taxpayer value, citizen understanding and government accountability."

On November 28, 2005, Speaker Bense stated that agencies need to do more self-questioning of whether they are fulfilling their missions and doing what the people want them to do. Fortunately, continuous quality improvement is grounded in asking such probing questions, then designing processes and metrics to help assure that agencies achieve their missions and remain relevant and customer focused.

A provision in a 1992 constitutional amendment on state budgeting⁴ to develop quality management programs in all state agencies was not specified in 1994 implementing legislation.⁵ Florida TaxWatch research conducted in the summer and fall of 2005 found that only two (Revenue and Transportation) of more than two dozen agencies have mature, agency-wide, continuous quality improvement programs based on generally accepted principles. Two large, complex agencies (Children and Families, Health) plus the Agency for Workforce Innovation have successful initiatives in selected institutions or organizational units. Several agencies (Law Enforcement, Education, Highway Safety and Motor Vehicles, Fish and Wildlife Conservation Commission) have implemented selected quality improvement principles. A half dozen or more agencies (Business and Professional Regulation, Financial Services, Florida Lottery, Juvenile Justice, Legal Affairs, Management Services) are in various stages of exploring, developing, and/or initially implementing quality initiatives. The remaining agencies (Community Affairs, Corrections, Elder Affairs, Environmental Protection, Health Care Administration, State, Veterans Affairs) appear not to have begun a recognized, systematic quality journey.

Top Level Government Improvement Initiatives

The House leadership's 2006 legislation aimed at improving state agency performance, relevance and accountability appropriately builds on more than three decades of state government initiatives aimed at increasing the productivity, quality, quantity, and cost effectiveness of taxpayer services.

- ▶ A 1973-74 Governor's Management and Efficiency Study Commission chaired by housing magnate Jim Walter made recommendations to Governor Reubin Askew on ways to improve the general efficiency and economy of state government.⁶
- ▶ Governor Bob Graham's administration created a structured productivity improvement program⁷ that used performance agreements between the Governor and agency heads and legislative budget requests for goal setting and accountability. Transition briefing material prepared at Florida State University for incoming Governor Bob Martinez stressed that a lesson learned from the previous eight years was the need for "*...continuous attention and commitment at all levels of the government...if the promise of productivity improvement is to be realized.*"
- ▶ Governor Martinez, by a Governor and Cabinet resolution,⁸ created and promoted a multi-year public/private "Partners in Productivity" initiative sponsored by Florida TaxWatch and The Florida Council of 100. This effort documented \$715 million of

savings in the four largest state agencies, proposed performance measures for all agencies, and advocated Total Quality Management.

► The 1990 Florida Taxation and Budget Reform Commission found a need for continuous improvement in the delivery of state government services and products. It recommended that each agency adopt an annual productivity plan with standards and measures to assess the quality and cost effectiveness of its operations.⁹

► Governor Lawton Chiles campaigned on “rightsizing” state government.¹⁰ His first act following the 1991 inauguration was to establish a Commission on Government by the People, chaired by former Orlando Mayor Bill Frederick, which led to performance budgeting. Additionally, the Florida Sterling Council was initiated to promote organizational Total Quality Management and performance excellence in public and private organizations.

► A November 1992 constitutional amendment approved by 83% of the voters¹¹ required government agencies to implement quality management and accountability programs as prescribed by subsequent legislation. The 1994 Legislature passed a Government Performance and Accountability Act (incorporated into the state budget statute, Chapter 216) that focused on performance measurement and accountability, which are key components of quality management and improvement. However, the 1994 legislation did not require state agencies to establish quality management programs to support performance measures of services provided and outcomes achieved.

► The 1994 Act created the Legislature’s Office of Program Policy Analysis and Government Accountability (OPPAGA) that has since issued hundreds of reports and briefings on Florida government, including “justification reviews” of state programs according to a schedule set by the Legislature. OPPAGA has worked with legislative committees, state agencies, and the Governor’s Office to establish performance measures for state programs and then reported on performance using those measures.

The 1994 Act also established in state law the Commission on Government Accountability to the People. The Commission developed 57 benchmarks to measure quality of life in Florida, goals were set and progress tracked, and selected state agency programs were evaluated for their impact on those quality of life measures. Unfortunately, the Commission was un-funded in 1998.

► Governor Jeb Bush’s “Service First” civil service reform initiative, approved by the 2001 Legislature,¹² contains provisions intended to modernize the state workforce and improve service delivery. The head of an agency with a track record of quality improvement success commented to Florida TaxWatch that Service First has fostered an environment for quality improvement by exempting more mid-level managers from job protection, thereby making them more accountable to implement top management initiatives.

“A governmental agency should deliver economically the service prescribed by law or regulation. The aim should be distinction in service. Continual improvement in governmental service would earn appreciation of the American public and would hold jobs in the service, and help industry to create more jobs.”

W. Edwards Deming, *Out of the Crisis*, 1986

Quality Milestones

► Quality improvement initiatives were started a decade or more ago at the Departments of Health, Law Enforcement, Revenue, and Transportation, plus Florida State Hospital and Northeast Florida State Hospital within the Department of Children and Families, the Florida Department of Health’s Miami-Dade Health Department, and the Division of Unemployment Compensation within the Agency for Workforce Innovation (formerly the Department of Labor and Employment Security).

► The Department of Transportation has the longest history of quality improvement, having established value engineering teams in 1978 and process teams (quality circles) in 1985. Department-wide quality guidelines were adopted in 1987 and the state’s first quality improvement employee handbook was produced in 1989. The department acknowledged support provided by Florida Power and Light Company and its licensee, Qualtec.

► Between 1998 and 2002, the Governor’s Sterling Awards were presented to the Department of Revenue, Florida State Hospital, Northeast Florida State Hospital, the Miami-Dade Health Department, and the Division of Unemployment Compensation.

Quality Improvement Experiences and Lessons Learned

Florida TaxWatch contacted each state agency for information on quality improvement initiatives. In addition, comments made in meetings with selected agency heads and top managers concerning experiences and lessons learned are summarized in the following sections.

Government Structure and Culture

Most state agencies are organized vertically by division, bureau, and section. This structure conflicts with highly effective execution of business processes that are horizontal, often crossing organizational lines within and between agencies. Surprisingly, crossing organizational lines - in and of itself - to achieve a goal often is touted as a significant component of achievements submitted to Florida TaxWatch for Prudential Financial-Davis Productivity Awards.

Contrary to modern management thinking, government resources are organized by, and funded as, “silos” rather than driven by business processes. It does not have to be this way.

Between 1991 and 1996, for example, the Department of Revenue was recognized by the Davis Productivity Awards for organizing around processes rather than divisional hierarchies; establishing strategic planning and budgeting for major taxpayer service issues; installing fact-based decision making; and using “processing mapping” for continuous improvement and training employees in quality management techniques. These initiatives helped cut costs and increase revenue by more than \$15 million.

Leadership and Management

Continuous quality improvement requires committed and consistent structure and direction from the top. Because state agency leadership changes frequently, a continuous improvement culture must be institutionalized as a high priority of day-to-day business. This includes installing a management system with the mindset that solving problems is a great thing to do and a basic way of conducting business—not something “special” in response to crises or a fad that goes away when a new fad is in vogue. The Department of Revenue’s (DOR) quality improvement system has been developed and nurtured under three executive directors: Tom Herndon, Larry Fuchs, and Jim Zingale.

In 1994, *Governing* magazine named Fuchs as one of ten public officials of the year for implementing business-like practices.¹³ In 1995, the DOR won the Washington-based Federation of Tax Administrators' *Management and Organizational Initiative award*, and in 1998 it became the only government agency wide winner of the Governor’s Florida Sterling Award. It has also been recognized by management initiative awards from USA TODAY and the Lyndon Johnson School of Government at the University of Texas.

“An encouraging sign from Tallahassee is that the institutional inertia inherent in a governmental agency seems to be missing in a department (Department of Revenue) chosen to demonstrate the value of operating government like a business...”

1994 Florida Times-Union editorial

Business Processes

Continuous quality improvement provides a highly effective mechanism for a state agency to align its core business processes, day-to-day decision making and resources to their statutory missions. Performance is evaluated regularly to help ensure that the agency remains responsive to its taxpayer customers. Customer value surveys focus on what customers really want and whether customers agree that the agency is measuring the impact of the right service delivery factors. The agency takes corrective action when a unit of service or activity does not conform.

Additionally, although there is generally better linkage between business processes between private sector organizations and their suppliers, state government suppliers can and should be included in business process mapping with an eye toward continuous improvement.

Organizations That Promote Quality and Performance Improvement and Measurement

Florida Sterling Council

Established in 1992, the Florida Sterling Council is a not-for-profit corporation whose mission is to enhance Florida's competitive edge and quality of life through promotion, assessment, and recognition of performance excellence.

Led by an Executive Committee of public and private sector members, and supported by the Executive Office of the Governor, the Council is primarily self-sustaining through an annual conference, assessment and training products and services, and service contracts with state agencies.

Three assessment tools, the Governor's Sterling Award, Sterling Challenge, and Sterling Navigator, help public and private sector organizations identify their strengths and opportunities for improvement. Sterling offers training sessions on its criteria as well as on process management, knowledge management, and leadership development.

An annual Sterling Conference promoting professional development, networking, and recognition for organizations seeking performance excellence attracts nearly 1,000 professionals and executives from across the country.

Sterling criteria for organizational performance excellence have been, or are being, incorporated into performance standards and quality improvement systems at the Departments of Children and Families, Health, Lottery, Management Services, Revenue and Transportation, and the Fish and Wildlife Conservation Commission.

Baldrige Criteria and Awards

In the 1980s, many industry and government leaders saw that a renewed emphasis on quality was a necessity for doing business in a competitive world market. The Baldrige Award, established by Congress in 1987 (Public Law 100-107) and named for Malcolm Baldrige, late Secretary of the Department of Commerce in the Reagan administration, was envisioned as a standard of excellence to help U.S. organizations achieve world-class quality.

The Baldrige Award is funded in part by a Congressional appropriation to the Commerce Department's National Institute for Standards and Technology, which manages the Baldrige National Quality Program in cooperation with the private sector. Additionally, a Baldrige Foundation is working to raise sufficient funds to establish an endowment which, when supplemented by fees from award applicants, will permanently fund the program.

Baldrige criteria are tools for developing and refining management review of performance, with an emphasis on measurement. The criteria, developed by U.S. experts

in business management to address financial and human resources issues relating to quality, are revised annually based on feedback from applicants, examiners, and other stakeholders in the Baldrige Award process.

Up to three Baldrige Awards are given annually by the President of the United States in each of the following categories: manufacturing, service, small business, education, and health care. Organizations are judged in seven areas: leadership; strategic planning; customer and market focus; measurement, analysis, and knowledge management; human resource focus; process management; and results. In October 2004, President Bush signed legislation enabling non-profit and government organizations to compete for Baldrige recognition beginning in 2006.

Several of Florida's state agencies, including the Departments of Health, Revenue, and Transportation, are utilizing Baldrige criteria.

International Organization for Standardization

Since 1987, the International Organization for Standardization (ISO)¹⁴ has published quality management information and standards, including the family of standards referred to collectively as ISO 9000. An organization may implement ISO on a voluntary basis or seek formal registration from a registration body approved by the ISO. More than 700,000 private and public entities in 154 countries worldwide have been registered as meeting ISO standards to help fulfill customers' quality requirements and achieve continuous performance improvement.

The Florida Department of Transportation's State Materials Laboratory is the only state laboratory in the nation, and likely the sole entity in Florida government, to have achieved ISO accreditation. The laboratory performs testing under the provisions of ISO/IEC 17025-2005 standards, in accordance with Standard R-18 of the American Association of State Highway and Transportation Officials, and in accordance with American Society for Testing and Materials testing standards.

Government Accounting Standards Board

The Government Accounting Standards Board (GASB) is a private, not-for-profit organization that issues standards for government financial reporting in state and local government. The GASB has issued standards for service efforts and accomplishment (SEA) reporting and publishes a variety of technical publications.¹⁶

Association of Government Accountants

The Association of Government Accountants (AGA) has adopted criteria consistent with GASB standards and provides training programs and technical assistance for state and local government programs to report SEA and to explain actions taken to improve quality and overall performance to the public. Voluntary AGA reviewers determine if a program's annual SEA report meets criteria for a certificate of excellence.¹⁵

Summary of Florida Government Quality Improvement Initiatives

Agency for Workforce Innovation

This agency assists Floridians in becoming self-sufficient by securing gainful employment. Its Unemployment Compensation Program annually processes approximately 700,000 claims, handles 80,000 appeals, pays nearly \$1 billion in benefits, and collects more than \$1 billion in taxes.

In 1993, total quality management principles were incorporated into the program's mission, core processes, and service delivery. In 1998, Unemployment Compensation was the first and so far the only division in state government to receive a Governor's Sterling Award for organizational performance excellence.

In 1995, a customer communications tracking system (COMTRAC) was developed for improved response to inquiries and customer complaints and to identify areas needing improvement.

In October 2000, unemployment compensation services were transferred from the former Department of Labor and Employment Security to the Agency for Workforce Innovation. Subsequently, COMTRAC became an agency-wide model and results were presented at the Sterling Team Showcase in 2002. Additionally, a program service delivery model was reengineered by implementing on-line services for claim filing, appeals filing, and paying taxes.

The program continues to emphasize quality to help ensure that unemployed workers receive correct benefit determinations and timely payments. Recent improvements include:

- ▶ A web application to process appeal filings, dockets, hearings, and decisions;
- ▶ Digital recording of appeals hearings; and
- ▶ Better determination of employers' liability for unemployment tax, assigning tax rates, collecting taxes, and securing wage data for computing benefit eligibility.

Department of Agriculture and Consumer Services

Bureau of Food Laboratories

Quality improvements are both broad-based and highly specific. An example of the latter is the Bureau of Food Laboratories' development of a pipette calibration method to help analyze extremely small amounts of liquid. The Bureau's method promotes quality in the laboratory by verifying that the pipette is functioning correctly, that the amount of test material utilized to perform food-related analysis is accurate, and that employees are competent to perform this work. The Bureau is applying to the International Organization for Standardization to accredit its food testing process, of which the pipette calibration method is a required component.

The ISO 17025 standard is *the* internationally recognized standard for metrology and testing laboratories. For a laboratory to achieve accreditation to this standard, the laboratory must possess and demonstrate:

- 1) that laboratory testing activities are governed by a comprehensive and rigorous quality management system.
- 2) that the laboratory quality management system will ensure continuous quality improvement.
- 3) that the analytical data reported by the laboratory is true and accurate (ed. layman's terms).

Thus, accreditation to the ISO 17025 standard will provide the department's Food Laboratory with international credibility that its data can be reliably accepted

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Division of Forestry

Since 2003, a position in this 1,200-person Division has been assigned to study and make recommendations to improve business practices and conserve resources. Results include:

- ▶ Reduced, and in some cases eliminated, travel and related expenses in training functions for equipment and mechanical training.
- ▶ Instituted new pilot/escort training by local division personnel, which reduced the majority of associated fees and all travel-related expenses.
- ▶ Saved tens of thousands of dollars in motor vehicle and heavy equipment warranty administration.

▶ Developed map and directory of DOT fuel sites. This initiative has increased the Division's use of less expensive gasoline to 400,000 gallons annually, creating savings in excess of \$100,000.

▶ Eliminated an outmoded communications radio control line circuit, saving \$130,000 annually.

▶ Reduced by 75-90% the long distance telephone rates on all non SunCom lines

Other improvements:

▶ Co-operative efforts with local community organizations around the state have resulted in urban-interface programs to reduce the likelihood of damage to private properties by wildfires.

▶ In-house computer programs have been developed to aid state residents in securing burn permits and to improve monitoring of these events by division personnel.

▶ A division meteorologist has implemented new technology in each of the 15 districts to track lightning strikes to direct Division of Forestry pilots to patrol areas most prone to have "hot spots" that could develop into wildfires.

Department of Business and Professional Regulation

Since October 2004, a performance improvement board has worked to formulate quality programs and practices that support the department's strategic plan and make performance improvement and quality an integral part of its mission and vision. Meeting monthly, its members are the chief of staff, deputy secretaries, division directors, and other senior managers.

The board's objectives and responsibilities include:

▶ Providing leadership, support, and guidance in developing systems and processes for the department's administrative, financial, and operational units to identify obstacles, opportunities, and tools for performance improvement and quality. Areas of focus include PeopleFirst, MyFloridaMarketPlace, Aspire, and other technological projects.

▶ Identifying processes to improve performance that provide the greatest possible customer satisfaction and cost reduction.

▶ Developing a process whereby all employees participate in creating and implementing improvement initiatives.

▶ Directing development of systems and processes to track and measure performance improvement and quality.

► Implementing a system of awards to recognize efforts and achievement in performance improvement and quality.

Each division’s strengths, weaknesses, opportunities, and threats (SWOTs) have been identified. They are being cross-referenced against business processes to identify potential efficiencies, system enhancements, and opportunities for optimizing benefits to the department.

Department of Children and Families

The Department of Children and Families (DCF) quality management system has success indicators and measures for all adult and child populations served. The primary tool for using and managing measures is an electronic “dashboard,” which is web-based, continually updated, and accessible to employees, community partners, and the public. The dashboard provides statewide and district-by-district data and information on strategic measures, General Appropriations Act measures, and program performance.

Teams composed of staff from the Tallahassee central office, program offices, districts, and providers are charged with maintaining and improving performance and managing resources. They follow a Plan-Do-Check-Act problem solving methodology to identify and solve performance gaps. Major steps include:

PLAN	<ul style="list-style-type: none"> ▪ Identify success indicators through strategic planning, executive leadership, and as required by the annual General Appropriations Act ▪ Identify resources ▪ Assess current situation and determine reason(s) for improvement
DO	<ul style="list-style-type: none"> ▪ Deploy strategic success indicators ▪ Graphically display progress toward achieving success indicators using a Hoshin system (Japanese term for setting direction with measures or drivers to achieve outcomes) for performance indicators ▪ Graphically display standardized financial reports for associated success indicators ▪ Provide performance and resource indicators by district
CHECK	<ul style="list-style-type: none"> ▪ Review performance monthly and determine variances on Hoshin Table and financial reports ▪ Team members statewide who are close to the problem complete a cause and effect analysis to determine why performance gaps (verified root causes) are occurring
ACT	<ul style="list-style-type: none"> ▪ Based on cause and effect analysis, appropriate countermeasures are identified, included in an action plan and deployed by those impacted by the plan. One person is accountable for ensuring steps are completed in a timely manner ▪ Based on results, standardize the process for implementation wherever appropriate

Six DCF zones (each composed of two or more districts) and one region (SunCoast) conduct quarterly performance reviews of measures linked to departmental strategic initiatives and measures. Typically, process owners rather than teams manage the data and conduct problem solving exercises to determine causes of performance gaps. Local teams have the same responsibility to improve performance and manage resources as

statewide teams. Future plans are to align this process to ensure a seamless quality management system.

As of October 2005, an executive level team conducts a monthly review to reinforce exemplary performance and assist teams as needed to improve performance. Process steps are documented and posted on the dashboard.

Implementation of the Florida Sterling Council's philosophy and its criteria is another strategy embraced by the department to drive continuous performance improvement. Staff completed a self-assessment (Sterling Navigator) in June 2005. Seven Sterling teams composed of staff throughout the state addressed improvement opportunities in the areas of leadership, strategic planning, customer and market focus, information management, human resources, process management, and results. These teams recommended ways to further improve the quality of departmental services. More than 60 staff are candidates to become Sterling Examiners and will receive comprehensive training in this area.

Florida State Hospital and Northeast Florida State Hospital won prestigious Governor's Sterling Awards for organizational performance excellence in 1999 and 2000, respectively. Following are summaries of their quality improvement processes.

Florida State Hospital

This hospital's quality management system utilizes eleven core processes to deliver services to residents. Support processes are aligned with core processes through analysis of strengths, weaknesses, opportunities, and threats (SWOT), focus groups, and human resources needs assessments. Maintaining and improving performance, products and services, and operational requirements is achieved in the following steps:

1. The process to be tracked is identified.
2. A one-page process flowchart is constructed.
3. Process indicators that include formulas for tracking performance are developed.
4. The process is implemented by assigning it to an "owner" and by training employees who are responsible for its day-to-day management.
5. The process is monitored by collecting and reporting data to unit directors and department heads, process owners, and the senior leadership team.
6. A sixth step, process redesign for improvement, occurs when gaps are identified during periodic management performance reviews. It consists of:

Planning: A team examines the gap and develops a service design for management review and approval.

Doing: The service design is piloted at one hospital site and results are documented.

Checking: Results are reviewed along with feedback regarding any concerns about the design.

Acting: The design is approved for deployment to the appropriate units/departments, or revisions are tested for future deployment.

Suppliers are managed through performance indicators determined from customer and hospital requirements. To continuously improve collaborative efforts, hospital leaders and suppliers meet regularly to review progress toward common goals and set new targets.

Northeast Florida State Hospital

Continuous quality improvement efforts at the Northeast Florida State Hospital, which serves persons with severe and persistent mental illness, are driven by an annual strategic planning process.

Annually, the hospital administrator and executive management team (EMT) annually analyze external and internal information to develop measures and strategies for achieving objectives. A strengths, weaknesses, opportunities, and threats (SWOT) analysis guides this process, which in turn drives the development of long-range strategic objectives (LSOs) and key annual business objectives (ABOs), plus refinement of specific measures (indicators) supporting the objectives.

A key component of NEFSH's strategic planning process is the annual review of its mission, vision, and values along with monthly and quarterly performance reviews of core and support processes as they relate to LSOs and ABOs. This is accomplished through a quality council whose membership consists of the EMT plus quality management staff, and process owners. The council monitors, evaluates, promotes, and showcases improvement projects that are measurable, outcome-oriented, and support and drive service improvements related to the hospital's mission.

After ABOs are established, appropriate indicators are selected and tracked on an executive summary of performance (ESP), which is published on the hospital's computer network for all staff to access and for process owners to enter data on each measure. The Quality Council meets monthly to review and monitor progress on each measure.

Continuous quality improvement (CQI) projects are initiated at the direction of the EMT and from proposals volunteered by staff. These initiatives address performance gaps and service needs noted during the strategic planning process and of concern to staff proposing improvement projects. During the project cycle, managers and team members receive training and assistance on a 10-step problem solving process.

To celebrate staff performance excellence, NEFSH hosts a CQI Expo each May. This event showcases improvement projects and best practices to share with staff and external customers and partners. This helps to demonstrate effective stewardship of state resources and commitment to serving those with severe and persistent mental illness. Since 1986, more than 350 improvement projects have been completed and 225 Davis Productivity Awards received.

Department of Education

This department initiated quality improvement processes through a strategic plan referred to as “Eight to be Great!” The plan’s eight strategic imperatives, listed below, are derived from the statutory mission of Florida’s K-20 education system, which is to “Increase the proficiency of all students within one seamless, efficient system, by allowing them the opportunity to expand their knowledge and skills through learning opportunities and research valued by students, parents, and communities.” (s. 1008.31, F.S.). Four statutory goals toward achieving this mission are: highest student achievement, seamless articulation and maximum access, skilled workforce and economic development, and quality efficient services.

The plan’s strategic imperatives include:

- ▶ Increase the supply of highly effective teachers
- ▶ Set, align and apply academic curricular and testing standards
- ▶ Improve student rates of learning
- ▶ Improve the quality of instructional leadership
- ▶ Increase the quantity and improve the quality of education options
- ▶ Align workforce education programs with skill requirements of the new economy
- ▶ Align financial resources with performance
- ▶ Coordinate efforts to improve higher student learning

Achieving these imperatives depends, in part, on a quality improvement approach that includes a management system to assess the Department of Education’s performance in six areas:

- ▶ Leadership
- ▶ Strategic planning
- ▶ Customer and market focus
- ▶ Measurement, analysis, and knowledge management
- ▶ Human resource focus
- ▶ Process management

Implementation is through strategic planning, process management, and employee professional development. In strategic planning, leaders develop management objectives, performance measures and targets, and review progress with the Commissioner and State Board of Education. In process management, leaders identify core processes and develop flowcharts and measures that are reviewed with supervisors and leadership teams.

Both strategic planning and process management identify priority projects to improve performance gaps that are important to achieving the strategic imperatives. Employees are trained to manage performance improvement projects using data and DMAIC (define, measure, analyze, improve, and control) improvement steps. Additionally, each employee is linked to the Commissioner and strategic imperatives through performance expectations as part of his/her annual performance evaluation.

Achievements and return on investment of time and energy to date include reduction of certification processing cycle time, improved independent school compliance to standards, and an increased number of consumers employed by the Division of Vocational Rehabilitation.

Lessons learned:

- ▶ Government services can be measured.
- ▶ Reorganizing is not the same as performance improvement.
- ▶ The challenge is to build a sustainable system for managing quality in an environment where leadership changes frequently.

A department-wide employee survey in the fall of 2005 will complement one completed in 2003. Results will be used by leadership to help make planning decisions

Department of Financial Services

This department, which was created by reorganization of the Departments of Insurance and Banking and Finance, manages the state's accounting and auditing functions, monitors investment of state funds, investigates financial fraud, licenses and oversees insurance agents and agencies, ensures that Florida businesses have workers' compensation coverage, safeguards unclaimed property, helps consumers with financial issues, and investigates arson while promoting fire safety.

Current initiatives seek to improve performance in each of these business processes. All divisions and bureaus have been directed to set measurable goals and to measure progress. The general expectation is that the department will work to carry out its public service in ways that are "better, faster and cheaper." Personnel evaluations are to be tied to performance measurements.

Examples of business process and quality improvement goals:

- ▶ To locate citizens who are the rightful owners of approximately \$1 billion worth of unclaimed property (mostly from dormant accounts in financial institutions, insurance and utility companies, safe deposit boxes, and trust holdings), the department has adopted

proactive means of identifying and contacting these citizens. The goal is to increase citizens' claims on the property from 37% to 45% by July 2006.

- ▶ Reduce the time to license emergency adjusters in response to major hurricanes from 19 days to two days.
- ▶ Increase the number of fraud cases presented to prosecutors by 20% by July 2007.
- ▶ Streamline the method by which state agencies deposit funds they receive into the Treasury to reduce costs and make cash available for disbursements promptly.
- ▶ Reduce worker compensation claims from state employees at targeted locations and agencies by more closely monitoring hazardous conditions, agency corrective actions, and claim activity.

The department's Division of Legal Services used a total quality management approach to analyze its workload and establish new procedures that reduced operating expenses and increased revenue. Its 75 employees were recognized for winning 28 Davis Productivity Awards between 1991 and 2001.

Department of Health

Florida's Department of Health is statutorily responsible for the health and safety of all citizens and visitors to the state (381.001 F.S.). The department

- ▶ Monitors the health status of Floridians; diagnoses and investigates health problems; and mobilizes local communities to address health-related issues;
- ▶ Develops policies and plans that support health goals; enforces laws and regulations that protect the health of all residents and visitors; links people to needed health care services; and provides services, where necessary, to increase access;
- ▶ Provides specialized assistance to pregnant women and children with special health care needs; licenses and regulates health care practitioners; and provides medical disability determinations;

The Department's performance measurement system has developed since the late 1980s. Before that, the department had a quality assurance system that identified problems less consistently and demanded corrective action plans that frequently was based on opinion, with a goal of meeting minimum standards and expectations.

Recognizing the need for an outcomes focus to determine progress toward achieving its mission, in the early 1990s the department transitioned from quality assurance to quality improvement, focusing on health status indicators to establish a baseline for monitoring and bench marking comparisons among counties that helped drive resource decisions and planning.

In the mid 1990s, process and administrative indicators were added to better assess entire health organizations. A valuable tool has been the Assessment Protocol for Excellence in Public Health (APEX) worksheet, which addresses issues such as infant mortality by focusing on direct contributing factors such as prenatal care and indirect contributing factors such as availability of clinic appointments.

In 1998, the Department incorporated Florida Sterling Criteria for Organizational Performance Excellence into its QI system. Each county health department is encouraged to use these criteria. The Miami-Dade County Health Department won a 2002 Sterling award, demonstrating organizational performance excellence in many areas such as a 96% customer satisfaction rate for three years.

In 2000, the department's QI process was improved by including local peer reviewers with day-to-day experience in health department work and expertise in performance improvement methods to assist local health departments with performance improvement efforts.

As the QI system has evolved, so has performance measurement. Data relating to health outcomes and other key measurements enhanced managers' ability to focus resources on areas needing improvement. This helped the state improve health outcomes between 1994 and 2003, including decreases in AIDS and TB case rates by over 50% and rates for young teen births (ages 10-14) by almost 60%.

In 2005, the Department's performance management system was redesigned to reflect a balanced scorecard type of approach to measure public health services, local processes, community interaction, human resources enrichment and customer attentiveness which was also aligns the system with the Florida Sterling Criteria. This process is being piloted in 20 county health departments, and following evaluation and modification, it is scheduled to be deployed to all 67 local health departments by late 2006.

Department of Highway Safety and Motor Vehicles

Since 1996, a departmental management team has met monthly. The MASS Team (management alternative strategies and solutions) membership consists of the assistant division director for each division, or higher. The team maintains information on all strategic initiatives for the department and initiates cross-divisional process evaluation teams as/when necessary. The team accomplishes this by reviews, discussion, and monitoring agency core processes and key process components.

When a process team is initiated, MASS clearly defines the desired outcome, constraints, feedback, and final report dates. It evaluates all employee team recommendations for improvement and forms teams to make changes, measure results, and report back to MASS as necessary. As a result, numerous cycle-time reductions and cost avoidances have been achieved.

Process improvements “roll-up” to directly or indirectly impact performance measures within the agency’s Long-Range Program Plan (LRPP). The measures within the LRPP are used annually as the basis of agency funding, as articulated in the General Appropriations Act.

Lessons Learned

- ▶ Customer needs (internal and external) change continuously, and processes must be regularly and consistently evaluated to be responsive.

- ▶ It is best to have a senior management level team accountable and responsible for monitoring the future needs of the agency.

- ▶ Cross-divisional team participation is vital. Process owners, as well as people knowing nothing about a process, must be team members. This combination brings fresh insight and provides stronger team recommendations.

- ▶ Consistent team processes must be used to produce thorough and reliable results.

Department of Juvenile Justice

Numerous operational improvements communicated to Florida TaxWatch in a meeting with Secretary Anthony Schembri and described in a *Change for Progress* report, plus graphing of operational activities in an executive information dashboard report, provide the basis for a department-wide continuous quality improvement initiative.

The Office of Continuing Improvement receives employee suggestions on any topic for making improvements throughout the department. Most deal with ways to improve programs through automation and elimination of unnecessary requirements, improve employee working conditions and morale, and provide employee training opportunities. Suggestions adopted by a review committee are implemented, and persons submitting them are notified via a letter and a certificate of appreciation. Reasons for not adopting others’ suggestion are also provided by correspondence.

The department’s Bureau of Quality Assurance is responsible for ensuring that direct care programs meet or exceed a minimal level of performance and operate in an efficient manner.

Department of Law Enforcement

The department’s mission is to “*promote public safety and strengthen domestic security.*” FDLE provides services in partnership with local, state, and federal criminal justice agencies to prevent, investigate and solve crimes while protecting Florida's citizens and visitors. Through seven Regional Operations Centers, fifteen Field Offices, and seven Crime Laboratories, FDLE delivers investigative, forensic, and information

system services to Florida's criminal justice community. The department has 1,933 full-time positions

The department's quality improvement processes began more than 15 years ago when comprehensive planning documents identified short and long term goals and objectives and specific outputs to measure effectiveness. In 1990, FDLE was accredited by the Commission on Accreditation for Law Enforcement Agencies as the first state law enforcement agency in the nation to demonstrate attainment of professionally recognized criteria for excellence in management and service delivery. FDLE was one of the first agencies to participate in performance-based budgeting in the early 1990s and was one of the first two agencies to undergo a zero based budget review by the Legislature in 2000. These intensive reviews helped the department examine each aspect of its operations, review how services are delivered, and enhance services to continually promote public safety.

All FDLE members (employees) have individual work plans linked to achievement of agency performance measures. All members are encouraged to submit suggestions for process improvements and new initiatives through their supervisors. These ideas are often discussed and adopted in meetings of operational leadership teams and the department's executive policy board. Successful quality improvement ideas are rewarded through the department's quarterly and annual awards programs and submission as Prudential Financial-Davis Productivity Awards nominations.

Many quality improvements are driven by internal assessments and feedback from criminal justice customers. Examples:

- ▶ A formalized process for quality improvement in the investigations and forensic science program includes ProAct, an accountability tracking system for review of performance data, assessment of statewide caseloads, and ongoing examination of personnel trends. The ProAct team briefs program leadership quarterly on performance patterns, methods to improve investigative and forensic initiatives, and enhancement recommendations.
- ▶ The investigations program has expanded regional service delivery, established a computer crime center, launched new identity theft initiatives, developed pharmaceutical drug diversion teams, and created specialized teams to respond to child abductions.
- ▶ The professionalism program has automated officer training records, expanded opportunities offered through local training centers, and is in the final stages of delivering new state of the art alcohol breath test equipment.
- ▶ The criminal justice information program has used automation to add millions of dispositions to the state's criminal history files, has put in place proactive solutions to identify and correct errors in criminal records, and has implemented new technology that enables close to 90% of the state's arrests to be received electronically.

FDLE is one of the few state law enforcement agencies nationally to have earned triple accreditation from the National Commission on Accreditation for Law Enforcement Agencies, the American Society of Crime Laboratory Directors, and the Florida Commission for Law Enforcement Accreditation. Achievement of re-accreditation helps assure citizens and visitors that the department maintains the highest standards of excellence.

Department of Legal Affairs

Since 2003, the Attorney General's office has worked to improve efficiency and accountability by retooling existing practices and instituting new ones to provide legal services cheaper, better, and more effectively. Savings have been achieved by merging offices in the same geographic region, setting new limits on travel and purchasing, and forgoing automatic replacement of vehicles and computers, instead keeping them in good working order longer than typically called for by state and industry standards.

An employee survey assessed internal operations, including training and utilization of technology. The result was a series of improvements that use technology to enhance efficiency. A timekeeping system was reprogrammed to generate management reports and benchmarks, while an in-house electronic imaging system was implemented to modernize records retention. A search engine covering multiple caseload, hotline, and correspondence databases helps staff attorneys find information about companies or individuals and facilitates identification of potential conflicts among cases or parallel investigations. Weekly state wide management video conferencing promotes an exchange of ideas relating to the agenda, mission, and goals of the agency.

Service to taxpayers has been improved through creation of a toll-free hotline for citizens to report possible scams and fraud, including price gouging surrounding hurricanes and other emergencies. More than 100,000 calls have resulted in the filing of numerous criminal and civil cases. At the same time, citizens are able to go online to access large amounts of information and resources to help prevent and deal with identity theft, compare prescription drug prices and gas prices, and locate addresses of registered sex offenders and predators.

Department of Revenue

This department annually processes more than \$30 billion from 36 taxes collected. Its mission is to achieve a vision of being competitive with world-class organizations by innovating, pioneering change, and promoting excellence.

For more than a decade, the department has implemented key concepts of modern management pioneers such as W. Edwards Deming and has adopted private sector tools to transform work processes.

The department's efforts to increase productivity and service, reduce cost, and reduce cycle time currently are focused on integrating continuous improvement with strategic planning and process management into a data-driven "strategic leadership system." Long- and short-term strategies are converted into annual operational plans and performance targets then deployed across work processes in the department's service centers state wide. Understanding and response to internal and external customer requirements is a key factor.

The department's improvement strategies are benchmarking, business problem solving, and knowledge-based leadership.

Benchmarking

Most benchmarking relates to changes identified by strategic planning such as design and reengineering of key business processes. Benchmarking has eight steps:

- 1) Determine what to benchmark
- 2) Plan the study
- 3) Understand processes to be studied
- 4) Research and identify benchmarking partners
- 5) Conduct gap analysis and recommend practices
- 6) Plan and implement changes
- 7) Monitor results
- 8) Refine processes based on findings

Major benchmarking projects to date have helped change the way the agency does business and manage operations in document imaging and communications management, and development of the above-mentioned strategic leadership system.

Business Problem Solving

In 2004, nearly 600 senior leaders, managers, and supervisors began a three-hour web-based course on problem solving tools. Developed by Department of Revenue trainers in cooperation with the Governor's Sterling Council and other experts, this course offers a high-level look at how process improvement tools work. The tools are presented as seven-step problem solving:

- 1) Describe the problem
- 2) Describe the current process
- 3) Identify and verify the root cause(s)
- 4) Develop a solution and action plan
- 5) Implement the solution
- 6) Review and evaluate
- 7) Reflect and act on learnings

Knowledge-Based Leadership (KBL)

More than 80 Department of Revenue managers have completed KBL projects since 2003. Participants meet monthly for six months to learn and apply a structured problem solving approach. KBL is divided into seven modules:

- 1) Introduction to leadership skills
- 2) Identifying core issues
- 3) Understanding core issues
- 4) Recognizing and analyzing key causes
- 5) Implementing recommended improvements
- 6) Measuring and sustaining improvements
- 7) Project presentation

Participants work with teams, follow a methodology, and justify their projects in terms of time and money saved, increased collections, and productivity. This experience develops statistical and analytical skills that help participants pinpoint process flaws and apply improvement solutions.

Thirty-seven improvement projects have produced cost savings and/or avoidances of \$2.5 million, excluding increased productivity and revenue. Based on the \$2,200 per person cost to complete each project, the return on investment is approximately 1000%.

Lessons Learned

The Department of Revenue's decade-long continuous improvement journey suggests the importance of:

- ▶ A management system with a mindset that solving problems is a great thing to do and a basic way of doing business, as opposed to something "special" in response to crises.
- ▶ Leadership support and commitment for completing improvement projects. Leaders at all levels must be personally involved in recognizing and celebrating successes of hard-working improvement teams.
- ▶ Training people on improvement processes and appropriate use of tools. Do not just send out tools and expect everyone to know what to do. Systematically and strategically select members of improvement teams, and have them help with future teams in order to build a culture of learning and expand bench strength.
- ▶ Tying quality improvement to agency strategies to provide a clear mission for improvement efforts and give team members a sense of meaningful participation.
- ▶ If a team begins to flounder, it is management's responsibility to provide the resources and support necessary to remove barriers to progress.

- ▶ Measuring performance, because you have to know where you were and where you are now to properly plan where you want to go and how to get there.
- ▶ Developing a tracking system to check the progress of improvement efforts and routinely report results at management meetings.
- ▶ Developing a process to communicate and share the efforts of improvement teams throughout the organization.

Department of Transportation

The Department of Transportation traces its quality improvement roots to value engineering teams established in 1978 and process teams (quality circles) in 1985. Department-wide quality guidelines were adopted in 1987, and state government's first quality improvement employee handbook was produced in 1989. The department acknowledged support provided by Florida Power and Light Company and its licensee, Qualtec.

Since 1998, the DOT has integrated Florida Sterling Council and National Baldrige criteria for excellence into its everyday work, most recently in developing a business plan that consists of:

- 1. Leadership.** An executive board of the Secretary, Assistant Secretaries, District Secretaries, and Turnpike Executive Director set and communicate direction for more than 7,500 employees. Progress is monitored by monthly review of eleven key performance measures.
- 2. Strategic planning.** Four parts are to be integrated into the above mentioned business plan by July 2006: The Florida Transportation Plan, which is a 20-year blueprint updated every five years and monitored annually; a short-range component of the transportation plan that is updated annually and monitored monthly; and annual strategic objectives plus executive board initiatives that are updated annually and monitored quarterly.
- 3. Customer and market focus.** Since 1999, external customer groups have been surveyed regularly. Action plans are implemented to respond to identified expectations and needs.
- 4. Measurement, analysis and knowledge management.** Senior leadership identify and prioritize initiatives that align, measure and improve performance. Progress is monitored through monthly review of the annual work program and eleven key performance measures. Beginning in July 2006, the business plan will be monitored through its five-tier integrated/aligned structure consisting of a statewide plan developed by the executive board, 22 statewide functional plans, district plans, office plans and individual employee plans. Each tier will be related to the others and include a set of objectives, activities to carry them out, and performance measures.

5. Human resources. Work and jobs are designed, organized, and managed to promote alignment among organizational needs, employee capabilities, and career development. Training plans are developed during annual employee/supervisor performance reviews. Employee well-being and satisfaction are addressed through an annual survey and performance review.

6. Process management. A results-based management system has four core processes: plan, produce, deliver, and maintain. Core process “owners” work with managers and employees statewide to develop “maps” (process control systems) that are prioritized and linked to business objectives. Six support processes are human resources, workplace environment, procurement, information management, finances, and executive services.

7. Organizational performance results. Financial, human resources, and customer satisfaction results are tracked by eleven key performance measures; the above mentioned business plan measures (Florida Transportation Plan, short-range component, strategic objectives, and executive board initiatives); a FDOTracker system; monitoring of core and support processes; a performance report on production; and Florida Transportation Commission reports (independent external measures).

As noted above, The Department’s State Materials Laboratory is the only state laboratory in the nation, and likely the sole entity in Florida government, that has achieved accreditation by the International Organization for Standardization (ISO). Additionally, the laboratory performs testing in accordance with standards of the American Association of State Highway and Transportation Officials, and the American Society for Testing and Materials.

Conclusions and Recommendations

Florida government initiatives to improve the quality, quantity, and cost effectiveness of taxpayer services span more than three decades under five Governors, Cabinet members and the Florida Legislature, aided by constitutional and legislatively established commissions and the ongoing work of state agencies.

For more than a decade, continuous quality improvement has been central to the successful operation of private and public organizations. Top-level commitment to data-driven decision making, more horizontal management and teamwork characterize the quality improvement environment. Critical missions and desired outcomes are achieved by executing policies and streamlining programs to meet and exceed external and internal customer requirements, cut costs, and boost employee job satisfaction.

Florida TaxWatch commends the Departments of Revenue and Transportation for their long-term, agency-wide quality improvement programs. The Department of Law Enforcement is commended for maintaining a culture of excellence and quality for two decades as reflected by earning national and state accreditation from three organizations.

Noteworthy achievements have been posted by the Department of Health, by Florida State Hospital and Northeast Florida State Hospital within the Department of Children and Families, and by the Division of Unemployment Compensation within the Agency for Workforce Innovation.

Also impressive is a Commissioner of Education annual evaluation tool that measures demonstration of executive leadership, management, and continuous improvement. The evaluation is directly linked to implementation of the department's strategic plan, and it incorporates a 360-degree feedback tool. Data comprising the evaluation is used regularly by the Commissioner to make financial and human resource decisions. This highly visible accountability tool reflects the entire department's continuous improvement efforts.

But much remains to be done. Florida TaxWatch research documents that quality improvement lacks uniform direction and definition, which should be fundamental to a government-wide reform. Several agencies have implemented selected quality improvement principles; a half dozen agencies are in various stages of exploring, developing, and/or initially implementing quality initiatives; and at least a half a dozen more agencies appear not to have begun the quality journey on any systematic basis.

The 2006 Government Accountability Act introduced by Speaker of the Florida House of Representatives Allan Bense and his next two designated successors requires state agencies, every eight years, to convince the legislature that they should continue to exist. Continuous quality improvement can help assure that agencies meet this challenge by achieving their missions and remaining relevant and customer focused.

Florida TaxWatch respectfully offers the following recommendations:

1. The Legislature should act to complete the implementation of a November 1992 constitutional amendment, approved by 83% of the voters, by requiring all state agencies to implement quality management programs as prescribed by legislation.
2. The Legislature should require each agency to report service efforts and accomplishments to the public in a form consistent with standards and guidelines of the Association of Government Accountants and the Governmental Accounting Standards Board. The Legislature should require an annual report card rating each state agency on the extent to which it met its objectives during the previous year and the extent to which it added measurable value to the citizens of Florida. Use of this status check can act as a constructive educational and improvement tool between eight-year legislative reviews.
3. The Legislature should consider amending Chapter 216, Florida Statutes, to phase in budgeting by business process rather than by organizational unit, using the Department of Revenue as a pilot agency.
4. Each state agency's strategic plan should include provision for a continuous quality improvement initiative.
5. The Governor and Cabinet should request appropriate personnel from agencies with substantial quality improvement experience, including the Departments of Revenue, Transportation, Health, Law Enforcement, Children and Families, Education, and the Fish and Wildlife Conservation Commission, to mentor other agencies on continuous quality improvement.
6. Appropriate recognition of service delivery improvements and taxpayer savings resulting from improved state business processes should be championed by the Governor, Cabinet, and Legislature. Modifying an under-utilized Savings Sharing program authorized by the 2001 Service First civil service reform act might be an appropriate vehicle to help achieve this objective.

Endnotes

- 1 Tom Peters and Robert Waterman, Jr., *In Search of Excellence* (1982), and Tom Peters and Nancy Austin, *A Passion for Excellence* (1985). Reviewed in *Association Management* (August 1985).
- 2 Letter to Florida TaxWatch from the Harvard University Graduate School of Business Administration, January 9, 1990.
- 3 See www.lii.net/deming.html
- 4 Article III, Section 19, Florida Constitution
- 5 Government Performance and Accountability Act
- 6 Governor's Management and Efficiency Study Commission (1973-74), Florida State Archives Online Catalog.
- 7 Barton Wechsler, *The Status of Productivity Improvement in State Government: Transition Briefing Materials for the New Governor* (January 1986).
- 8 Governor and Cabinet Resolution, December 15, 1987.
- 9 Florida Taxation & Budget Reform Commission, *A Program for Reform of FLORIDA Government* (February 1991)
- 10 Florida TaxWatch, *Rightsizing Florida Government To Improve Citizen Confidence, Boost Performance & Productivity* (August 1991)
- 11 Article III, Section 19, Florida Constitution
- 12 Senate Bill 466, 2001 General Legislative Session
- 13 *Governing Magazine* (December 1994).
- 14 International Organization For Standardization, www.iso.org
- 15 Governmental Accounting Standards Board, www.gasb.org
- 16 Association of Government Accountants, www.agacgfm.org

Appendix A: Quality Improvement Tools

Process Mapping

Following is a summary of selected agencies' use of process mapping, which visually outlines the steps in a task or program. This is perhaps the single most important component of a continuous quality improvement initiative.

Contact information is included for the convenience of agencies with questions or requests for assistance.

Department of Transportation

The department has mapped all of its core processes using a standardized format (Visio software). Process maps are posted on its website. For more information, contact Larry Ferguson or Nikki Nims at (850) 414-4386 or lawrence.ferguson@dot.state.fl.us or email nikki.nims@dot.state.fl.us.

Department of Children and Families

► Florida State Hospital uses a process mapping technique learned from Competitive Technologies, Inc. It is currently reviewing and updating its key process flow charts and is training additional employees on process mapping. For more information, contact Donna Coley at (850) 663-7768 or email donna_coley@dcf.state.fl.us.

► At the Northeast Florida State Hospital, process mapping is the first in a ten-step continuous quality improvement process that has been used for more than 200 projects that saved approximately \$3.5 million during the past decade. For more information, contact Carolyn Spooner at (904) 259-6211 ex. 1403 or email Carolyn_Spooner@dcf.state.fl.us.

Department of Law Enforcement

Process mapping of maintenance functions was conducted while developing an integrated criminal history system. This mapping utilized DOORS, a tool from Telelogic used to draw models, pictures and diagrams. DOORS depicts current processes and illustrates business requirements. Process flows examined the effectiveness/efficiency of current and future business processes, thereby enhancing system developers' and computer programmers' understanding of requirements for the criminal history system. For more information, please contact Heather Smith at (850) 410-7001 or email heathersmith@fdle.state.fl.us.

Department of Health

▶ The department utilizes the Florida Sterling Council, vendors and internal expertise to train staff on process mapping. For more information, please contact Laura Reeves at (850) 245-4007 or email reevesl@dor.state.fl.us.

▶ The State Board of Nursing used process mapping to reduce the time to process licenses from 36 to 12 days, worth more than \$10 million in wages in community economic impact. For more information, please contact Dan Coble at (850) 245-4158 or email dan_coble@doh.state.fl.us (2006-DOH-021).

Agency for Workforce Innovation

▶ Process mapping determined that two separate unemployment compensation overpayment detection processes were collecting and working the same information received from employers at different time intervals on nearly 60,000 cases. As a result, computer programming cross referenced employer requests between the processes for one-year savings of approximately \$700,000. For more information, contact Dianne Purcell at (850) 921-3930 or email dianne.parcel@awi.state.fl.us (2006-AWI-02).

▶ The Tampa Bay Workforce Alliance used process mapping software called *IDEF0*, which was developed originally for NASA, that helped improve performance on 18,879 placements for a cost avoidance of \$1.6 million. For more information, contact Michael Garcia at (813) 930-7428 or email Michael.Garcia@awi.state.fl.us (2006-AWI-004).

Six Sigma and Lean Six Sigma

Department of Transportation

The department uses some of the tools of six sigma and lean six sigma in implementing its business model. For example, employees are encouraged to use the DMAIC approach of define, measure, analyze, improve, and control suggested by Six-Sigma.

Although process mapping is very much a LEAN six sigma tool, it is laid out in terms of the department's Baldrige-based business model that emphasizes attention to the valid requirements of customers, regulators, and suppliers. Process steps are then mapped visually and measures of process, output and outcome are put in place with performance targets and naming of responsible individuals.

A department quality improvement manager commented: *"If you asked our folks if they use Six Sigma or LEAN Six Sigma, they would most likely respond 'no, we use the DOT Business Model.'* And they would be accurate. *We have not so much taught the Sterling/Baldrige system and the tools as we have taught the DOT Business Model. We take pride in the fact that we built the best of various systems and approaches into our model to meet the DOT mission and vision.*" For more information, please contact Larry Ferguson at (850) 414-4386 or lawrence.ferguson@dot.state.fl.us.

Department of Health

A few of county health departments are using components of the Six Sigma. For more information, please contact Laura Reeves at (850) 245-4007 or email reevesl@dor.state.fl.us.

International Organization for Standardization

Since 1987, the International Organization for Standardization (ISO) has published quality management material. More than 700,000 private and public entities in 154 countries world-wide have been certified as meeting ISO 9000. This generic family of management system standards helps to fulfill customers' quality requirements and achieve continuous performance improvement. ISO 9001:2000 includes the current generic ISO standards applicable to general quality management in all organizations.

A "generic standard" can be applied to any business enterprise or government department regardless of its products or services. "Management system" refers to the structure by which an organization converts inputs of resources into products and services.

The ISO 9000 standard is based on eight quality management principles derived from the experience and knowledge of international experts. The following serve as a framework to guide organizations toward improved performance.

1. Achieve desired results through management of resources and activities as processes.
2. Expect organizational leadership to create and maintain an internal environment that enables employees to achieve the organization's objectives.
3. Fully use employees' abilities for the organization's benefit.
4. Manage interrelated processes as a system to enhance the organization's effectiveness/efficiency in achieving its objectives.
5. Base decisions on analysis of data and information.
6. Meet customer needs and requirements, and strive to exceed their expectations.
7. Acknowledge that an organization and its suppliers are interdependent and that a mutually beneficial relationship enhances the ability of both to create value.
8. Make continual improvement of the organization's performance a permanent objective.

An advantage to ISO 9001:2000 compared to Baldrige, Sterling, and Six Sigma, is voluntary compliance or formal ISO registration may be less difficult and more flexible in implementation.

For more information on the ISO 9000 family of standards, see www.iso.org/iso/en/iso9000-14000/understand/inbrief.html

Department of Transportation

The department's State Materials Office staff concluded that there are significant relations between Sterling/Baldrige criteria and ISO accreditation. They pursued ISO accreditation as a means of enriching their business plan, and became the only state laboratory in the nation to achieve it.

The ISO review covered all of the laboratory's business practices, evaluated workers' knowledge of quality systems, and evaluated the level of quality systems implementation. As a result of this review, the laboratory's quality systems manual was modified to cover all operations, to expand internal audits to cover all ISO requirements, and to improve standards for documenting and recording activities. In short, ISO accreditation fostered a new way of doing business. For more information, please contact Tom Malerk, State Materials Engineer, at 352-955-6620 or email tom.malerk@dot.state.fl.us.

Department of Agriculture and Consumer Services

Quality improvements are both broad-based and highly specific. An example of the latter is the department's Bureau of Food Laboratories' development of a pipette calibration

method to help analyze extremely small amounts of liquid. The Bureau's method promotes quality in the laboratory by verifying that the pipette is functioning correctly, that the amount of test material utilized to perform food-related analysis is accurate, and that employees are competent to perform this work. The Bureau is applying to the International Organization for Standardization to accredit its food testing process, of which the pipette calibration method is a required component.

The department's quality assurance officer notes that ISO 17025 standard is *the* internationally recognized standard for metrology and testing laboratories. For a laboratory to achieve accreditation to this standard, the laboratory must possess and demonstrate:

- 1) that laboratory testing activities are governed by a comprehensive and rigorous quality management system.
- 2) that the laboratory quality management system will ensure continuous quality improvement.
- 3) that the analytical data reported by the laboratory is true and accurate (ed. layman's terms).

Thus, accreditation to the ISO 17025 standard will provide the department's Food Laboratory with international credibility that its data can be reliably accepted

For more information, please contact Stacie Hammack (850) 488-4407 or email hammacs@doacs.state.fl.us.

Department of Revenue

The department has not directly applied the ISO 9000 standards to its operations. Rather, it has chosen the Baldrige/Sterling criteria as a guide, which it feels is a much richer, broader and more comprehensive management framework than the ISO approach.

ISO is a compliance standard that establishes a basis for certification and is thereby considered a minimum level of acceptable performance. Baldrige goes beyond minimum standards to require a variety of continually improving processes that lead to a world-class level of performance. Baldrige is a more rigorous approach. It forces self-examination and learning and causes the leadership team to question why things are done and to constantly work to improve them.

In brief, the choice frequently made is this: (1) If your customers require certification, if you do not face serious competition, or if customer expectations are low, choose ISO 9000. (2) If you must survive in a highly competitive context where customer expectations are high and getting higher, and nothing short of excellence is acceptable, choose Baldrige. The DOR takes the latter position.

Public Sector ISO Guidelines

In October 2005, the International Organization for Standardization (ISO) released “IWA 4” guidelines for improving quality management in local governments worldwide. These guidelines explain, in terms familiar to people working in local government, the ISO 9001:2000 standard used by more than 700,000 organizations in 154 countries worldwide.

The guidelines provide advice on implementing the standard but are not intended for certification. Rather, they are a tool for local governments to help gain citizen confidence that their needs and expectations are fully understood and are capable of being met on a consistent and timely basis.

Appendix B: Productivity Awards Recognize Quality Achievements

Since 1989, the Davis Productivity Awards program, now sponsored by Prudential Financial, has recognized quality improvement and cost saving initiatives. Examples:

Agency for Workforce Innovation (formerly Department of Labor and Employment Security) (1992, 1994, 1995). Sponsored a “hub of excellence” lecture series, available to all state agencies and local governments, to provide an orientation to total quality management and progressive management practices around the world. Five process improvement teams generated cost avoidances of \$6.2 million. The Division of Unemployment Compensation was the first state entity to apply for a Governor’s Sterling Award for organizational performance excellence, winning in 1998. It continues to receive Prudential Financial-Davis Productivity Awards for initiating technology and other service improvement initiatives.

Department of Children and Families (1995, 2000, 2001, 2003). District 11 (formerly Health and Rehabilitative Services) in Miami was recognized for improvements in the quality of client services. The workers compensation program at Florida State Hospital was recognized for winning 15 Davis Productivity Awards between 1990 and 2000. The entire department was recognized for responding to Governor Bush’s challenge to agencies to become more effective and efficient by conducting a statewide “work smarter, not harder” campaign that produced more than 1,400 improvement ideas worth a projected \$28 million. And, more than 200 continuous quality improvement projects at Northeast Florida State Hospital that created approximately \$3.5 million worth of value between 1994 and 2003 have been recognized.

Department of Education (1993, 1994, 2000). Recognized for its efforts to change the way it does business by initiating a total quality management system. The six-person Office of Business and Citizen Partnerships won seven Davis Productivity Awards between 1992 and 2000.

Department of Health (2004, 2005). The Pinellas County Health Department was recognized for winning 30 Davis Productivity Awards between 1992 and 2004. The Miami-Dade County Health Department was recognized for a five-year initiative that improved customer and employee satisfaction, reduced administrative overhead, and helped produce an additional \$13 million for services.

Department of Highway Safety and Motor Vehicles (1991). The Division of Driver Licenses implemented a three-phase service improvement program based on management concepts of quality pioneer W. Edwards Deming.

Department of Financial Services (formerly Department of Insurance) (1992, 2001). The Division of Legal Services used a total quality management approach to analyze its

workload and establish new procedures. The division's 75 employees were recognized for winning 28 Davis Productivity Awards between 1991 and 2001.

Department of Law Enforcement (1991, 1992, 2003). Demonstrated a commitment to continuous improvement, including self-initiated "rightsizing" in 1988 to streamline decision making and eliminate management positions. The Division of Staff Services implemented 33 initiatives that improved administrative processes for savings of \$395,325. Other innovations included subordinate appraisal of managers and employee participation in selection of supervisors. The Tallahassee Crime Laboratory was recognized for winning 20 Davis Productivity Awards between 1995 and 2003.

Florida Lottery (1994). The Division of Sales implemented a total quality management program that helped increase sales by \$38 million

Department of Revenue (1991, 1994, 1995, 1996). Recognized for organizing around processes rather than divisional hierarchies; establishing strategic planning and budgeting for major taxpayer service issues; installing fact-based decision making; and using "processing mapping" for continuous improvement and training employees in total quality management techniques that helped cut costs and increase revenue by more than \$15 million between 1993 and 1996. *Governing* magazine named the department's executive director one of ten public officials of the year for implementing business-like practices.

Department of Transportation (1992, 1993, 2001). Trained more than 5,000 employees on fact-based problem solving, implemented 77 quality improvement solutions, made them available for replication statewide, and won ten quality improvement team Davis Productivity Awards between 1999 and 2003. District IV in Ft. Lauderdale was recognized for winning 47 Davis Productivity Awards between 1991 and 2001.

University of Central Florida (1993). The Department of Industrial Engineering and Management Systems developed and implemented total quality management principles to continuously improve teaching. Staff conducted seminars to begin university-wide implementation of TQM.

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About Florida TaxWatch

Florida TaxWatch is a private, non-profit, non-partisan research institute that over its 25 year history has become widely recognized as the watchdog of citizens' hard-earned tax dollars. Its mission is to provide the citizens of Florida and public officials with high quality, independent research and education on government revenues, expenditures, taxation, public policies and programs and to increase the productivity and accountability of Florida Government.

Florida TaxWatch's research recommends productivity enhancements and explains the statewide impact of economic and tax and spend policies and practices on citizens and businesses. Florida TaxWatch has worked diligently and effectively to help state government shape responsible fiscal and public policy that adds value and benefit to taxpayers.

This diligence has yielded impressive results: since 1979, policy makers and government employees have implemented three-fourths of Florida TaxWatch's cost-saving recommendations, saving the taxpayers of Florida more than \$6.2 billion--approximately \$1,067 in added value for every Florida family.

Florida TaxWatch has a historical understanding of state government, public policy issues, and the battles fought in the past necessary to structure effective solutions for today and the future. It is the only statewide organization devoted entirely to Florida taxing and spending issues. Its research and recommendations are reported on regularly by the statewide news media.

Supported by voluntary, tax-deductible memberships and grants, Florida TaxWatch is open to any organization or individual interested in helping to make Florida competitive, healthy and economically prosperous by supporting a credible research effort that promotes constructive taxpayer improvements. Members, through their loyal support, help Florida TaxWatch to bring about a more effective, responsive government that is accountable to the citizens it serves.

Florida TaxWatch is supported by all types of taxpayers -- homeowners, small businesses, large corporations, philanthropic foundations, professionals, associations, labor organizations, retirees – simply stated, the taxpayers of Florida. The officers, Board of Trustees and members of Florida TaxWatch are respected leaders and citizens from across Florida, committed to improving the health and prosperity of Florida.

With your help, Florida TaxWatch will continue its diligence to make certain your tax investments are fair and beneficial to you, the taxpaying customer, who supports Florida's government. Florida TaxWatch is ever present to ensure that taxes are equitable, not excessive, that their public benefits and costs are weighed, and that government agencies are more responsive and productive in the use of your hard-earned tax dollars.

The Florida TaxWatch Board of Trustees is responsible for the general direction and oversight of the research institute and safeguarding the independence of the organization's work. In his capacity as chief executive officer, the president is responsible for formulating and coordinating policies, projects, publications and selecting the professional staff. As an independent research institute and taxpayer watchdog, Florida TaxWatch does not accept money from Florida state and local governments. The research findings and recommendations of Florida TaxWatch do not necessarily reflect the view of its members, staff, distinguished Board of Trustees, or Executive Committee and are not influenced by the positions of the individuals or organizations who directly or indirectly support the research.

Florida TaxWatch Values:

◆ *Integrity* ◆ *Productivity* ◆ *Accountability* ◆ *Independence* ◆ *Quality Research*



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