NCSHA 2008 AWARDS
Maryland Department of Housing and Community Development

Category: **Management Innovation**
Sub-Category: **Operations**
Entry Name: **HousingStat, A StateStat Maryland Approach
for Performance Excellence in Housing**

"What gets measured gets done."
- Jack Maple

BACKGROUND

Governor Martin O'Malley brought a new management tool with him to Maryland state government. That tool is known as StateStat. Modeled after CitiStat, which Governor O'Malley implemented during his tenure as Mayor of Baltimore City, StateStat is a data-based management approach designed to make Maryland state government more accountable and more efficient. The Baltimore CitiStat program won the "Innovations in Government" award from Harvard University's Kennedy School of Government and has been studied and replicated by many jurisdictions in the United States and around the world. The StateStat program is delivering no less for the people of Maryland. The StateStat tenets are:

- ➢ Accurate and timely intelligence, shared by all
- ➢ Rapid deployment of resources
- ➢ Effective tactics and strategies
- ➢ Relentless follow-up and assessment

The Department of Housing and Community Development (DHCD) adopted StateStat in 2007 by incorporating all key housing programs and initiatives into the StateStat process. Often referred to as HousingStat, this tool has already improved DHCD strategic planning processes and produced results in both program efficiency and accountability. HousingStat relies on the development of key performance indicators, recording and reporting of accurate and timely data and trends, and frequent face-to-face meetings between the Governor's executive staff and DHCD executive and senior-level program staff.

Through this formal process of continually evaluating performance, DHCD has been able to formulate and implement new strategies and tactics more quickly, identify and respond to changes in housing needs and activity, and adapt existing policies and programs in a cost effective manner utilizing resources at hand.

JUSTIFICATION FOR NOMINATION

Innovation in Process

Like the award-winning Baltimore CitiStat, StateStat is a process of continually evaluating performance at the highest levels while seeking opportunities to improve coordination and formulate strategies on an ongoing basis – not just during annual budget reviews. Meeting frequently (usually every other week) the Governor and his executive staff meet with agency executives and managers to report and answer questions on agency performance and priority initiatives. A comprehensive executive briefing is prepared for each agency that highlights areas of concern. Briefings are based on key performance indicators from the customized data

templates submitted to the Governor's StateStat office. Data is carefully analyzed, performance trends are closely monitored, and strategies to achieve improved performance are developed. Applied to DHCD, the state housing finance agency, the process has been particularly useful. Fully implemented at DHCD during 2007, the process became operational while the foreclosure crisis was unfolding. HousingStat provided both DHCD and the Governor's Office with the opportunity to identify troubling trends and respond quickly with programs and outreach events to intervene and assist Marylanders. The ability of DHCD to work closely with the Governor and make informed decisions in a timely manner has improved "immeasurably."

Replication

Other states should have the ability to successfully adopt and adapt the StateStat/HousingStat template. In fact, the idea for this type of data-driven approach originated in New York City by Jack Maple, a member of the New York Police Department (NYPD), who initiated a program called COMSTAT. Using charts and data to locate and detail criminal activity, NYPD precinct commanders were held accountable for crime in their areas. Crime in New York City went down. Governor O'Malley believed that he could replicate a similar program in Baltimore City and did so during his term there as Mayor. Using COMSTAT as a model, then-Mayor O'Malley created CityStat to improve services and efficiencies across service agencies. The award-winning CityStat model has already been adopted by numerous local jurisdictions around the country and even the world. At the state level, Governor O'Malley successfully replicated his CityStat model by implementing a StateStat process at several critical state agencies, including DHCD. In short, this is an approach worth copying, it has been copied many times, and it works by providing an easy-to-replicate template that allows users to adapt it to their needs.

Management Challenge and Opportunity

DHCD was given both a challenge and an opportunity when asked to participate in StateStat. Developing and implementing HousingStat meant a new way of thinking about data, process, and operations. It also meant increased communication with and accountability to the Governor. While change and scrutiny can be difficult, the hard work and sustained attention has paid off. The process has empowered DHCD, increasing staff access to the Governor's office and providing a strong basis for informed decision-making as well as a forum for addressing critical housing issues – including the current foreclosure crisis and financial turmoil in the credit markets.

Measurable Improvements in Agency Operations

Measurable improvements include:

- Development of a close working relationship with a new Administration (i.e., Governor O'Malley and his executive staff)
- Increased cooperation with other state agencies
- Improved data collection, data analysis, data reporting, and data mapping (GIS)
- Rapid response to program development and redevelopment
- Early identification of trends, both positive (low foreclosure rates in DHCD programs) and negative (increasing foreclosure rates in certain zip codes and populations)
- Improved use of existing technology to manage data
- Improved levels of data integrity
- Improved data sharing among DHCD divisions, units, and staff
- Expanded marketing, outreach

- Faster response to media inquiries and provision of timely and accurate data

Benefits Outweigh Costs

Rather than requiring on expensive and inflexible new information technology systems, StateStat utilizes existing databases and information technology systems, such as payroll and geographic information system (GIS) mapping. DHCD now aggressively monitors overtime, fund expenditures, and business processing times relative to critical programs and services. These include homeownership, rental housing development and services, foreclosure prevention, and the Base Realignment and Closure (BRAC) activities, which are critical in Maryland. HousingStat has low start-up costs, requiring no new staff or purchase of software, hardware, or other costly contracts. At a time when software developers, management consultants, and technology integrators regularly attempt to sell governments seven-figure technology solutions, HousingStat/StateStat uses existing standard GIS mapping systems and off-the-shelf software (Microsoft Excel and PowerPoint). No new staff was required since the process was incorporated into existing performance and strategic planning processes and program operations.

Effective Use of Resources

DHCD has one performance manager who integrated HousingStat with DHCD's existing, mandated Managing for Results (MFR) program and other internal performance reporting. The performance manager works with DHCD program staff and no separate or reassigned staff was needed. At start up, DHCD was able to use a Governor's Intern, who assisted with the development of a formula-driven Excel template for incorporation with StateStat requirements. The template focuses on key performance indicators mutually developed by DHCD staff and the Governor's staff. These critical measures cover program and service outcomes as well as internal DHCD organizational processes. Numerous meetings were held, which resulted in many HousingStat template iterations before achieving a workable template that reflected a mutual understanding among all staff. Importantly, the HousingStat template can and will continue to evolve as DHCD programs come on line, resources and markets change, and priorities and strategic planning becomes more focused within DHCD.

Strategic Objectives

Perhaps the main benefit of HousingStat (apart from clearly improved service to Marylanders) has been the use of HousingStat in DHCD's strategic planning and performance processes. Program innovations, service improvements, and new business processes are now based on data and trends identified early and clearly through data and information sharing and discussion among key decision makers and staff. And, in spite of the sometimes difficult face-to-face StateStat sessions, the benefits of "relentless follow-up and assessment" are clear and even appreciated!

Over the past year, DHCD has been able to see trends and patterns emerge and anticipate change instead of reacting to events. In particular, DHCD's handling of BRAC and the foreclosure crisis have been (and continue to be) effective and successful in large part due to implementation of HousingStat. As DHCD moves forward with new strategic initiatives, HousingStat will be the tool that makes it happen.