

State of Oregon  
Department of Environmental Quality

Memorandum

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**Date:** Aug. 1, 2012

**To:** Environmental Quality Commission

**From:** Dick Pedersen, Director

**Subject:** Agenda item J, Informational item: Outcome-based management at DEQ  
Aug. 23-24, 2012, EQC meeting

**Purpose of item** This item will inform the commission about the outcome-based management system DEQ has developed and is implementing.

**Background** Outcome-based management is a system for setting goals for DEQ's core work, or day-to-day work, and for developing and using performance measures to tell us whether or not the agency is meeting those goals. This system also integrates continuous process improvement based on feedback from quarterly evaluation of the agency's outcome and process measures.

In 2010, new political and economic realities prompted the Executive Management Team to explore new ways to ensure DEQ's success. EMT also wanted the agency to better deliver on its mission in the most efficient and effective way. Since DEQ does not have expertise in significant organizational change, EMT interviewed three management consultants to help the agency do things more effectively and efficiently. DEQ selected a firm already working with other state agencies, Mass Ingenuity, finding its outcome-based management system to be a good fit for the agency. DEQ entered into a contract with Mass Ingenuity in December 2010 and EMT has met weekly since then to develop, refine and begin implementing the agency's outcome-based management system and core work map.

In 2011, the Oregon Legislature passed Senate Bill 676, which mandates that agencies develop and implement outcome-based management systems. The bill also requires the governor to adopt outcome-based budgeting. DEQ is ahead of the curve in developing and implementing an outcome-based management system.

DEQ, as an agency, is responsible for the success of its outcome-based management system.

The Executive Management Team created the framework for DEQ's outcome-based management system. This includes defining key goals,

ensuring that the core work map captures the agency's core work and processes, and developing agency-wide process and outcome measures. EMT members are also process owners for agency-wide measures, responsible for developing and overseeing a process measure, but not necessarily the work associated with a given process. EMT members work with other employees to develop the agency-wide measures and to decide what data to use. EMT also determines which breakthroughs the agency will conduct each year.

Managers will work with staff to develop section, program and individual measures. Managers help EMT members to develop agency-wide measures and may be involved in collecting and analyzing data in preparation for DEQ's quarterly performance measure reviews. Managers may participate on agency breakthrough teams to work on significant process improvement or to develop new capabilities.

All DEQ employees engage in the day-to-day work that is critical to for the agency's success in reaching its goals. Employees will also engage in process improvement activities related to their assigned work. Just like with DEQ's Kaizen efforts, employees will participate on agency breakthrough teams to develop significant process improvements or to develop new capabilities. Employees may help develop measures, and collect and analyze data for DEQ's quarterly performance measure reviews.

<b>Commission involvement</b>	Commissioners are invited to attend the quarterly performance reviews at which DEQ staff review progress against the agency's measures and prepare problem-solving plans for measures not meeting intended performance targets.
<b>Attachments</b>	A. DEQ's core work map
<b>Available online</b>	1. Text of <a href="#">Senate Bill 676</a> (PDF)

Report prepared by: Melissa Aerne  
Phone: 503-229-5155

*Information taken from DEQ's internal outcome-based management web resources*