

Public Knowledge LLC

Management Consultants

Approach

Context of the Project

2001 saw the creation of a hearing officer panel that consolidated the separate hearing officer functions in various Oregon state agencies. This consolidation was aimed at improving the impartiality of quasi-judicial hearings that had been administered by personnel of the same agency that was a party to the hearing. In addition, there was a recognition that scale economies could be realized by consolidating the various hearing officer functions scattered across state government. After the concept proved itself from a financial, legal and service standpoint, the panel was made permanent in 2003 with the creation of the Office of Administrative Hearings (OAH) and the independent position of Chief Administrative Law Judge. OAH comprises over 110 employees (70 of those are Administrative Law Judges (ALJs), hears 37,000 cases a year and administers a biennial budget of \$21 million.

This project aims to evaluate the consolidation of the last five years and make findings and recommendations regarding:

- Whether the goals of the legislature were achieved,
- Strategies for completing the consolidation and enhancing the operations of OAH,
- Evaluate and improve the organizational culture and management,
- Enhance the use of performance measures in monitoring OAH, and
- Evaluate how customer satisfaction is monitored.

Our Proposed Solution

Task I — Entrance Conference

During this task, our consulting team will meet with the project sponsors, initiate a working relationship and establish the scope, parameters and expectations for the project. This discussion will include:

- Reconfirm the scope of the project as presented in the RFP
- Identify a project liaison at OAH to advise the consultant in scheduling meetings, contacting relevant personnel and obtaining documents and

data. The individual will ideally be available to answer questions on short notice.

- Clarify client expectations regarding the expected impacts of the project. These could include judicial, service, political, and operational impacts.
- Finalize a schedule of project due dates and critical milestones.
- A detailed discussion of project deliverables including format, style and depth.
- identify acceptance criteria and ‘acceptors’ for project deliverables.
- Identify current OAH materials, reports, data sources and other current records to be used in the review.

Task 2— Interview key staff and stakeholders

In this task we will interview key OAH staff and stakeholders. These interviews will solicit information on operations, management strategies, obstacles to consolidation, human resource issues, workload management and customer service. The interviews will also help set the stage for the detailed data gathering in subsequent tasks. A preliminary list of interviewees would include:

- Members of the Oversight Committee
- Chief ALJ
- Additional ALJs and OAH staff in a forum setting
- A sample of agency customers such as ED, licensing boards, DEQ, Forestry, etc.
- Representatives of respondents (e.g., parties to hearings such as licensees and businesses)
- Representatives of the Attorney General

Task 3— Evaluate Planning and Results of Consolidation

In this task we will evaluate the planning and implementation of OAH. We will also evaluate the legislative objectives in creating OAH and determine the degree that those objectives have been met. Specific sub-tasks include:

- Obtain and analyze legislative documents such as the original House Bills 2525 and 2526 and the legislative committee report that analyzed the consolidation concept.
- Obtain and analyze implementation documents such as the consolidation workplan, organizational structure, workload system documentation, strategic plans, etc.

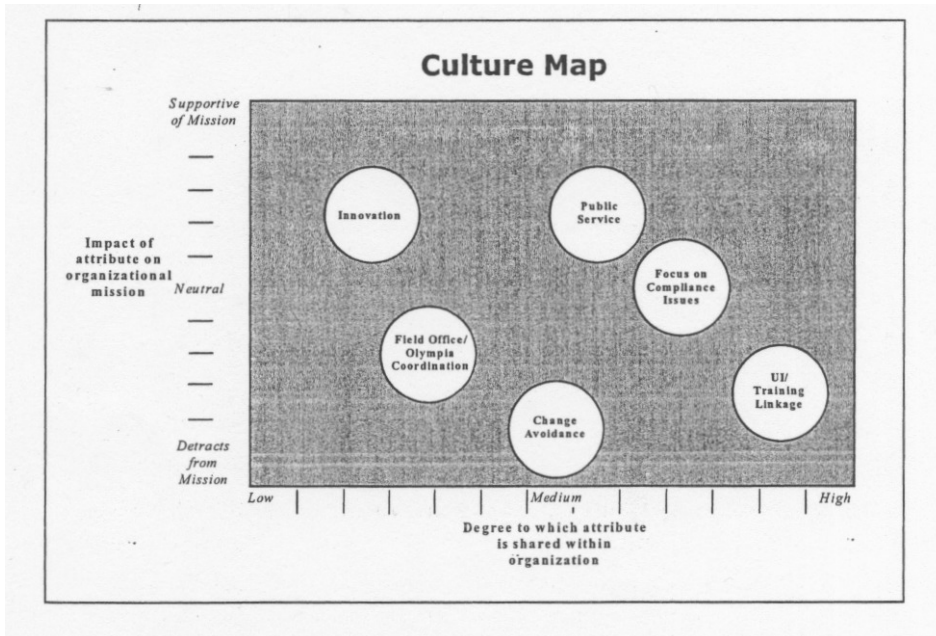
- Identify indicators that can be used to evaluate progress in achieving the legislative
- intent such as access, cost effectiveness, decision quality, timeliness, appeal rates. Collect data to evaluate the indicators and determine degree of achieving legislative intent and benefits to the state.
- Evaluate methods for monitoring and allocating workload.
- Interview OAH and legislative personnel that managed the planning and implementation of the consolidation.
- Identify gaps in achieving legislative intent and areas where benefits have not been fully realized. Identify strategies and initiatives for closing those gaps including strategies such as:
 - Use of less-expensive resolution techniques such as mediation and arbitration
 - Ensuring impartiality by limiting the use of decision modifications by agency personnel
 - Recording of decisions and linking them to enforcement and monitoring systems back at the age
- Develop recommendations for enhancing the consolidation of the hearings units and implementing a first-class administrative hearings agency.

Task 4 — Evaluate Organizational Development and Management

In this task we evaluate efforts to develop a consistent, unified corporate culture within OAH, obstacles to developing that corporate culture, and ideas for improving the culture.

- Obtain and analyze documents on organizational development plans and initiatives such as identifying a common mission, strategy, set of goals, performance measures. Also analyze plans for training programs, employee development and career paths, implementing common work processes and teamwork, and internal communication.
- Analyze statistics on retention, turnover, recruiting, and attendance. Identify any employee turnover attributable to the consolidation. Determine any factors causing turnover.
- Analyze the physical layout of the office and how it reinforces or detracts from optimal workload management, teamwork, and communication.
- Interview OAH managers and assess their techniques for cultivating a common vision and sense of teamwork and instilling this within the staff, communicating with staff, and developing employees and managers, and addressing areas of OAH that are not aligning with the corporate culture.

- Conduct a survey of OAH soliciting data on work culture, commitment to the agency and its mission, job satisfaction. Using survey and interview data, map cultural attributes showing the extent of the attribute and its effect on mission attainment. See example of a “culture map” below:



- Develop recommendations for mitigating or resolving negative cultural attributes and/or emphasizing positive attributes, strengthening the corporate culture, and personnel management practices.

Task 5— Evaluate Use of Performance Measures

In this task we will inventory and evaluate OAH's system of performance measurement. Steps in our analysis will include:

- Identify and collect documentation on all performance measures currently in use.
- Develop a template for a balanced set of measures appropriate to OAH. This template would include categories for cost efficiency, speed and timeliness, workload volumes, effectiveness and outcomes. We have also developed performance measures for regulatory and judicial agencies (where customers may not be pleased with the result or where customers are in conflict). These measures will be included in the template.
- Map existing OAH measures to the balanced template.
- Identify gaps between the existing measurement set and the balanced template.

- Develop a provisional set of additional measures as required to fill the gaps. These should include measures for key strategic and customer service objectives of a quasi judicial decision making body:
 - Accessibility of the hearings process to state residents, businesses, respondents and agencies
 - Impartiality
 - Ability to resolve mailers with minimal appeals (except where warranted)
 - Timeliness of decision making
- Test the measures based on the established criteria. Public Knowledge has developed and applied a detailed checklist of criteria for performance measures. As an example, the measures should be:
 - Directly related to strategic and operational plans
 - Linked to specific units or persons within OAH to promote accountability
 - Credible so everyone will trust the results
 - Measure activities and results that OAH actually has control over
 - Be inexpensive and easy to monitor (e.g., they should not require expensive system modifications to collect the data)
 - Similar to what is collected in other state administrative hearings units to facilitate benchmarking and comparison
 - Easy to interpret
 - Produced timely enough so they are relevant and appropriate action can be taken
 - Few in number (i.e., don't cloud the important findings with huge amounts of data)
 - Valued enough so that OAH, the Oversight Committee and the legislature will really use them.

Work with OAH staff and managers to refine the measures.

Develop an easy-to-use reporting model.

Incorporate all work into a recommendation.

Task 6 — Evaluate Customer Satisfaction Monitoring

In this task we will evaluate the OAH process for obtaining customer feedback and translating this feedback into agency strategy and operations. Specific tasks will include:

- Identify systems and processes for obtaining feedback from customers:
 - Micro methods such as processing unsolicited customer complaints, compliments or suggestions. This would include customer feedback directed through legislative channels.
 - Macro methods such as survey cards given to all parties to a hearing at the conclusion of a matter. Note: since hearings are usually adversarial not all parties go away satisfied with the outcome, however they can be surveyed for their views on OAH timeliness, objectivity, fairness, accessibility, etc.
- Evaluate how customer feedback data is used. For example, is it used to counsel staff, provide input into strategic or tactical planning, provide data for performance measurement, communicate agency accomplishments?
- Evaluate how customer requirements (e.g., program-specific ALJs, evening hours) are identified and translated into agency decisions.
- Evaluate how complaints are handled with regards to timeliness, responding to complainants, addressing agency problem areas, etc.
- Evaluate how OAH communicates agency initiatives and helpful information to the permanent client base of Oregon state agencies or frequent respondents.
- Prepare recommendations on enhancing the customer communication and feedback process.

Task 7 - Prepare draft report

In this task we will consolidate all the findings and recommendations from the other tasks and prepare a draft report. This will be prepared within 3 months of project commencement. This report will be provided to the project sponsors at OAH.

Task 8 - Prepare final report

After submitting the draft report we will be available to provide briefings to the project sponsors such as the Oversight Committee or OAH management. At the conclusion of these briefings we will submit the final report incorporating any comments received in the interim from OAH. Printed and digital copies will be presented to OAH. Final arrangements will be made to close the engagement (e.g., return borrowed materials).