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Louisville: Open Data, Performance Management, and Continuous Improvement

June 30, 2015

In January 2011, Mayor Greg Fischer took office with a pledge to run city government in Louisville more like a successful business. One of his first tasks was to establish the Office of Performance Improvement (OPI) to help transform the way the Louisville city government uses data and evidence to improve outcomes for its citizens. The overall goal, according to Mayor Fischer, is for Louisville to be "the very best municipal government in the nation. Every department in the city of Louisville should at a minimum be in the top quartile of performance compared to our national competitors."[1]

Since its inception in January 2012, OPI has executed open data, performance management, and continuous improvement initiatives in order to achieve the lofty goal set by Mayor Fischer. In just over three years, Louisville has:

- identified approximately $3.6 million in cost savings in year one, including a $3.1 million reduction in unscheduled overtime, and $500,000 in increased revenue from better accounting for special events;
- removed more than two hundred days from key administrative processes, like hiring;
- decreased the city's overall Lost Time Injury Rate by more than 30 percent;
- reduced hours not worked due to sickness or work-related illness and injury by 28 percent resulting in increased productivity;
- increased the number of youth positively engaged in community centers during the summer by over 500 percent; and
- continually assessed the performance of multiple, unique city departments and shared performance results with citizens in a comprehensible, online format.[2]

Louisville attributes these accomplishments to intentional efforts to use data and evidence in innovative ways, inspired by practices in the business sector. This case study explores

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[1] See Greg Fischer, "From the Mayor," accessed at http://louiestat.louisvilleky.gov/.
[2] This information comes from Theresa Reno-Weber and Beth Niblock, "Beyond Transparency: Louisville's Strategic Use of Data to Drive Continuous Improvement," in Brett Goldstein, ed., *Beyond Transparency: Open Data and The Future of Civic Innovation* (San Francisco: Code for America Press, 2013), accessed at http://beyondtransparency.org/chapters/part-4/beyond-transparency-louisvilles-strategic-use-of-data-to-drive-continuous-improvement/.

Louisville's overall theory of action and then dives into three key turning points in Louisville's journey to data-driven governing: open data, performance management, and continuous improvement.

Theory of Change: Louisville's Strategic Approach to Using Data[3]

OPI uses data and evidence to answer three key questions: What is the city government doing? How well is the city doing it? And how can they do it better? OPI focuses on three core activities to help answer these questions:

1. **Focus One: Planning**. OPI is the hub of a coordinated city-wide planning process that translates the mayor's multi-year vision and goals into a comprehensive strategic plan that aligns department strategic, operational, and budgetary plans with the administration's goals.

2. **Focus Two: Performance Management**. LouieStat is a systematic approach to improving city government performance by facilitating problem-solving through the tracking and analysis of key performance indicators (KPIs) of success for each city department.

3. **Focus Three: Continuous Improvement**. A new approach, OPI has begun to embed the tools and methods of continuous improvement within city departments, including instituting the core components of Lean, Six Sigma, and Project Management.
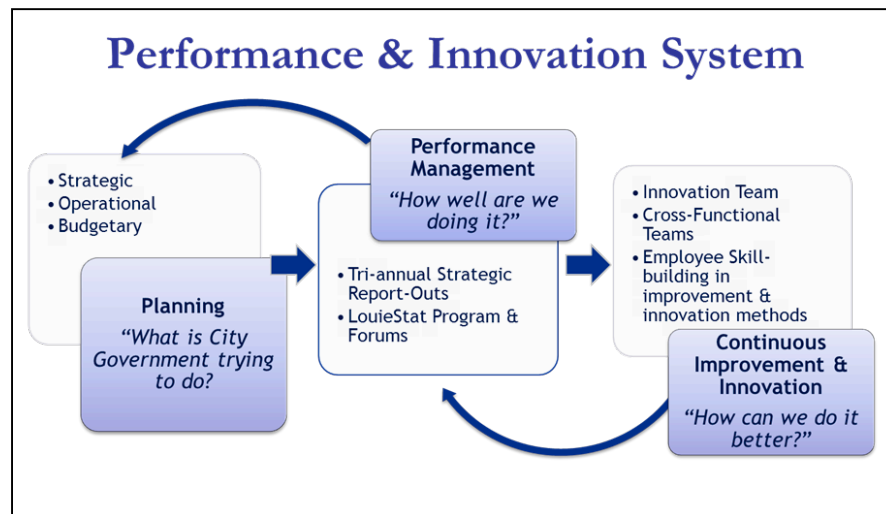
Source: Summit on Government Performance & Innovation Post-Summit eBook

Cost and Savings

The cost of implementing this data-driven management model is modest for Louisville, which spent approximately $300,000 in year one. This included the salary of the Director

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[3] Information in this section comes from Daro Mott, "Better than Best: How Louisville Metro Embarked on its Dynamic Continuous Improvement Journey," 2013, unpublished.

of Performance Improvement and two full-time staff.[4] As OPI increased its scope and scale to work with 24 city departments, two issue-based Stat programs, and several community collaborations, the size of the office increased to 11 full-time employees, including the director. The final FY16 budget for OPI was approximately $1.2 million, including the city's $250,000 training fund. In order to maximize efficiency, OPI is charged with administering Louisville's training fund to teach local government officials how to use technology and data-driven performance tools to continually improve and innovate. Each year, OPI strives to deliver impact and a value equivalent to a minimum of a 5-to-1 return to the city.[5]

Turning Points in Louisville's Journey to Strategic Use of Data

Louisville's approach to data-driven performance management preceded the election of Mayor Fischer. But it took on a sense of urgency when the former business leader took office in 2011. Over the past several years, the city has made investments in its data infrastructure to make evidence a driving factor in how city government operates.

Open Data

Louisville's City Council passed a financial transparency ordinance in 2009, which kick-started the city's open data efforts. The ordinance directed the city government to establish a website that would publish information on city expenditures. The first version of this website included basic information such as budget and funding sources, quarterly revenue estimates, payments for equipment and personnel, and a description of large grants and contracts. City leaders encountered several challenges, including difficulty in navigating the site and publicity around misunderstood expenses.

The city has continued to improve the website over the last six years. The site currently provides anytime access and user friendly formats for sorting, filtering, understanding, and interpreting local government data. According to a recent publication on open data, the city states:

> "We offer raw datasets for city expenditures, employee salaries, board members, park locations and amenities, animal services population results, news and calendar events, and links to other sites with useful data and maps. Accurate data is automatically uploaded, eliminating resource- and time-intensive manual processes. Most importantly, published data sources are exposed via API with metadata and filtering views, giving software developers more flexibility in how they can use the data."[6]

The goal of open data efforts is to improve the transparency of government but also to support innovation. One hope is that members of the general public, including IT

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[4] See Reno-Weber and Niblock, "Beyond Transparency."
[5] Information in this section comes from personal correspondence with City leadership.
[6] See Reno-Weber and Niblock, "Beyond Transparency."

developers and "citizen scientists," will devise new apps or online tools that use city data to help solve problems.

Louisville has also sought to engage citizens in collecting and using data. In 2015, the city launched a program called Asthmapolis to analyze where in the city people were suffering from asthma. To date, the city has distributed nearly 600 GPS-enabled asthma inhalers and are on track to deliver another 1,000. When citizens use the inhalers, data is uploaded to a city heat map, so that leaders can see where and when people suffer from asthma. With this map and knowledge of the traffic patterns and weather, the city can take action like planting of more trees or changing traffic flows to reduce asthma attacks and increase public health.[7]

Performance Management

One of Mayor Fischer's first actions was to hire a Chief of Performance Improvement, charging her to launch a Stat program similar to Baltimore's well-documented CitiStat. In 2012, OPI launched its first LouieStat forum with the Division of Public Works & Assets. Since then, LouieStat has expanded to include 24 departments and two issue-based stats around Vacant and Abandoned Properties (VAPStat) and Sustainability (SustainStat).

Through LouieStat, information is gathered on an array of key performance indicators: six city-wide, and several department specific, KPIs. City-wide KPIs include unscheduled overtime hours and dollars for city employees; sick leave hours lost due to work-related illnesses or injuries; lost time injury rates; and MetroCall/311 Complaints/Service Requests, when appropriate. City departments set goals for improving performance based on a data-driven understanding of existing performance and the performance of appropriate benchmarks from both the public and private sector.

Every six to eight weeks, the departments meet with the city's entire senior leadership team, including the Mayor, to review data, goals, and results, identifying obstacles and devising ways to address them. Barriers to improvement or problems identified through the LouieStat process are approached using reactive problem solving, which drives departments to focus on the causes impairing performance and impeding progress.

As the culture of performance improvement cascades throughout the city government, many department heads are hosting more frequent "Department Stats," that do not include the Mayor but involve their Chiefs, OPI coaches, and representatives from the city's functional areas of finance, human resources, technology, public affairs, and legal counsel. Driving the ownership of department results and progress further into the organization, means managers, supervisors, and frontline employees are engaging in data-driven analysis and problem solving at a deeper level.

One clear lesson learned is that the focus of LouiStat had to be on performance, not just data. The goal is to convert data into useful information to drive issue identification,

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[7] This information comes from Greg Fischer, "Compassion and Data are Transforming My City," a talk delivered for TEDx Pennsylvania Avenue, June 24, 2015.

problem solving, decision-making, resource allocation, and, ultimately, performance improvement.[8]

Louisville has learned that data will never be perfect, but once city leaders began tracking and analyzing data, the improvement process began. Yet despite progress, the city realized it lacked a cohesive strategic planning process that would allow it to focus on data that mattered most to each department. Thus, in the fall of 2012, the mayor unveiled a six-year strategic plan for Louisville government and more than 20 individual six-year strategic plans at the department level. Contained within each plan are measurable targets for both the city and departments to accomplish.

Accomplishments

Related to cost savings described above, LouieStat teams have accomplished significant milestones, including:

1. **Faster Hiring Process**. For non-civil service jobs, a team reduced the hiring timeline from a maximum of 300+ days to a maximum of 75 days (and a minimum of 26). Leaders did this by cutting out "waste" (e.g., redundant steps in process, unnecessary approvals, idle wait time) and instituting more structure (e.g., time limits on how long any one step can take).

2. **Reduced Unscheduled Overtime**. A team identified the largest drivers of unscheduled overtime and targeted departmental and city-wide solutions, which reduced this expense by an estimated $3.1 million in one year. This happened through recommended language changes to union contracts, new monthly overtime tracking reports for department directors, identifying supervisors approving overtime, and using data to show how departments' current totals stacked up against previous year totals and estimated overtime budgets.

3. **Return to Work**. Lost time due to worker's compensation claims was an issue that crossed several departments, so the city developed a new cross-functional team to address the need for a "light duty" or "return to work" policy. The policy would allow employees to work in a capacity suitable to their injured state, and provided a way for employees to return to work sooner.

4. **Hiring Process Cycle Time**. Building off of the work of the first Hiring Process Cross-Functional Team, which focused on non-civil service, a second team was established to identify ways to reduce the length of the hiring process in public protection departments. This team's work is still in progress.

5. **Special Events**. A team was established to quantify how much money Louisville lost by supporting special events within the community and to identify ways to recoup some of the costs. Initial action included putting in place a pay structure

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[8] See Reno-Weber and Niblock, "Beyond Transparency."

for various types/sizes of events and beginning to accurately charge for services provided. The city realized approximately $500,000 in revenue in one year.[9]

Continuous Improvement

Louisville has made great strides in executing open data and performance management initiatives. However, the city feels strongly that making data available and tracking progress on goals are not sufficient to improve city outcomes. The city needs skills and a government-wide culture for engaging in continuous improvement—specific strategies for increasingly achieving results.

To help make the shift to continuous improvement, OPI provides management consulting services to all city staff. OPI facilitates cross-functional teams tasked with solving known problems, which span multiple departments or stakeholders within city government. The teams devise plans to support a strategic objective or goal. In the first year of this work, teams "addressed issues impacting the city's structural budget imbalance, like high unscheduled overtime, long hiring processes, and inappropriate cost recoupment for special events." Subsequent teams have focused on increasing youth participation in community centers over the summer and reducing the number of public facilities not inspected on time.

OPI also offers training to city leaders, managers, and employees in continuous improvement methodologies including Lean, Plan-Do-Check-Act Problem Solving, Six Sigma process improvement, and project management.[10] As a further way to empower and equip employees with skills for continuous improvement, OPI launched an "advocate" and "ambassador" program. Through the program OPI places performance coaches in city departments to help train, equip, and empower employees in those departments in various continuous improvement approaches.
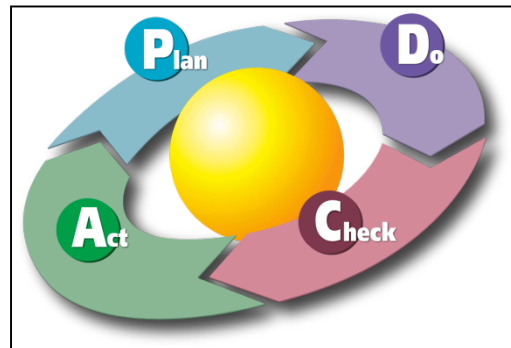
Regardless of which tool or strategy is used, OPI is focused on making a culture shift in city government. Without widespread adoption of these practices, continuous improvement won't change how the city functions. According to OPI leaders, Louisville must "focus on embedding the skills and capabilities required to improve performance and truly close the gap between baseline data and the targets or goals established for each KPI within departments."[11] Closing that gap is the heart of the mission.

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[9] Information in this section comes from Daro Mott, "Better than Best."

[10] This information comes from the Office of Performance Improvement website, accessed at https://louisvilleky.gov/government/performance-improvement/continuous-improvement.

[11] Reno-Weber and Niblock, "Beyond Transparency."

Conclusion

Following the leadership of Mayor Fischer, city leaders in Louisville are conscious that data itself is not the goal. The goal is to "convert the data into useful information that can be used to identify ways to continually improve performance." Whether improving performance means reducing crime, improving wages, or preserving affordable housing, Louisville is working hard to use data and evidence to improve results. From open data to performance management to continuous improvement, city leaders are taking a multi-pronged approach to their work to enhance the lives of their citizens.

About the Invest in What Works Policy Series

This report is part of Results for America's Invest in What Works Policy Series, which provides ideas and supporting research to policymakers to drive public funds toward evidence-based, results-driven solutions. Results for America is committed to improving outcomes for young people, their families, and communities by shifting public resources toward programs and practices that use evidence and data to improve quality and get better results.