

State Corrections Domain Expertise and Results

October 3, 2017

Summary

Mass Ingenuity has worked with three state adult correction agencies, one youth authority, and a corrections enterprises quasi-governmental agency spanning Arizona, Oregon, and Washington. As a result, we have developed deep domain expertise both in terms of the cultural, operational, leadership, staff, inmate, legislative, and social issues. We are able to relate to inmate needs (both while in prison and post-prison recidivism challenges).

Mass Ingenuity has developed a large repository of performance outcome and process measures and, through our partnerships, we know how to effectively move the needle on many of them as demonstrated by the summary below. This summary reflects both quantitative performance improvements and qualitative outcomes as reported by corrections staff. These issues include recidivism, inmate costs, inmate intake case plans, inmate employment and skill development, restitution pay, staff/inmate safety needs, staff morale, staff turnover, wellness, and diversity, etc.

About Mass Ingenuity's and Grant Thornton's Methodologies

Mass Ingenuity focuses exclusively on supporting state agency leaders in their expansion of results-driven government. Founded on Lean and management best practices, the **Results Management System** is a comprehensive and highly integrated performance management system proven to accelerate results-driven government.

In addition, **RESULTS Software** easily connects every leader and employee to their Management System outcome and process measures (lagging and leading indicators of success), real-time performance data, projects, and tools. As a SaaS cloud-based application, RESULTS is built on Microsoft® Azure® with state of the art security and accessibility. This proprietary software is highly scalable, transferrable, and accommodates a virtually unlimited number of unique measures and permission levels. Coupled with **Grant Thornton's Predictive Analytics** capabilities, provides correctional facilities with an early warning system.

State Corrections References and Client Results

- Fariborz Pakseresht, Former Director, Oregon Youth Authority (is engaging Mass Ingenuity as Director, Oregon Department of Human Services early fall 2017)
- Colette S. Peters, Director, Oregon Department of Corrections (formerly Director OYA) and Executive Committee Member, Association of State Correctional Administrators
- Charles Ryan, Director, Arizona Department of Corrections and Member, Association of State Correctional Administrators

“This is the most engaging and valuable work I have done in my government career. Now we have the credibility to better influence the Legislature’s decisions and they are listening to us. The time we spent building our Management System has been well worth it and I would do it again in a heartbeat.” **Fariborz Pakseresht**

Client Outcomes and Results (Partial List)

Outcomes and Results (High-Level Summary)

Below are some highlights of client results achieved within the adult and youth corrections agencies we have worked with:

- Arizona Department of Corrections achieved a 20% decrease in the average number of days spent in detention shortly after implementation of their management system
- Oregon Department of Corrections saved \$3 million per year just six months after implementation of their management system
- Oregon Youth Authority reduced overtime by 10% resulting in a savings of \$300,000 per year
- Oregon Corrections Enterprises increase their total number of offender employees by more than 100%

Additional detail is provided for these agencies in the tables below.

| Agency | Outcomes and Results (Detailed Summary) |
|---|---|
| <p>Arizona Department of Corrections (ADC)</p> <ul style="list-style-type: none"> • Director Charles Ryan • 40,000 Inmates • 10,000 FTE • 1,200 RESULTS Software Users | <ul style="list-style-type: none"> • Strong sponsorship from executive and complex leaders • Arizona Management System (AMS) framework is first in place at initial all ten ADC complexes • Business routines reflecting standard work are being established • Building a common comprehension and language around continuous improvement • Cultivating desired leader behaviors critical to the success of AMS • Actively engaging staff in performance management and measurable results already being achieved: <ul style="list-style-type: none"> ○ 50% reduction in time to process “use of force” packets ○ 20% reduction in the average number of days spent in detention ○ Percent of high-risk/high need program completions has improved from 86% to 95% ○ 180-day initial inmate release program has improved 54% YTD • Providing input to refine the RESULTS Software platform as an extremely comprehensive corrections-based data solution, visibly connecting and tracking measures from the executive to the line staff • <i>The biggest change in the Eyman Complex due to the management system is that I have staff tell me how they have had a role in fixing a procedure that was broken. It has helped us develop more engaged employees, discussing agency priorities, while encouraging growth and improvement over time.</i> (Paraphrased from Arizona State Prison Complex Warden) |
| <p>Oregon Department of Corrections (ODOC)</p> <ul style="list-style-type: none"> • Director Colette S. Peters • 14,750 Inmates • 4,600 FTE • RESULTS Software (installation targeted for | <p>Since beginning our work with ODOC in January 2013 and after only two enterprise Quarterly Target Reviews, ODOC has seen the following results:</p> <ul style="list-style-type: none"> • \$3 million of gains reported due to increased use of data and measures • State Accident Industrial Fund claims (accidents with injuries) down from 84 to 76 • Post-Prison Supervision up from 62% to 67.6% • Gender diversity improved from 76% to 95.3% (governor goal) • Completed Case Plans at Intake improved from 94.5% to 96% • Inmate Death by Homicide down from 2 to 0 • High alert inmates who move to Moderate from 12.5% to 10.6% • Number of inmates involved in skill building classes or programming up from 333 to 349 |

| Agency | Outcomes and Results (Detailed Summary) |
|---|--|
| <p><i>2018 pending client approval)</i></p> | <ul style="list-style-type: none"> • Number of active volunteers increased from 2,580 to 2,615 • Average percent of restitution paid on time 13.1% to 19.6% • Internal audit findings completed within 180 days increased from 61.5% to 85.7% <p>Six other problem-solving teams are currently in process working on:</p> <ul style="list-style-type: none"> • Improving the percent of inmates who have a birth certificate and a social security card (essential to re-enter society) on release date from 6% to 90% • Increasing inmate prescriptions filled within two days from 88% to 97% • Improving the percent of restitution paid at supervision closure from 13% to 50% for two counties • Reducing inmate daily food costs from \$2.80 to less than \$2.30 <p>Staff comments:</p> <ul style="list-style-type: none"> • <i>"I have never seen Agency leadership this visible and engaged with staff - it's clearly not business as usual."</i> • <i>"We are having conversations about our business and interrelationships between divisions that I never thought possible."</i> (Leadership team member) • <i>"I have always wanted to be in a position to make a real impact...a positive difference at DOC...and for the first time, I feel that I am that position."</i> (Member of problem solving team) • <i>"We now seek data before drafting solutions to address the greatest constraint."</i> (Frontline employee) |
| <p><i>Oregon Corrections Enterprises (OCE)</i></p> <ul style="list-style-type: none"> • <i>Administrator, Ken Jeske</i> • <i>1,400 Inmates Employed</i> • <i>400 FTE</i> | <ul style="list-style-type: none"> • Within three months, the implemented solution resulted in the following OCE call center: • Total number of offender employees increased by more than 100% • Significant increase in revenue • Base improvement in inmate morale and employment program success • For OCE, increasing the hours worked per week per inmate from 30.1 hours to 36 hours • For OCE, increasing the number of call center seats filled from 75 inmates to 93 inmates (the current available demand from OCE's customer) |

| Agency | Outcomes and Results (Detailed Summary) |
|--|---|
| <p><i>Oregon Youth Authority (OYA)</i></p> <ul style="list-style-type: none"> • <i>Interim Director Joe O'Leary</i> • <i>600 Youth Offenders in Close Custody</i> • <i>900 Youth Offenders in Communities</i> • <i>1,000 FTE</i> | <ul style="list-style-type: none"> • 58% of its measures improved with an estimated ROI of 60% • Youth released from close custody who received transition services increased from 59.6% to 83.3% • Close custody youth with active case plans within 30 days of post-intake assessment increased from 50.6% to 100% • Case plan audits increased from 70.5% to 100% (in one quarter) • Overtime was reduced 10% saving the state approximately \$300,000 per year • Program effectiveness improved from 44% to 90% • Timeliness of case audits improved from 70% to 95% <p>• Note: The former director and deputy director of OYA have both become repeat customers of Mass Ingenuity when they moved to other large Oregon state agencies)</p> |

Transparent Results to Advance Interactions and New Solutions (TRAIN)

Written by: Oregon Corrections Enterprises

Date: April 10, 2015

Continuous organizational and performance improvement is critical for success in any organization. As corrections industries, we share a unique challenge to accomplish our missions and better serve the citizens in our respective states. We are established to promote public safety by providing work and training opportunities for offenders, many of whom have not held regular employment before incarceration. We are tasked with operating industries that are self-sustainable, don't compete for private sector work and will train for future job market trends. These are important and at times difficult requirements to work with, but are not un-attainable if we have the right tools and continually work toward achieving desired outcomes.

In 2013, already recognizing it was a progressive, well-run agency filled with dedicated employees, the Oregon Department of Corrections (ODOC) contracted with Mass Ingenuity to perform a full operational review. Mass Ingenuity's Results Management System® is an integrated system for the management of a complex enterprise utilizing Lean and associated management methodologies and philosophies of Toyota's Shigeo Shingo and Dr. W. Edwards Deming. The System provides a flow from strategy to process, connects traditional planning into a "Big Lean Framework", and improves daily routine processes that organize an agency's goals, by identifying waste, combining the voice of the customer to better understand stakeholder requirements, and using value-stream mapping to understand the agency's work. The System then provides the agency client a data-driven decision model that 1) identifies waste reduction priorities, 2) creates an accountability system using an agency-wide scorecard, and 3) uses quarterly target reviews (QTRs), to tie together strategic plans, measurements, data-driven decision-making, root-cause process improvement, leadership capacity, and employee engagement.

At the onset of this process, ODOC clearly defined what it does every day. This is referred to as the Fundamentals Map and covers the major components of ODOC's work. The Fundamentals Map strategically aligns the agency's mission, shared vision, values, and key goals. The agency Scorecard sets measurements on daily core processes and agency outcomes identified on the Fundamentals Map. This ensures the organization continually aligns its strategic initiatives with those directly impacting the agency and outcomes that promote public safety. Outcomes of this process included: a common language to operate the organization, increased ownership and accountability, more fact-based/data-driven decisions and actions, improved transparency, and enhanced teamwork and collaboration. ODOC refers to its performance management system as Correctional Outcomes through Research & Engagement (CORE).

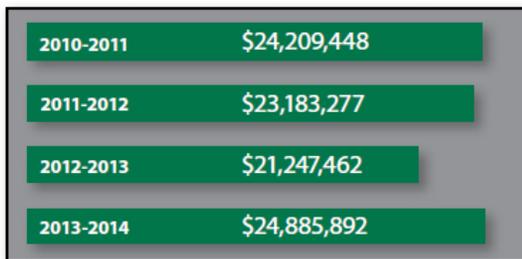
Oregon Corrections Enterprises (OCE), as a semi-independent state agency, sharing in the direction and working in concert with the Oregon Department of Corrections, contracted with Mass Ingenuity to perform a similar review and to create its own Fundamentals Map and agency Scorecard. Although OCE's map is separate it is designed to support the CORE outcome measure of providing inmate work opportunities. Through the process of building its Fundamental Map and creating the agency Scorecard, OCE has systematically changed the

agency culture to one of data-driven decision making, transparent interactions with all, enhanced teamwork, and increased accountability. OCE refers to its newly developed performance management system as Transparent Results to Advance Interactions & New Solutions (TRAIN).

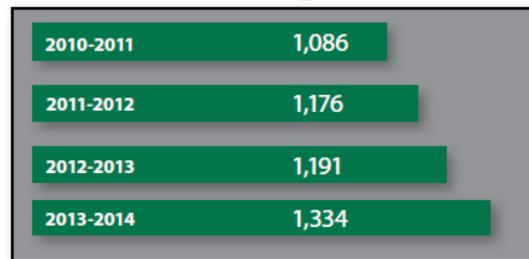
While building its Fundamentals Map and Scorecard, OCE created 87 individual core process and agency outcome measurements, each of which drive performance improvement efforts. These core processes and outcomes are measured monthly at the local business level and quarterly at the agency level. These measurements provide needed accountability to evaluate where the agency is performing well, where it is just short of expectations and where the agency is falling behind in meeting outcomes. Measures not performing well are identified and evaluated for corrective actions to help reach the agencies goals and outcomes.

Outcome based management drives change. OCE has already enjoyed some early “wins” after adopting the concept of outcome based management. Fiscal year 2013-2014 was a year of growth, setting records in both gross revenue and net income earned. In addition, OCE showed improvement in the average number of offenders in OCE’s work programs, the total number of hours worked and awards paid to offenders.

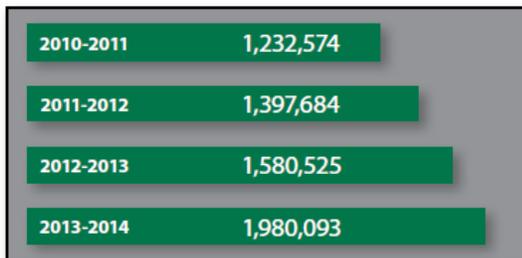
Total Revenue



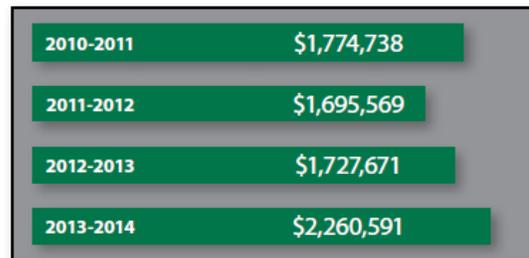
Offenders in OCE Programs



Offender Hours Worked



Offender Awards



The System encourages all OCE staff to engage in the improvement process and provides tools for them to take action and improve our outcomes. Transparency is a key factor with the Results Management System. Barriers are broken down and measures are reviewed, discussed, and problem solved in an inclusive environment that fosters participation from all employees. This System prioritizes initiatives and ensures top levels of management will provide resources to employees to accomplish their goals. All levels of the organization have aligned and work toward a shared vision to improve outcomes for Oregon. OCE looks forward to another successful year in 2014-2015.