

# PSA Project Phase 3 - Gap / Cause Analysis

Florida State University

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## **Introduction**

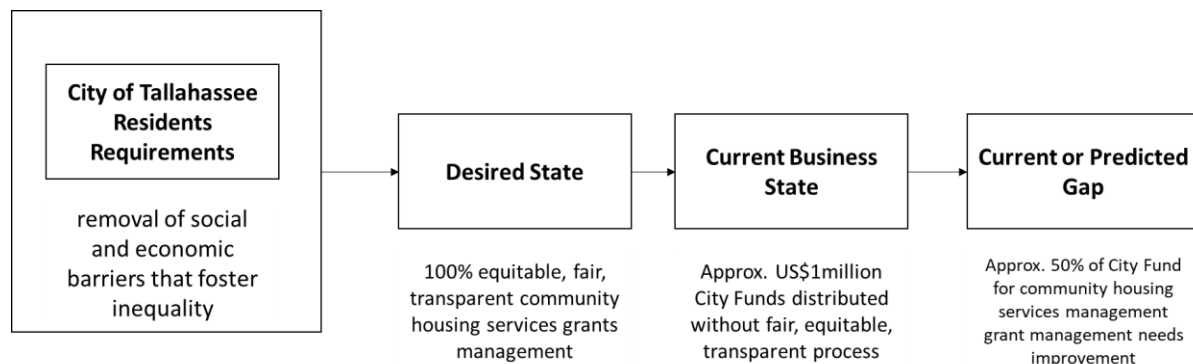
The City of Tallahassee Commission seeks a fair, equitable, and transparent process of awarding funds to nonprofit agencies that eliminates duplication while serving the needs of the community with built-in measures of accountability. Phase 3 presents a thorough analysis of the gap between the desired and actual performance state in the management of City Funds for human services, based on the findings in the Phase 2 report, including prioritization of gaps to address. Additionally, Phase 3 presents an analysis of both the environmental causes as well as individual causes of the performance deficiency.

## **Gap Analysis**

This section will discuss the analysis of the desired and the actual performance state in the management of City Funds for human services. The section discusses the desired and actual states based on phase II report, state the identified gaps between the desired and the actual states, prioritize the gaps using Rothwell's six-cell Performance Gap Analysis and provide a transition to the next section on cause analysis.

### **The Desired and the Actual States**

Based on the expressed need from the City Officials, the desired state is 100% equitable, fair, and transparent management of City's Funds that meet community needs. Presently, approximately 50% of the funds are managed outside the CHSP process without a fair, equitable, and transparent process with undefined metrics to measure performance and service delivery. The gap to be addressed in the performance improvement process is to manage all COT Funds for community human services in a fair, transparent, and equitable manner, with well-defined performance metrics.



*Figure 1: Adapted Grant and Moseley Customer-Focused Model for City of Tallahassee Community Human Services Grants Management*

## The Desired Situation

The strategic need expressed by the new City Administration is a transparent, fair, and equitable funding process for 100% of the grants under the City Fund directed for community human services. The proposed strategy to achieve this goal is establishing standards for evaluation, reporting, and performance management for all grants (CHSP and Funds for Local Outside Agencies).

The City Administration has four aims to improving performance. First, align the grants under CHSP to ensure that organizations eligible for CHSP's competitive evaluation process should use this process. Second, requests for supporting services outside CHSP priorities and mandate should come through the respective City departments that work directly with the individual community organizations to complement the City department's goals and services. Third, review the CHSP funding evaluation criteria to include a new category for non-profit organizations that do not qualify under the current eligibility criteria. Fourth, a competitive outcome evaluation process is used to administer all the grants under the City Funds.

The desired solution should ensure that all community organizations that support the City's mission, vision, and strategic priorities in terms of community human services, have a fair chance of competing for these funds regardless of their size. Given the diminishing source of funds, there is high competition to access the limited funds available, hence the need for a fair process within the budgetary space currently available. The expressed desire is to ensure that new innovative organizations have the same opportunities to access the funds, and the process is not biased towards well-known brands or organizations.

## The Current Business State

CHSP FY2019-2020 budget is US\$ 3,449,302, with the City contributing about 60% while County provides 40%. The funds are from the general funds from the City and County, City Community Development Block Grant Funds, and the City Change for Change program. A shortfall of US\$1.8 million was observed in this funding cycle, i.e., the difference between funding requests and available funds. FY2019-2020 is

the first cycle without the United Way, which contributed about 40% of the funding (loss of US\$1.9million) in the previous funding cycle.

On the one hand, there is documented social and economic impact of CHSP in terms of employment, contracting, purchasing of goods and services, and real estate in the community<sup>1</sup>. For example, 44,000 people received assistance in Leon County in 2017-2018. CHSP agencies spend US\$152 million last year, stimulating the local economy with over US\$35 million used as grants or direct assistance to citizens. Further, the local agencies that receive funding employ residents with over 2,000 full-time equivalents (FTE), contributing significantly to reduce unemployment (one of the COT strategic priorities). CHSP services are valuable and considered outstanding service by the residents, with 55% of the residents think poverty is one of the top five issues affecting the quality of life in Tallahassee.

On the other hand, prevailing sentiments are that the direct grants to Outside Agencies are dependent on relationships with Commissioners or City Officials (or both), undermining the integrity of the City Administration<sup>2</sup>. An outcome-driven evaluation process similar to CHSP is preferred. In 2008, the funding for Local Outside Agencies was US\$2.8 million, accounting for about 2-2.5% of the City's General Fund Revenue for 2008<sup>3</sup>. The funding allocation has decreased by more than 50% from 2008 levels to the current US\$1,139, 102 for FY2020, representing about 0.71% of the City's General Fund Revenue for 2020<sup>4</sup>. Twenty-seven Outside Agencies will receive funds for FY2020 for services such as animal services, human services, crime prevention, and advocacy.

## The Gaps Between the Desired and the Actual States

Figure 2 shows the performance gaps using Rothwell's six-cell gap analysis. Some of the current performance issues are lack of a standard system for managing the City Funds; for example, CHSP funds use a competitive outcome-driven evaluation process, while the awarding of direct grants is unclear. There is no standardized system for evaluating the requests or awards for direct grants, performance monitoring, and reporting for recipients. For example, the City does not have the necessary information about these grant recipients and has recently requested additional information, such as mission statement, method of performance measurement used by the community organization, overview of financials, and city services that are supported formally or informally. This performance issue undermines the COT core value of leading with integrity at every level, honor public trust through ethical behavior, and to provide exceptional citizen service. A current positive and future positive

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<sup>1</sup> City Commission Workshop Meeting Minutes (2019). In *EME6691-0001: Performance Systems Analysis: Spring 2020* [Presentation]. Retrieved from <https://canvas.fsu.edu/>.

<sup>2</sup> Conference discussions with Chistian and Darren, verified through online media comments.

<sup>3</sup> <https://tallahasseereports.com/2008/11/05/the-city-of-tallahassee-funds-cultural-events-through-outside-agencies-with-tax-dollars/> (Last accessed 10 March 2020)

<sup>4</sup> [https://tallahassee.fl.opengov.com/transparency#/34031/accountType=expenses&embed=n&breakdown=39835bc0-123d-40de-b98b-b8a38d3ccfa3&currentYearAmount=cumulative&currentYearPeriod=years&graph=pie&legendSort=desc&proratio=n=true&saved\\_view=67254&selection=0584524D8EE26D5C3D04F87DE495FDC6&projections=null&projectionType=null&highlighting=null&highlightingVariance=null&year=NaN&selectedDataSetIndex=8&fiscal\\_start=earliest&fiscal\\_end=latest](https://tallahassee.fl.opengov.com/transparency#/34031/accountType=expenses&embed=n&breakdown=39835bc0-123d-40de-b98b-b8a38d3ccfa3&currentYearAmount=cumulative&currentYearPeriod=years&graph=pie&legendSort=desc&proratio=n=true&saved_view=67254&selection=0584524D8EE26D5C3D04F87DE495FDC6&projections=null&projectionType=null&highlighting=null&highlightingVariance=null&year=NaN&selectedDataSetIndex=8&fiscal_start=earliest&fiscal_end=latest) (Last accessed 10 March 2020)

performance is CHSP's demonstrated social and economic impact. Current and future performance gaps are funding gaps/constraints, as there are no immediate or medium-term prospects of increased funding for community human services. A current negative gap is a mismatch between the stated values versus the actual behavior that is recognized and rewarded.

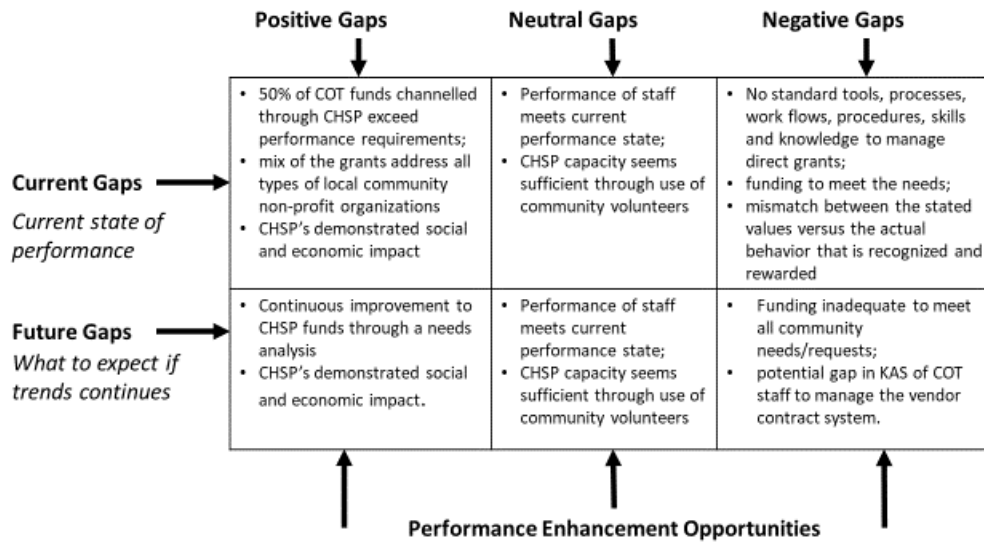


Figure 2: COT Adapted Rothwell's Six-Cell Performance Gap Analysis

### Prioritization and the Feasibility of the Gaps

After meeting with Christian Doolin and his team, and after a review of the available documentation and data, we have identified the following performance gaps within the management of City Funds for human services processes. The gaps are listed in the first column. We have determined how critical each gap is to the attainment of the organization's strategic goals and ranked the gaps on a scale of 1-10 on the Criticality Scale, which is followed by a discussion and rationale for each. The following analysis represents a consensus on which gaps are the most critical (especially important) and need to be resolved for the organization.

## Performance Gap Priority Matrix

	Criticality Scale									
	Low									High
Performance Gap	1	2	3	4	5	6	7	8	9	10
1. No standard tools, processes, skills, and knowledge to manage direct grants.										✓
2. Funding to meet the needs.										✓
3. Mismatch between the stated values vs. the actual behavior that is recognized and rewarded.									✓	
4. Future funding inadequate to meet all community needs and requests.							✓			
5. Potential gap in KOS of COT Staff to manage the vendor contract system.						✓				
6. Performance of staff meets current performance state.					✓					
7. CHSP capacity Seems sufficient through use of community volunteers.					✓					
8. Performance of staff meets current performance state					✓					
9. CHSP capacity Seems sufficient through use of community volunteers.					✓					
10. 50% OF COT funds channeled through CHSP exceed performance requirements		✓								
11. Mix of the grants address all types of local community nonprofit organizations.		✓								
12. CHSP's demonstrated social and economic impact.		✓								
13. Continuous improvement through CHSP funds through a <a href="#">needs</a> analysis		✓								
14. CHSP's demonstrated social and economic impact.		✓								

## Gap Priorities (Negative Gaps)

The gaps are prioritized in order of criticality and feasibility. The priorities are focused on the immediate and future negative gaps currently having the most direct impact on the organization. Positive and neutral gaps will be further analyzed to determine maintenance strategies, or areas of opportunities where interventions might be employed to further the goals of the organization.

1. **Funding to meet the needs** (Current Negative Gap). The most critical and urgent issue is the procurement and distribution of direct grant funds to the community organizations with the highest need. These are organizations which don't fit into the CHSP procurement model but provide urgent and critical Human Services to the city which cannot be procured in alternate ways. While this is of the highest critical need, the feasibility of meeting this need is constrained by the limits of the budgeting process and other priorities for the city.
2. **No standard tools, processes, skills, and knowledge to manage direct grants** (Current Negative Gap). Currently, there is a lack of formal, consistent process for direct grant funding in place to ensure fair and equitable treatment of these agencies. Some challenges include: lack of consistent and user-friendly application and reporting system for direct grants, a lack of set of established metrics for evaluating outside agency performance, and a lack of formal decision-making criteria among parties issuing grants. A successful intervention is needed to meet both current and future funding needs in a way that is fair and equitable. The feasibility for intervention is high, and only limited by the available data, knowledge, skills and political support to implement.
3. **Mismatch between the stated values vs. the actual behavior that is recognized and rewarded** (Current Negative Gap). To community leaders, local watchdog groups, and concerned citizens mindful of stewardship of public monies, the direct-grant process is perceived as unfair and inequitable. It is critical to establish processes that reverse these assumptions, and highly feasible to communicate the new program effectively.
4. **Future funding inadequate to meet all community needs and requests** (Future Negative Gap). In addition to procuring the direct grant funds for the most immediate needs, a process needs to be implemented in anticipation of procuring funds for future needs. Processes and systems put in place now will make the planning and procurement of funds highly feasible for future needs.
5. **Potential gap in KOS of COT staff to manage the vendor contract system** (Future Negative Gap). If it is determined there is a staff skill gap, a training needs assessment will be performed, and staff development program designed to meet both current and future skill needs.

Now that the City Fund Management performance gap has been thoroughly analyzed and prioritized according to critical need and implementation feasibility, the next section details the cause analysis.



## Cause Analysis

This section discusses the cause analysis in the management of City Funds for human services. The cause analysis is the final step in the performance analysis process, and its purpose is to determine why the performance gaps exist. It is necessary to determine the cause of the performance problem based on the data and information collected before making recommendations to address or fix the issues. This section identifies and explains the reason for the performance gaps using both the Gilbert Behavior Engineering/Six Boxes Model as well as the five process steps found on pgs. 166-167 of the text<sup>5</sup> to conduct a cause analysis of the performance gap.

### Environmental

The cause analysis first considers the environmental factors affecting organizational performance. The table below provides insight into performance / impact of the organization using Gilbert's Behavior Engineering Model. The information is summarized from that gathered in the gap analysis.

*Table 1: Environmental Cause Analysis*

INFORMATION	INSTRUMENTATION	MOTIVATION
DATA	INSTRUMENTS	INCENTIVES
Relevant and frequent feedback	Tools and materials or work to match human factors	Financial incentives
<i>Does the individual know what is expected of them?</i>	<i>Do people have the right tools for performance?</i>	Are adequate financial incentives that are contingent upon performance available?
Performance descriptions	<i>Are tools and materials designed to match the human factors of performance?</i>	Non-monetary incentive career development opportunities
<i>Do people know how well they are performing?</i>		<i>Are non-monetary incentives available?</i>
Clear and relevant guides to performance		<i>Are career development opportunities available?</i>
<i>Are people given guidance about their performance?</i>		
Relevant and frequent feedback	Volunteer Citizen review teams have:	Non-monetary incentive career development opportunities

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<sup>5</sup> Van Tiem, D., Moseley, J. and Dessinger, J., 2012. *Fundamentals Of Performance Improvement*. 3rd ed. Pfeiffer.

<ul style="list-style-type: none"> <li>• There are formal policies and procedures provided for staff eg CHSP Description Manual to support decision making tasks or CRT evaluation criteria</li> <li>• There is no known evidence of other means of feedback to staff</li> </ul>	<ul style="list-style-type: none"> <li>• Human resources support through salaried staff within each of the human services depts</li> <li>• Physical resource support through written checklists for CHSP applications for funding including self-monitoring checklist</li> </ul>	<ul style="list-style-type: none"> <li>• There is no evidence to suggest that there are specific non-monetary incentives are available for staff</li> <li>• Standard career progression pathways as a local government organization are assumed to exist</li> </ul>
<p>Performance descriptions</p> <ul style="list-style-type: none"> <li>• The City Commission does not hold data on direct grant recipients, so ability to review their performance is unavailable</li> <li>• CHSP has a constructive written feedback system for applicant agencies</li> <li>• Performance reviews regarding agency capacity are conducted</li> <li>• Data collected is linked to performance e.g. the social and economic impact of CHSP for employment, goods and services provided</li> <li>• CHSP proposal workshops are conducted prior to each grant cycle and provide data on performance of CHSP, CoT and Leon County</li> </ul>	<p>There is no standard evaluation process for requests or awards for direct grants, performance monitoring and reporting for recipients</p>	<p>Financial incentives</p> <ul style="list-style-type: none"> <li>• There is no evidence to suggest there are adequate financial incentives within City Commission, Leon County and CHSP for staff within the organization</li> </ul>

<p>Clear and relevant guides to performance</p> <ul style="list-style-type: none"> <li>• There is a Memorandum of Understanding between City of Tallahassee and Leon County for CHSP</li> <li>• The prescribed performance standards for direct grant applications are not consistent with CHSP requests</li> <li>• Method of feedback from community agencies to CHSP / City Commission not evident</li> </ul>	<p>The grant contracts for eligible agencies ensure funding is used in an agreed manner</p>	
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#### Information to support the organizational environment

The CoT does not hold information on grant recipients nor requests the typical information required of those requesting funding through CHSP, nor is there evidence of feedback to CHSP funding recipients.; this reflects a performance issue reducing public trust and not demonstrating the values through which it works.

#### Instruments: tools and materials

The CRT working within the CHSP are sufficiently supported. while sufficient and clear policy supports CHSP's process, there is no clear process for managing direct fund applicants, nor is there a review process. This impacts upon performance feedback for grant recipients and enables a disparity between the CHSP funding and direct grants processes. There are also issues in performance regarding human resources and time for addressing duplications of applications for funding, reviews and interviews.

#### Financial and non-monetary incentives

As an organization, there does not appear to be any form of financial or non-monetary incentive for staff. Information provided suggest staff working within CHSP, for example, are knowledgeable, skilled and motivated, and many of these are volunteers who work in the CRT. There is an assumption that non-monetary incentives may be available to staff, for example, in the form of benefits such as flexi-time, but there is no confirmation of this yet. Career progression for paid staff is assumed. Based upon the information provided to date, the assumption is made that there are currently no plans to provide monetary incentives for staff.

## Individual

In the current direct grant funding process, the City Review Board performs the review of the direct grant application and then passes the application along with a recommendation to the County Commission and City Commission for final approval.

When applying the BEM to the performance problem the City Review Board operates as the individual. In this case, analysis of all board members is performed to assess if their **knowledge** and skills match the required performance for the job, their individual **capacity** to determine how well they perform the job, and **motives** to examine motivation to perform the tasks as well as if the expectation on these performers is realistic.

Table 2: Individual Cause Analysis

INFORMATION	INSTRUMENTATION	MOTIVATION
KNOWLEDGE <ul style="list-style-type: none"><li>Scientifically designed training</li><li>Placement</li></ul>	CAPACITY <ul style="list-style-type: none"><li>Flexible scheduling of performance</li><li>Prosthesis</li><li>Physical shaping</li><li>Adaptation</li><li>Selection</li></ul>	MOTIVES <ul style="list-style-type: none"><li>Assessment of Motives to work</li><li>Recruitment of the right people</li></ul>
There are no clear guidelines on how to conduct a formal review of a grant application	There are no clear requirements identified of the specific functions required to perform an application review	Board members are not motivated to perform review of direct grant application and recommendations to meet requirements of the desired state.
There is no training on how to perform a direct grant application review	The required abilities of performers are not clearly identified to perform an application review	There are not existing expectations to review direct grant applications or recommendations to meet the levels of desired state, though meeting levels of the desired state are reasonable.
There is no clearly defined skill set identified to perform a grant application review and performer may lack the required skills		

## Knowledge & Skills

While the current knowledge of the City Review Board members to perform the task of reviewing grant applications and providing a recommendation to Commission members who make the final decision is not fully known, an assumption is made that the board members are not entirely prepared to perform the required tasks because the process requirements in the current performance state are not fully clear and transparent.

A specific skill set required by board members to perform the task of reviewing direct grant applications and producing recommendations based on determined guidelines has not been identified, therefore it is unclear if board members currently have the skills required to perform the task or if they potentially need training to meet requirements.

## Individual Capacity

Due to the lack of standardized tools, processes, skills, and knowledge it is unclear if members of the City Review Board lack the capacity or ability to perform, or learn to perform, the required tasks to review direct grant applications and produce a recommendation based on guidelines.

Once tools, processes, skills, and knowledge are standardized within the application review and recommendation process, and specific skill sets are identified to perform the application review and recommendation process, a review of the City Review Board's capacity must be performed to determine how well the board performs using the newly established guidelines.

## Motivation & Expectation

Once the required knowledge, skills, and capacity is properly established, an assessment can occur to determine if expectations of existing board members are realistic based on their own knowledge, skills, and capacity to perform on the job.

Recruitment practices and specific qualifications required of board members is unclear, though upon further assessment of knowledge, skills, and capacity requirements, recruitment practices can be further scrutinized to ensure the right people are in the job.

Table 3: Summary of Performance Gaps, Causes, and Priority

Performance Gap	Driver	Classification	Priority	Causes
Procurement and distribution of direct grant funds	Budgetary constraints	environment	10	Current structure, policy and procedures do not meet the needs of funding
No equitable process for direct grants	Lack of a fair funding process	environment	10	<p>No standardized processes or policies in place</p> <p>Lack of formal decision making</p> <p>No clear requirement identified of the functions required to perform an application review</p> <p>No consistency of standards between direct grant applications and CHSP requests</p>
Gap in knowledge and skills of the City staff to manage the vendor contract system and process	Lack of defined job/task analysis	individual	9	<p>No clearly defined skill set and knowledge needed to perform has been identified</p> <p>No training exists on how to perform a direct grant application review</p>
Mismatch between stated values and the actual behavior that is recognized and rewarded	Lack of incentives	environmental	8	<p>No expectations to review applications to meet the levels of the desired state</p> <p>No evidence of adequate monetary or nonmonetary incentives for agencies or for city staff</p>
Gap in information	Lack of data or visibility to data	environmental	7	<p>City commission does not hold data on direct grants, so they do not have visibility to their performance</p> <p>Method of feedback from agencies to CHSP or city commission not evident</p>

## **Conclusion**

In Phase 3, an analysis of the performance gaps in the management of City Funds for human services was conducted, as well as the environmental and individual cause of gaps, based on the findings from Phase 2. Additionally, the identified gaps were prioritized. The analysis conducted in this phase provides the foundation for a proposed performance improvement solution with prioritized interventions to help the City of Tallahassee manage all of its allocated funds for community human services in a fair, transparent, and equitable manner, while eliminating duplication and driving accountability.