



California Environmental
Protection Agency

QUALITY IMPROVEMENT PARTNERSHIP

Annual Report Pursuant to Senate Bill 1191
(Speier, Chapter 745, Statutes of 2001)

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Cal/EPA's Quality Improvement Partnership

Introduction

As part of Senate Bill 1191 (Speier, Chapter 745, Statutes of 2001), the California Environmental Protection Agency (Cal/EPA) was directed to institute “quality government programs” within the Agency and its six boards, departments, and office (BDO). The bill requires that the Agency provide an annual report to the Governor and the Legislature on the extent to which Cal/EPA has attained its performance objectives and continuous improvement efforts. This legislative mandate originated in Senate Bill 1082 (Calderon, Chapter 418, Statutes of 1993).

Known as the *Quality Improvement Partnership (QIP)*, this organizational improvement effort has evolved over the past few years and is synchronized with the growing maturity of the Agency, which celebrated its tenth anniversary in 2001. The early implementation stages of the QIP focused on building a foundation to support the successful start-up of a quality management program, and now, several years later, has been integrated organizationally as an ongoing business practice. This continuous organizational improvement approach supports the Agency in successfully accomplishing its mission – to restore, protect, and enhance the environment, to ensure public health, environmental quality, and economic vitality in California.

This approach also serves as the framework to distinguish the Agency as a leader in environmental protection, and as a model organization for state government. The QIP guides planning, training and implementation efforts to improve performance. As Cal/EPA rewards and celebrates improvement efforts, it has not lost sight that achieving overall organizational improvement is a day-to-day journey. Throughout this journey, the Agency continues to focus on involving internal and external stakeholders, improving and/or re-engineering processes, and committing top management support to the QIP.

Private and public sector organizations that have embraced an organizational improvement philosophy note the benefits of stronger partnerships (internally and externally), reportable measured performance, enhanced productivity, and an improved work environment. This legislative report highlights the Agency's high-level plans and actions put in place over the past year in support of greater levels of organizational performance. These successes, in part, stem from the Agency's continued emphasis on proactive cross-media and cross-organization coordination in addressing environmental challenges, a commitment to measuring environmental

results, and building partnerships with stakeholders in both the private and public sectors. Cal/EPA looks forward to achieving greater levels of success in the coming years and sharing its future accomplishments with the public.

Organizational Improvement: An Overview

To place into context our work in organizational improvement, it is important to first recount the concepts of quality management. Quality management is a philosophy for organizational change and continuous improvement. Inherent in its concepts are three fundamentals that apply in both the private and public sector environments:

- Focus on the customer, both internal and external;
- Long-term commitment and top management support; and,
- Continuous analysis of work processes and attention to the way work gets done.

Implemented effectively, quality management helps an organization to:

- Accomplish goals more successfully;
- Measure performance;
- Meet or exceed customers' expectations;
- Enhance productivity;
- Focus on doing the most critical work;
- Build stronger relationships, both internally and externally; and,
- Improve the work environment

The Year in Review

Using the Cal/EPA Strategic Vision (published in July 2000) as a foundation, the Boards, Departments, and Office (BDOs) of Cal/EPA developed strategic plans and tactical implementation plans in support of the broad goals outlined in Cal/EPA's vision document. Through the work of a cross-organizational team, each plan was assessed from a cross-media perspective, encompassing Agency initiatives and collaborative work between the BDOs. This planning approach has provided greater clarity of purpose and direction within and across BDOs to increase levels of service, efficiency, and value to Californians and the environment.

In support of the Agency's Quality Improvement Partnership, the Assistant Secretary and the Quality Consultants from each BDO offer expertise in change management and organizational improvement. During the 2003 reporting year, this team supported (I) Agency wide initiatives and (II) programs administered within BDOs.

I. AGENCY-WIDE INITIATIVES

- **Results-Based Management System for Cal//EPA**

In July 2000, Cal/EPA's Strategic Vision committed the Agency to focus on strategic planning, tactical planning, and measurable environmental results to accomplish its eight stated goals toward protecting California's environment. With the completion of strategic plans by each Cal/EPA BDO in 2001 and the publication of the Environmental Protection Indicators for California (EPIC) in April 2002, Cal/EPA's foundation was in place for correlating our work in terms of environmental outcomes.

During the latter half of 2002 and first quarter of 2003 a further effort was undertaken -- an analysis to align Cal/EPA's Strategic Vision with the strategic goals and objectives of each BDO's strategic plan and the initial set of EPIC indicators. As a result of that effort, a one-year pilot project was proposed in May 2003 to assess the use of a results-based management system for Cal/EPA.

The project would be accomplished in stages:

Phase I: Creating a Prototype Model (June 30, 2003)

Phase II: Implementing the Pilots (July 1, 2003 – June 30, 2004)

Phase III: Developing Findings and Recommendations (July 1, 2004 – October 1, 2004)

The objectives of the pilot project were:

- Evaluate the application of a prototype “plan-do-check-adapt” process with measurement, reporting, and evaluation systems.
- Demonstrate how a comprehensive measurement system, which incorporates measures of inputs, outputs, and environmental outcomes, can be used to: 1) track progress in meeting objectives; 2) identify priorities; 3) formulate policies/strategies; and, 4) foster data-driven decision-making.
- Construct a performance measurement system that links activity measures to environmental outcomes.

Cal/EPA’s Agency Secretary and Board, Department, and Office Executive Officers/Department Directors approved the pilot project for implementation in May 2003 with the following pilot programs selected:

- Carl Moyer Memorial Air Quality Standards Attainment Program (Air Resources Board)
- Statewide and Countywide Solid Waste Disposal Reduction Trends (California Integrated Waste Management Board)
- Farm Worker Right-to-Know Initiative (Department of Pesticide Regulation)
- Safe Food Supply from Pesticides (Department of Pesticide Regulation)
- Pesticide Product Compliance (Department of Pesticide Regulation)
- Mercury Lamp Recycling (Department of Toxic Substances Control)
- Public Health Goals (Office of Environmental Health Hazard Assessment)
- Clean Beaches Initiative (State Water Resources Control Board)
- Underground Storage Tank Program (Cal/EPA’s Unified Program)

Training for designated team representatives occurred in early June 2003 and the prototype process and pilot project charter were both completed by June 30, 2003. Implementation of the above pilot projects commenced in early July 2003 with orientation training for managers and program staff. Monthly meetings are scheduled throughout 2003/04 to assess progress and discuss implementation of the prototype methodology in preparation for an analysis of building a results-based management system for Cal/EPA.

- **Integrated Data for Environmental Assessment Project (IDEA)**

The collection, management, and dissemination of high-quality information in an effective manner are essential to Cal/EPA's mission of protecting the environment and public health. Cal/EPA initiated a cross-organizational project entitled the Integrated Data for Environmental Assessment (IDEA), which focuses on the development of data exchanges between databases within the BDOs office of Cal/EPA and its environmental regulatory counterparts in local and regional governments and in the U.S. EPA.

Cal/EPA is utilizing a model system developed by a collaboration of 34 states and the U.S. EPA's Office of Environmental Information, the National Environmental Information Exchange Network (NEIEN). NEIEN is an Internet-based, voluntary network for state, federal and Native American Tribal environmental agencies. The Network facilitates information exchanges between "nodes" maintained individually by participating partners. These nodes use the Internet to exchange information via standardized data exchange templates, using common Internet-based protocols. Exchange of data is governed by trading partner agreements between the partners.

It is anticipated that Cal/EPA's partnership with the Network will bring clear and measurable benefits:

- ✓ A common approach to environmental information exchange that is manageable by an agency as an agency, and not a collection of stove-piped systems, loyalties, and approaches.
- ✓ A transition from traditional information exchange approaches to a data-centric approach focused on data and data quality.
- ✓ Enhanced potential for data integration.
- ✓ Lower cost to exchange data.
- ✓ More agency control over its own data.

California has completed the conceptual design of a data exchange system that will enhance Cal/EPA's opportunity for the cross-media examination of environmental issues, as opposed to the past practice of evaluating such issues with a multiple, single-media approach. Phase Two of the project was initiated in early 2003 and involves a pilot project to construct the first component of a data-sharing network and a node through which that data will be shared. Those participating in the pilot project include Cal/EPA's BDOs and the County of Sacramento. Enforcement-related data will be the focus of this exchange. Phase Three of the project will begin in late 2003 and will involve data relating to drinking water (California Department of Health Services), air quality (Bay Area Air Quality Management District) and toxic materials (Santa Clara County Unified Program).

- **Environmental Management System (EMS) for Cal/EPA**

It is the policy of the California Environmental Protection Agency to conduct its work in an environmentally sustainable manner. As such, an objective identified in Cal/EPA's 2001 Strategic Vision is to "lead by example" and "promote a green Cal/EPA through the implementation of an agency environmental management system." The vision for Cal/EPA's EMS is to guide the Agency toward better environmental practices and to serve as a model for other state agencies in reducing their ecological footprint.

In September 2001, the development of Cal/EPA's EMS was launched with the formation of a steering committee comprised of a committee chair and member of senior management from each of the BDOs and the Office of the Secretary. The Steering Committee is responsible for guiding the EMS' design and implementation including the identification of business and personal practices that contribute to the ecological footprint of the building, identification of the most significant environmental impacts, and planning and overseeing the implementation of mitigation measures to reduce those impacts.

This initiative has also involved participation from Cal/EPA employees who serve on planning and implementation teams, as well as input from and behavioral changes made by all employees to support the achievement of increased reductions to Cal/EPA's environmental footprint. Our environmental footprint is created by policies and practices related to areas such as: procurement of products and services; commute and travel choices; energy and water use; material use, solid waste generation, and diversion; building maintenance and landscaping; and the acquisition and distribution of information.

Major initiative accomplishments over the past year included:

- 1) Evaluation and selection of priority areas for initial and future focus (e.g., procurement, energy, transportation);
- 2) Adoption of an implementation plan and goals for improving environmentally preferable product procurement and management practices;
- 3) Implementation and measurement of substantial energy reduction activities within Cal/EPA's headquarters building; and
- 4) Adoption of a communication plan that includes actions designed to heighten employee awareness and impact an increase in conservation-oriented behaviors by employees.

- **The Secretary's Management Forums**

The close proximity of the BDOs management team has also fostered the Agency Secretary's Management Forums. Cal/EPA held its first Management Forum in April 2002. Management Forums provide an opportunity for managers from each of Cal/EPA's six BDOs to meet together, hear from noted speakers, and engage these speakers in discussions about environmental-related issues and problems. Speakers include top-level leaders from within Cal/EPA, from other government entities, and from environmental organizations.

This year's forum topics included 1) a media-related session featuring Peter Schrag (columnist and former editorial page editor of The Sacramento Bee), Phil Yost (chief editorial writer and columnist for the San Jose Mercury News), and Marley Klaus (executive producer of "California Connected" a weekly PBS newsmagazine) on April 17, 2003; and 2) a legal forum featuring Richard Frank (Chief Assistant Attorney General of the Office of the Attorney General), the Honorable Michael Kenny (Superior Court, County of Sacramento), and the Honorable Ronald B. Robie (Associate Justice of the Third District Court of Appeal) on August 14, 2003. The outcome is greater knowledge about the forces that shape California's policy and views on implementation of programs to protect the environment.

II. PROGRAMS ADMINISTERED WITHIN BDOs

Both the Agency and its BDOs made significant strides toward improving the quality of environmental health over the past year. These specific accomplishments and priorities are reported to the Legislature through reports entitled "Cal/EPA Accomplishments and Priorities Semiannual Report." and are published twice yearly for each six-month period. Reporting periods relevant to this legislative report include July – December 2002, January – June 2003. All Accomplishments and Priorities Semiannual Reports are available to the public on Cal/EPA's Internet site: www.calepa.ca.gov.

Appendix A - Statutes

Senate Bill 1082 (Calderon, Chapter 418, Statutes of 1993)

(c) On and after December 31, 1998, the agency, and each board, department, and office within the agency, shall submit a yearly report to the Governor and Legislature, as part of the budget process, reporting on the extent to which they have attained their performance objectives, and on their continuous quality improvement efforts.

(d) Nothing in this section shall be interpreted to abrogate any collective bargaining agreement or interfere with any established employee rights.

(e) For purposes of this section, "quality government program" means all of the following:

(1) A process for obtaining the views of employees, the regulated community, the public, environmental organizations, and government officials with regard to the performance, vision, and needs of the agency implementing the quality government program.

(2) A process for developing measurable performance objectives using the views of the persons and organizations specified in paragraph (1).

(1) Processes for continually improving quality and for training agency personnel, using the information obtained from implementing paragraphs (1) and (2).

Senate Bill 1916 (Sher, Chapter 881, Statutes of 1998)

SEC. 12. Section 57000 of the Health and Safety Code is amended to read:

57000. For purposes of this division, the following terms have the following meaning:

(a) "Agency" means the California Environmental Protection Agency.

(b) "Council" means the California Environmental Policy Council established by Section 71017 of the Public Resources Code.

(c) "Secretary" means the Secretary for Environmental Protection.

SEC. 13. Section 57007 is added to the Health and Safety Code, to read:

57007: (a) The agency, and the offices, boards, and departments within the agency, shall institute quality government programs to achieve increased levels of environmental protection and the public's satisfaction through improving the quality, efficiency, and cost-effectiveness of the state programs that implement and enforce state and federal environmental protection statutes. These programs shall be designed to increase the level of environmental protection, while expediting decision-making and producing cost savings. The secretary shall create an advisory group comprised of state and local government, business, environmental, and consumer representatives experienced in quality management to provide guidance in that effort.

The secretary shall develop a model quality management program that local agencies charged with implementing air quality, water quality, toxics, solid waste, and hazardous waste laws and regulations may use at their discretion.

(b) Notwithstanding Section 7550.5 of the Government Code, the agency, and each board, department, and office within the agency, shall submit a yearly report to the Governor and Legislature, as part of the annual budget process, reporting on the extent to which these state agencies have attained their performance objectives, and on their continuous quality improvement efforts.

(c) Nothing in this section abrogates any collective bargaining agreement or interferes with any established employee rights.

(d) For purposes of this section, "quality government program" means all of the following:

(1) A process for obtaining the views of employees, the regulated community, the public, environmental organizations, and governmental officials with regard to the performance, vision, and needs of the agency implementing the quality government program.

(2) A process for developing measurable performance objectiveness using the views of the persons and organizations specified in paragraph (1).

(3) Processes for continually improving quality and for training agency personnel, using the information obtained for implementing paragraphs (1) and (2).

Senate Bill 1191 (Speier, Chapter 745, Statutes of 2001)

SEC. 143. Section 57007 of the Health and Safety Code is amended to read:

57007. (a) The agency, and the offices, boards, and departments within the agency, shall institute quality government programs to achieve increased levels of environmental protection and the public's satisfaction through improving the quality, efficiency, and cost-effectiveness of the state programs that implement and enforce state and federal environmental protection statutes. These programs shall be designed to increase the level of environmental protection while expediting decision-making and producing cost savings. The secretary shall create an advisory group comprised of state and local government, business, environmental, and consumer representatives experienced in quality management to provide guidance in that effort. The secretary shall develop a model quality management program that local agencies charged with implementing air quality, water quality, toxics, solid waste, and hazardous waste laws and regulations may use at their discretion.

(b) The agency, and each board, department, and office within the agency, shall submit a yearly report to the Governor and Legislature, no later than December 1 with respect to the previous fiscal year, reporting on the extent to which these state agencies have attained their performance objectives, and on their continuous quality improvement efforts.

(c) Nothing in this section abrogates any collective bargaining agreement or interferes with any established employee rights.

(d) For purposes of this section, "quality government program" means all of the following:

(1) A process for obtaining the views of employees, the regulated community, the public, environmental organizations, and governmental officials with regard to the performance, vision, and needs of the agency implementing the quality government program.

(2) A process for developing measurable performance objectiveness using the views of the persons and organizations specified in paragraph (1).

(3) Processes for continually improving quality and for training agency personnel, using the information obtained from implementing paragraphs (1) and (2).

Appendix B - Related Reports and References

- Accomplishments July-December 2002 and Priorities January-June 2003 Semiannual Reports, Cal/EPA
- Cal/EPA Strategic Vision, July 2000
- Environmental Protection Indicators for California (EPIC), April 2002

Note: The above referenced publications can be viewed on Cal/EPA's Internet site: www.calepa.ca.gov