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## CASE STUDY

# THE BOWERY RESIDENTS' COMMITTEE

ACCOUNTABILITY IN THE NONPROFIT SECTOR: USING DATA TO MANAGE A NONPROFIT AGENCY AND PROVIDE MORE EFFECTIVE SERVICES TO ITS HOMELESS CLIENTS

*by Muzzy Rosenblatt and Mark McArdle*

### SUMMARY

In 2001, the Bowery Residents' Committee, Inc. (BRC) started an initiative to measure its performance and track the outcomes of its homeless clients. Looking to provide services and fulfill reporting requirements, BRC wanted a better understanding of the clients it serves and the long-term results of its programs. Each of BRC's 23 programs underwent a process to look at the services provided and the outcomes desired for their clients. The programs then identified specific performance indicators and developed instruments to track these measures over time. This process gradually evolved from collecting data to using these data on a regular basis to improve programs as well as inform funders, policy-makers and the public about emerging trends among the populations BRC serves. With a budget of over \$32 million and nearly 500 employees, BRC's experience shows some of the promise and challenges for this kind of culture change in a large nonprofit organization. The lessons learned from this effort can provide valuable information for other organizations attempting to implement performance-based management.

**BRC BACKGROUND**

The Bowery Residents' Committee is one of New York City's oldest, largest and most comprehensive homeless services agencies, dedicated to helping homeless New Yorkers overcome the challenges of addiction, physical and mental illness and poverty, and reclaim their lives. BRC was founded in 1971 by lodgers of the Bowery's infamous "flophouses" who sought to overcome alcoholism and improve their living conditions. Today, BRC operates 23 different programs in all five boroughs of the City, as well as in Westchester County, and on Long Island, housing over 750 people daily and serving close to 8,000 individuals annually with a broad continuum of services.

**PERFORMANCE MEASUREMENT BACKGROUND**

The concept of performance measurement, or systematically tracking the extent to which a program achieves its intended purpose, has gradually become more commonplace in the management of government and nonprofit organizations since the early 1990s (Poister 2003). In New York City, the success of COMPSTAT—a results-oriented approach to crime fighting in the Police Department using real-time data to deploy resources—revolutionized how many public agencies approached their work (Smith 1997). At the national level, the Government Performance and Results Act of 1993 (GPRA) was the beginning of an ongoing movement by many federal programs towards performance measurement (Poister 2003). Partly in response to pressure from government and other funders, managers in the nonprofit sector have begun to embrace performance-based management. The transition often involves a considerable commitment of time and resources by the organization. It also requires a significant culture change for human service nonprofits, where resources are generally scarce and the focus lies on providing services to clients—not on measuring the results of those services or the potential outcomes for their clients.

**PERFORMANCE MEASUREMENT AT BRC**

Until 2001, BRC collected individualized data on each of its programs for case management purposes but almost no centralized data. Given his background in New York City government, Executive Director Muzzy Rosenblatt was familiar with COMPSTAT, and believed that for an agency to do its job effectively, it must have accurate and relevant data to inform management decisions. BRC collaborated with a national nonprofit technical assistance provider, Seedco, to create BRC's Performance Measurement Initiative.

Strong commitment from top management to the concept of performance management is vital to the success of such initiatives (Plantz et al. 2005). Staff at all levels soon realized that this was not a temporary

refocusing of resources, but a significant and lasting change in how the agency operates. The purpose of this new initiative was to generate concrete data to answer questions such as:

- What are the characteristics of the clients BRC serves, and how is this population changing over time?
- What impact do the services provided have on clients' lives, and are improvements sustained over time?
- Are there programs or methods that are more effective and efficient than others in producing lasting positive change?

These are complex questions—especially for a large, multifaceted organization with 23 different programs that provide a range of services including employment training, substance abuse and mental health treatment, healthcare, counseling and case management, homeless outreach and supportive housing. Every question leads to other questions: How do you measure the impact of services when there are so many other variables, both inside and outside of the agency, which can affect outcomes for clients? How do you define and assign responsibility for a positive impact across different types of programs? For many organizations, funder requirements dictate what is measured. However, because BRC's performance measurement was internally driven rather than externally imposed, the organization had control over what to measure and how. To develop measures that most accurately captured the work of their programs, and to foster initial acceptance and ongoing ownership of the initiative, BRC decided to involve its program staff in the process from the beginning.

**EARLY STEPS**

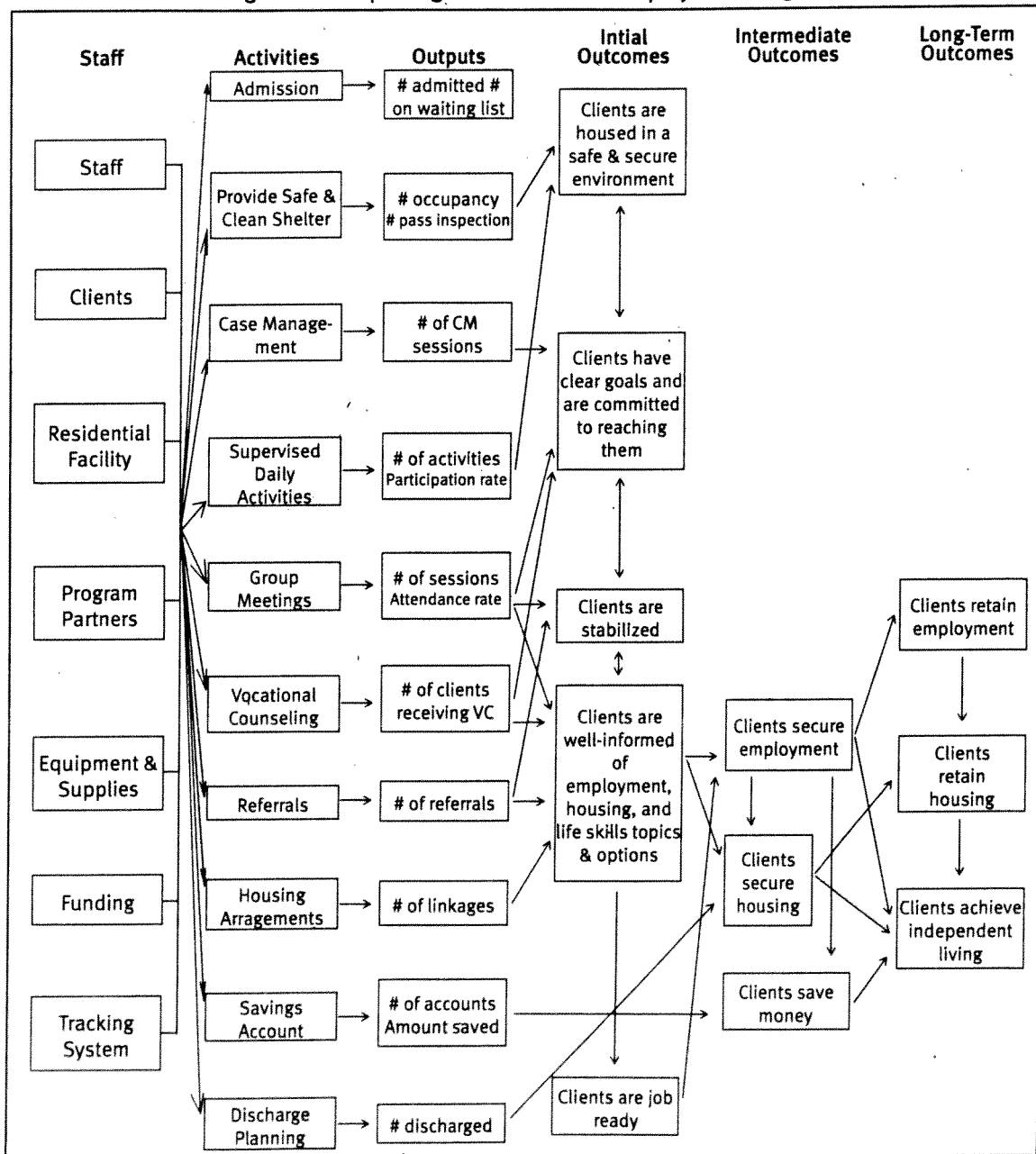
The first step for each program was to define (1) who the program serves, (2) what services are provided, and (3) what the program considers an acceptable outcome for itself and its clients. The tool BRC used to think about its work and what it wanted to achieve was a logic model. The logic model breaks down a program into its component parts—inputs, activities, outputs, and outcomes—where each part leads to the next (Poister 2003). Inputs are the resources needed to conduct the work. Activities are what a program actually does with the inputs (usually the specific services it provides). Outputs are what results directly from activities (for example, the number of clients who receive a particular service). Finally, and perhaps most difficult to identify, outcomes are the impacts and benefits, or changes, that result from activities. Program by program, BRC staff and management worked together to define these elements for their programs. BRC hired one person, the director of research and evaluation, who was responsible for implementing the process across the agency. This

person helped each program develop its logic model and performance measures, and later coordinated the collection of data, provided analysis, and assisted program directors in understanding and using the information collected.

to help identify measures or indicators that would be tracked for each program. A good indicator is linked clearly to the program's activities and must be understandable to the audience. It also has to be valid, and accurately represent what is being measured, as well as reliable, so data can be compared across time and similar programs. Finally, it must be

The next step in the process was to use these elements

Figure 1: Sample Logic Model: Palace Employment Program



Source: BRC 2003

practical and easily measured (Arley and Stroh 2001). Similar programs at BRC worked together to develop measures that could be feasibly tracked over time.

After identifying outcome measures, BRC staff worked to ensure that systems were in place to collect data on these indicators. Monthly reports were developed in a basic spreadsheet program for each program to track a variety of information. These reports not only contain basic demographic information to monitor changes in the client population over time, but also include outcomes that measure progress towards stability (e.g. reducing the number of hospitalizations or increasing the percent of clients maintaining sobriety) and independence (e.g. number who move on to independent housing or who become employed). Staff members received training on how to complete the report each month. Programs had a variety of means to collect the data, but initially relied on monthly tabulations from individual case records and increasingly on a computerized agency-wide case management database. Eventually, BRC also established a consumer survey to solicit additional input from clients on program performance.

The goal of this initiative was to use data to improve programs, and not just to meet funding and regulatory requirements. For a period of time, BRC collected and tabulated monthly data from all its programs, creating a baseline against which to measure future change. During this time, additional technical assistance was provided to help program directors accurately collect and report data, and to help make the reports more understandable and useful to staff. Since data alone explain very little, BRC's director of research decided to establish a forum where program directors could explain what was occurring in their programs on a regular basis and provide context for the data they were reporting. Program directors from similar programs met with senior management every three months to report on recent trends from their programs. The data presented in these forums include changes in client characteristics, the level of services provided, and basic outcomes such as the number of clients placed in independent housing, measurements of client participation in programs, or client stability. Directors are encouraged to use data to illustrate any successes achieved in the past financial quarter or any obstacles they are facing. Senior management and program directors then work together to discuss successful strategies, come up with possible solutions

to problems, and strategize on how best to address emerging trends.

These quarterly performance meetings strengthened collaborations among BRC programs and improved the quality of care provided by BRC to its clients. This success stemmed from a clear articulation by the executive director and director of research that data needed to be analyzed and reported in context. Specifically, changes in outcomes, both positive and negative, are meaningless if no explanation is provided for the cause of these changes. This philosophy has helped BRC overcome staff fears that negative trends would result in premature actions and discipline, and has deterred the potential motivation to "cream" – to serve less needy clients in order to achieve "better" outcomes. The quarterly meetings described above provide a regular forum where program staff present data from their programs and provide the needed context, making staff key participants in how the data are used. In this way BRC's performance management efforts resemble participatory evaluation,

where stakeholders—in this case the program staff—are involved in all aspects of the process, including: designing collection tools, determining what data are collected, analyzing data and presenting the results (Binnendijk 1996). This has been a key factor in gaining the ongoing support of program staff in this process.

#### OBSTACLES TO IMPLEMENTATION

BRC faced a number of challenges as it implemented this initiative. Some program directors and staff were initially apprehensive about managing with data. Most of the staff members had clinical backgrounds, and were not accustomed to managing with data, even though they habitually collected and reported numbers to funders and regulatory agencies. BRC provided technical assistance to help staff collect and report data, and trained them to use spreadsheet programs and the centralized case management system so they could more easily complete monthly reports. Staff members were concerned that this could shift the focus of the agency away from treating clients as individuals towards providing incentives to serve less needy clients in order to improve reported performance (i.e., "creaming"). The executive director articulated to managers that BRC's focus was not the numbers themselves, but what numbers could tell them. No targets were set nor were there rewards or punishments attached to the data. In the quarterly meetings described above, program staff provided the

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context for the data presented—taking into account things like the difficulty of serving clients who have more complicated needs, and how data could help them better understand their programs and serve their clients more effectively. Program managers and staff were given opportunities to provide feedback throughout the process, and changes were made in response to their suggestions.

Another ongoing problem BRC faced was the danger of misinterpreting the data and the use of different terminology. Even within an agency, inconsistent terminology can lead to misunderstandings. What exactly is meant by a “stable” client or what qualifies as a housing placement? Twenty-three different programs can result in 23 different definitions. To ensure internal consistency, BRC gathered together program directors to agree on a common vocabulary. New and existing staff members were trained on the right definitions and collecting data properly. Using the data outside of the agency posed additional dangers. BRC has a fairly systematic and stringent definition for positive outcomes and when comparing these data to programs outside the agency, definitional and methodological differences need to be accounted for in order to make meaningful comparisons.

The key to the continuing success of the performance management initiative is (1) ensuring that program managers have extensive input throughout the process and assuring them that the data would always be considered in context, (2) providing extensive and frequent training so that staff members have the knowledge and tools necessary to collect and use data effectively, and (3) maintaining a commitment from the executive director and senior management to the program. Some examples of how BRC has actually used data to manage programs and improve services are detailed below.

#### EXAMPLES OF DATA IN ACTION

Perhaps the most important result of this initiative has been the change in organizational culture BRC has experienced. For the first time, program directors are looking at data in a systematic way, and regularly discussing the trends they see in their programs. There have been more tangible results as well, some of which are described below. In an agency as large as BRC, and one which provides many different types of services with different goals, it is hard to point to any one statistic that can capture the total impact of this process. For one program, it may be an increase in intake showing the success in outreach efforts; for another program it may be a reduction in hospitalizations or another measure of stability. This process does not occur in a vacuum, and many

performance. Below are a few concrete examples from individual programs that illustrate how managers have used data to improve performance.

BRC collects many different types of data that vary somewhat by program type. Across all programs, BRC collects information about its service recipients and uses this information to improve the services it provides. BRC's Service Planning and Assistance Network (SPAN) program was created in response to a class action lawsuit (*Brad H. et al. v. City of New York*) to provide referrals and other assistance to people with mental illness who have been discharged from New York City jails (New York Commission on Quality of Care). The program initially received far fewer intakes than anticipated. In response, program managers created a series of presentations to get the word out to appropriate clients who were incarcerated in city jails. As data from the first presentations came in, attendance was good but the number of intakes who had seen the presentation was still relatively low. BRC staff used these data to advocate for more targeted presentations to be given in areas of jails with the greatest chance of reaching potential clients. As a result of the presentations and other measures, both the number of clients who entered the program and the number of intakes who had seen a BRC presentation increased dramatically. The number of intakes increased from 321 in 2003 to 886 in 2005 (a 176 percent increase), the total intakes who saw the presentation increased from 12 to 165 (a 1,275 percent increase); as a percent of total intakes they increased from 3.7 percent to 18.6 percent.

When BRC's management sees trends that span a number of programs, it can act on the information to undertake an agency-wide response. For example, BRC staff was aware that the agency served many individuals with chronic physical illnesses that required medical attention. It was only when BRC started tracking this systematically and on an agency-wide basis, that they realized the pervasiveness of the issue. Over one-third of BRC clients have some form of chronic illness, and in several programs the portion of clients affected was over 40 percent. In response, BRC hired a medical director, and began offering additional trainings to staff and residents to help clients understand and manage their health. BRC also used these data to support requests for additional funding to serve this considerable and growing need. These actions, coupled with a renewed focus on physical health, resulted in a significant decrease in hospitalizations in many programs.

Another statistic the organization tracks is where clients go after they leave a BRC program. The goal

independence possible for all BRC clients. This is especially true for BRC's transitional housing programs, which help clients deal with their mental health, sobriety and other issues and prepare them to live independently. With a capacity of 110 individuals, the Palace Employment Program is one of BRC's largest transitional programs, serving homeless men and women with limited or no disabilities who are seeking employment. Between fiscal year 2003 (when BRC first started tracking these data) and 2004, there was a significant decline in the number and percent of discharges from this program that moved on to a greater level of independence—from 70 percent of discharges to 47 percent. This was attributed to a tightening housing market and a growing shortage of federal housing subsidies, as well as the fact that the Palace's clients—who generally do not have mental illness or who fit other special needs criteria—are ineligible for many subsidized supportive housing programs (Chen 2004).

Responding to the data and working with this external reality, the Palace found alternative ways to help clients move into housing, including moving back with family where appropriate and finding suitable roommates to share costs. This program also eliminated the dedicated position of housing specialist and implemented a model where all case managers were responsible for helping their clients find housing. As a result, this program doubled the number of housing placements over the course of one year. Although this program had expanded from 72 to 110 beds at the beginning of the fiscal year (July 2004), and was serving a larger and sometimes harder-to-serve population, the portion of positive discharges returned to 70 percent (82 of 118 total discharges) by the end of the fiscal year (June 2005).

Parts of this model are now being implemented by BRC's other transitional housing programs, and several have also seen improvement. The 85 Lexington Shelter increased its placements from 41 last fiscal year to 85 this year (an increase of 107 percent), and the Reception Center increased nearly 73 percent from 41 to 71 placements. This demonstrates the role that data can play in this process—shining a light on potential problems, and where differences are apparent across programs, leading to real and replicable solutions.

#### LESSONS LEARNED

For BRC, the ongoing support of the executive director and senior management, the involvement of program-level staff early in the process, and the dedication of an in-house staff person to the project were all essential components to the ongoing success of its performance measurement initiative. For an initiative

of such scale to work, staff members at all levels must understand that the effort is central to the agency's mission, and that it will help them serve their clients more effectively. In order to make decisions based on data, program management requires reliable information—which in turn depends on the ability and willingness of program-level staff to collect necessary data properly. Adequate and ongoing training and technical support is therefore the foundation of performance management. BRC spent significant resources upfront to train staff at all levels on data collection and how the information could help them do their jobs. BRC continues to train new and existing staff to improve their ability to collect and manage with data. These data have not only been used to point to potential problems, they have also been used to clearly demonstrate the improved performance of many BRC programs to internal and external audiences.

Finally, in a "bottom-up" process like that used by BRC to implement performance management, there will always be a tension between program needs and agency needs. In order to help gain early support from program directors and staff, BRC initially gave considerable deference to what directors and staff thought was important to measure for their individual programs. The main role of BRC's performance management coordinator was initially to gather input from directors, develop the tools and provide training. As BRC moved from data collection to performance management, senior management made refinements to measures and standardized definitions so they could more easily compare data across the agency and make decisions based on those data.

The goal of the initiative has always been the same: improving the quality of services provided to clients through the ongoing collection of relevant data. Data alone cannot explain why a particular client succeeded or failed, or capture the total extent of either the challenges facing a particular program or its accomplishments. When taken in context, however, they can point an organization in the right direction—both by identifying potential problems and by providing evidence of successful strategies. Timely information provides BRC management and staff the tools necessary to ensure that clients are receiving the most effective services possible. These services, in turn, provide BRC's clients with the tools to lead healthier and more stable lives, and achieve the greatest level of independence possible. **WR**

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