I'm enclosing this month's edition of the City and County Management Innovations e-Newsletter for your review. As the new Director of State and Local Affairs at the Institute, I am excited about the opportunities that I have before me to bring to you relevant and exciting information and developments related to management reform at the state and municipal level.

I look forward to the opportunity to forge a relationship with you in the future, and hope that we can work together to bring to all agencies the best practices that city and county government has to offer. If you have any questions, comments, or suggestions, or if your agency has a success story, program, or policy that you feel needs to be shared with other agencies, please let me know at (858) 503-6787 or at Neumann@performanceweb.org

I look forward to hearing your successes!

Best regards,

Benjamin Neumann



September 2003

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October 29-31 **Arlington, VA**

To help agencies implement the FY '05 performance measurement guidance just released from OMB, the Performance Institute will host Show Me the Measures! Developing Model Performance Measures for Government on October 29-31 in Arlington, Va. Utilizing the Government Performance Logic Model, you can establish end- and intermediate-outcomes, as well as the strategies needed to reach them. The Logic Model provides the glue for all functions, resources and results, and can work with any performance measurement system at your agency. This forum is a "can't miss" event for anyone involved in managing government performance. Utilize the methodology and strategies provided to improve the performance and accountability of your program. For more information go to:
http://www.performanceweb.org/performancemanagement/P182/p182.htm

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1. Managing for Results: Strategic Planning and Performance Budgeting

a. Renewing the Model City Charter

The National Municipal League with its continuing dedication to its historic mission of fostering good government at the local level, has published the eighth edition of the Model City Charter. The newly revised charter addresses critical issues confronting local governments today and stresses the role of citizen participation in public life. To view this news release go to:
http://www.ncl.org/about/press/2003/0903.html

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2. Workforce: Strategic Management of Human Capital

a. NACO's Financial Services Launches Human Resources Program for Rural Counties

One Source, an alliance of several companies that provide a wide range of human resource services, has been selected as NACO's Financial Services (FSC) private sector partner. FSC's latest service offering is human resources for small and rural counties. Managing human resources presents an enormous challenge for many small and rural counties. Few have dedicated staff to handle the day-to-day issues of payroll, benefits management, testing and training. Without adequate access to in-house legal and risk management services, these counties can be more vulnerable to lawsuits. To view this article go to: http://www.naco.org/CountyNewsTemplate.cfm?template=/ContentManagement/ContentDisplay.cfm&ContentID=8928

b. Attracting Young Adults to Careers in Local Government

The challenges imposed by the changing workforce demographics, and their impact on the next generation of public service employees have been documented in several studies by ICMA, NASPAA, the California League, and other organizations. This research was done with the purpose of attracting young adults to careers in government. To view this article go to: http://www2.icma.org/pm/8501/frisby.htm

c. Strategic Recruitment for Government

Government agencies are changing the way they recruit their staff. While agencies have traditionally engaged in a 'spray and pray' approach to recruiting staff where they merely filled empty seats, the new effort focuses on rethinking hiring needs from a performance-based perspective and strategically targeting specific skills sets. A research report, by The Performance Institute, gathered information about each agency's human capital plan, use of flexibilities and incentives, diversity-recruiting, workforce analyses and use of performance measures. The result was a set of "10 Innovative Practices" found to be characteristic of successful human capital management. Although the report was based on information from federal government, the obstacles to effective human capital management remain the

same. Therefore the recommendations can be easily applied to city and county governments. To view this report go to: http://www.govworkforce.org/govworkforce/recruitment/pi_recruitment.pdf

d. Salaries Need To Be More Competitive

As baby-boomers face retirement, government salaries will have to become more competitive against the private sector. Governments will have to offer an attractive package to recruit quality employees. A recent study by the American Federation of Teachers (AFT) was done on government employee salaries. Findings indicate that, while some states are maintaining some sort of parity with the private sector, in many states it is drastically different. Although the study was done at a state level, it also represents a wide variety of other public employees. In addition to average annual base salary, the survey includes information on: salary ranges, number of employees per job category, type of pay plan, additional cash compensation, collective bargaining and work-week hours. To view this report go to: http://www.aft.org/pubemps/downloadable/FinalSurvey2003.pdf

e. Labor/Management Strategies for Government (November 3-4)

At a time when budgets are being slashed and employees are being laid off, it is now the responsibility of labor and management to work together to deliver the best possible service to the American people. Government agencies need to identify and fulfill the educational needs of workers to develop relationships which allow them to contribute to high performance and results. To access solutions for achieving successful partnerships you are invited to attend Labor/Management Strategies in Government, November 3-4 at the Performance Institute in Arlington, VA. This summit will provide government executive's opportunities to implement effective labor-management strategies and innovative methods to develop, manage and evaluate developmental programs. For more information go to: http://www.performanceweb.org/humancapital/P184/P184-WEB.pdf\

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3. Technology: E-Government and Information Technology

a. New York Seeks Better Online System

University of Albany computer experts are trying to figure out a better way for state and local New York governments to work with each other online. The aim is to let government workers replace the array of computers and programs currently on their desks with one "gateway" system that would shuttle information back and forth electronically. To view this article go to: http://stateline.org/story.do?storyId=320043

b. Citizen-Centered Website in Buncombe County, N.C.

Buncombe County, North Carolina, home to the city of Asheville, has recently enhanced its web presence at www.buncombecounty.org, and became a more slick, clearly organized site rich with easy-to-follow pull-down menus. The site takes a citizen-centered approach to government, realizing that citizens are more interested in learning about government services, than in it's bureaucratic structure. To view this article go to: http://www.naco.org/CountyNewsTemplate.cfm?template=/ContentManagement/ContentDisplay.cfm&ContentID=9486

c. New Study Calls for Business Transformation in Government

According to a new survey of over 400 government managers at the state and local level, technology initiatives provide only modest benefits for cash-strapped governments, whereas the focus should be more on business transformation. Findings conclude that there must be a focus on removing organizational, process and technology barriers in order to achieve more significant payoffs from initiatives. The survey was conducted by the IBM Institute for Business Value in cooperation with the University of Maryland's Robert H. Smith School of Business. To view this survey go to: http://www-1.ibm.com/services/files/ibv_maryland_4.pdf

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4. Procurement: Competitive Sourcing and Contracting

a. City Introduces Online Bid Service

New Port Richey, Fla., has introduced an online bid notification system to increase the number of vendors for government contracts. The online system supplements

the city's traditional methods of soliciting bids, which limited opportunities to local vendors. In the past, the city only advertised projects up for contract in the St. Petersburg Times newspaper, and by placing bulletins on an information board in City Hall. Since its implementation beginning of the year, the service has yielded some positive response for the city. TO view this article go to: http://americancityandcounty.com/ar/government_city_reaches_vendors/index.htm

b. Public and Private Sector Work Together

In an effort to help governments become more efficient, privatization of services, through public-private partnerships, are becoming an accepted and often preferred management tool. A public-private partnership is a contractual agreement between a public agency (federal, state or local) and a for-profit corporation. Through this agreement, the skills and assets of each sector (public and private) are shared in delivering a service or facility for the use of the general public. A recent study by Reason Public Policy Institute, "Long-term Contracting for Water and Wastewater Services," examines existing water and wastewater contracts, and provides local governments with an outline to help them structure contracts and create successful partnerships with private companies. To view this article go to: http://www.careerjournal.com/hrcenter/ipma/20020905-ipma.html

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5. Program Innovations

a. Camden, N.J., Improves Collection of Property Taxes

The mayoral administration of Camden, N.J., wants to improve its 75 percent tax collection rate. During the first six months of the collection program, Camden has collected more than $4 million in delinquent taxes, and the city is on track to collect another $4 million this year. The goal is to collect nearly $100 million in back property taxes and to improve Camden's tax collection rate in the future. Property taxes fund a large percentage of any city's services and programs. Therefore, the efficient and successful collection of such taxes is vital. City officials believed that most residents would pay back taxes if given the right financing tools. Therefore, the city has focused its efforts on designing an effective program that provides an opportunity for Camden property owners to pay off their municipal tax liens. The city is also working to develop a credit facility that will allow it to use delinquent property tax receivables to help close budgetary shortfalls. To view this

article go to:
http://americancityandcounty.com/ar/government_recouping_delinquent_property/index.htm

b. 2003 Workforce Excellence Summit (October 14-16)

Workforce insecurity is rising in the wake of major economic changes, increased globalization and changing demographics of the country's population. The implementation of the Workforce Investment Act (WIA) combines a variety of workforce development programs and initiatives under one umbrella, the One-Stop System. WIA is meant to effectively serve the needs of job-seekers, workers and employers in the changing workforce development system of the 21st century economy. Learn how to achieve a self-sufficient workforce and effectively comply with WIA regulations at the 2003 Workforce Excellence Summit (October 14-16) at the Hyatt Regency Crystal City in Arlington, VA. The summit will provide frameworks for performance measurement and innovative methods to develop, manage and evaluate workforce development programs. For more information go to: http://www.workforceexcellence.org/workforceexcellence/brochure.pdf

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6. Program Spotlight: How The "Citizens' Budget" Plan Can Help Counties Nationwide

Across the nation, revenue shortages are taking their toll on state, county and city finances. States are facing budget deficits in the range of $70 billion to $85 billion for state FY2004. These new deficits are on top of the $50 billion in deficits that states closed when they enacted their FY2003 budgets. These shortages have a direct impact on local programs and services. State and local governments are linked administratively and fiscally. Specifically, counties operate a number of programs on behalf of the state, such as health and social services programs.

Like the state, local governments throughout the country are struggling through the economic recession. Counties are concerned about states' budget deficits as budget cuts continue to shift to local governments, resulting in commensurate reductions to local programs and services. For instance, the California State Association of Counties (CSAC) estimates that cuts in the 2002-03 state budget resulted in over $1 billion in reductions to municipal governments. In addition,

cities and counties fund state-mandated local programs without reimbursement from the state costing hundreds of millions of dollars each year.

In light of this situation, municipal governments across the country, can apply the principles of a new budget plan--dubbed the “Citizens’ Budget”--that demonstrates how to eradicate deficits without major cuts in services employing performance-based management reforms. This report was created to address California’s extraordinary budget deficit, but can easily be applied to the dilemma currently facing municipal governments nationwide.

Using California—with by far the nation’s largest deficit—as an example, the Citizens’ Budget combines reform, restructuring and selected cuts in duplicative programs to propose a $1.5 billion surplus in 2005 - with no tax increases, no cuts in services deemed vital by most Californians, but with improvements in the business climate sufficient to permit the creation of an estimated 600,000 new jobs over two years. The California plan details a set of 16 reforms to overcome the state’s $38 billion deficit, many of which are applicable to local governments. To view this report go to: http://www.performanceweb.org/pi/research/california/citizensbudget.pdf

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The Performance Institute is a private think tank that serves as the nation’s leading authority and repository on performance-based management practices for government organizations. Its mission is to identify, study and disseminate the leading management innovations pioneered by “best-in-class” government programs at federal, state and local levels. Through its national conferences on pressing issues, interactive executive training programs, and best practice research projects, the Institute provides cutting-edge expertise in the design, implementation and evaluation of strategies to solve operational challenges and enhance government performance.