Here is your copy of the City and County Management Innovations e-newsletter. The push for performance continues in local governments,
and this newsletter spotlights a model for performance-based management at the local level: Mecklenburg County, NC.
Mecklenburg's experience proves that managing for results works!

Let me know what you're doing. If your local government has successfully implemented performance management reforms,
please send me an email at Carl_Demaio@performanceweb.org with some of the details.
We need to highlight and share management innovations at all levels!

Enjoy.

-Carl DeMaio



April 2005

If you find this newsletter useful and informative, please forward it to your friends and colleagues!

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Managing for Results: Strategic Planning and Performance Budgeting

Strong Economy Bolsters Los Angeles' Budget

Revenue from a strong economy has allowed Los Angeles Mayor James K. Hahn to propose a $5.95-billion budget for next year that would expand the police force, allow more streets to be repaved and add after-school programs. Under the proposed budget, spending will increase by $566 million next year, or 10.5%. The larger budget is possible because of increased revenue from hotel bed taxes and property taxes, among other taxes. Aides to the mayor said that the priorities set by the city's neighborhood councils weighed heavily in budgeting decisions â€and that public safety was No. 1. The mayor's budget also shows a city that has done some major belt-tightening to save that money. Hahn's budget transfers $280 million from the reserve fund, a 128% increase over the transfer in the previous budget. Much of the $280 million was saved with a hiring freeze and other efficiencies last year, along with $20 million from clamping down on workers' compensation claims. To read more, go to: http://www.latimes.com/news/local/la-me-budget21apr21,1,3760846.story?ctrack=1&cset=true

Denver Expects Another Budget Shortfall

Denver's budget shortfall could be $35 million or more next year, marking the fourth consecutive year the city will have to scramble to fill a significant hole. Last year, the budget deficit was $35 million before city officials made cuts and rearranged finances to balance the spending plan. Browne said she doesn't believe the shortfall will exceed that number for the 2006 budget year, but there is "always the possibility of unknowns." A jump in personnel costs with only moderate increases in sales-tax revenues - the single biggest chunk of income for the general fund - is expected to create a financial quandary for city leaders, who may be pressed to make tough choices. To read more, go to: http://www.denverpost.com/Stories/0,1413,36~53~2785592,00.html

Government Performance Accountability

Austin Assistant Fire Chief Kevin Baum recently delivered a presentation at the 2005 City and County Innovations Summit in Phoenix, AZ. Baum focused on the development of effective performance measures for public safety operations. The presentation discussed Austin's success in developing outcome oriented measures, but also addressed a number of lessons learned. To access this presentation, go to: http://www.performanceweb.org/CENTERS/Performance_Management/index.html

2005 National Public Service Award Winners

The National Academy of Public Administration and the American Society for Public Administration jointly present this award to outstanding practitioners in public administration. The Awards are designed to recognize individuals who have made a difference in the field for a sustained period of time. To view information on the 2005 winners, go to: http://www.napawash.org/about_academy/about_npsa2005winners.html

Indiana State Government Performance Forum
May 9, Indianapolis, IN

Specially designed for Indiana state government, this forum will provide government leaders and executives with crucial performance management techniques. Attendees will learn to: review "Best-in-Class" performance measures for government, integrate a performance-based strategic plan into daily operations to meet desired results, use the "Logic Model" to develop uniform measures, and collect and report performance information. For more information or to register, go to:
http://www.performanceweb.org/Events/Courses/P279/P279.htm

Show Me the Measures! Developing and Using Performance Measures
May 12-13, Arlington, VA

As we move closer and closer to a performance-based government, government agencies are focusing on establishing measures and performance plans for the myriad programs under their supervision. The increased focus on performance moves hand-in-hand with an important increase in government transparency. One hurdle in this process has been the creation of efficient measures that track and communicate program success and accountability. Through the creation of results-oriented measures, managers can track program success by adhering to a set of measures to drive the outcomes, strategies and outputs of their program. This training will focus on developing performance goals and measures by applying the Government Performance Logic Model framework as a template for program management. Through the establishment of outcome-oriented performance measures, program managers will be able to communicate and monitor the success of annual and long-term performance goals. For more information or to register, go to:
http://www.performanceweb.org/Training/COURSES/developing_performance_measure.htm

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Workforce: Strategic Management of Human Capital

Detroit Cuts Jobs and Benefits in Budget Crisis

Detroit Mayor Kwame Kilpatrick presented a sweeping plan to tackle the city's projected $300-million shortfall for 2005-06. Some of the measures the mayor proposes are: 754 layoffs; 10-percent salary reductions through 26 days off without pay for union workers; renegotiation of employee health-care contracts; and smaller efforts, such as eliminating cell phones and pagers and reducing travel and the number of cars in the city's fleet. To read more, go to:
http://www.freep.com/news/locway/budget13e_20050413.htm

San Diego Pension Benefits not Legal

San Diego City Attorney Michael Aguirre declared that San Diego pension benefits spanning nearly a decade are illegal and therefore void, and that a mix of taxes and benefit reductions is needed to close a $1.37 billion pension-system deficit. Aguirre's report said increasing the assets and lowering the liabilities of the $3.6 billion San Diego City Employees Retirement System will be difficult because of limited ability to raise revenue and reduce pension obligations. The report recommends a "spread the pain" program that calls for reduced benefits for city employees and bigger burdens for city taxpayers. To read more, go to:
http://www.signonsandiego.com/news/metro/20050409-9999-1n9pension.html
For more information on San Diego's Pension crisis, go to: http://www.sandiegobudget.org/sandiego/

Paving Things Over

In this article, the HR Doctor, Phil Rosenburg, weighs the common decision HR professionals have to make when reforming policy. He compares the decisions to either "pave over" or "throw away" when developing programs. To read this article, go to: http://www.naco.org/CountyNewsTemplate.cfm?template=/ContentManagement/ContentDisplay.cfm&ContentID=15675

Technology: E-Government and Information Technology

Philadelphia Officials Release Wi-Fi Plan

Philadelphia officials unveiled a plan to deploy an estimated $10 million Wi-Fi network by the summer of 2006 in a major initiative to provide their citizens and businesses with affordable high-speed Internet access. Officials unveiled the plan and released a request for proposals that is estimated to attract from eight to 15 vendors for the project. The city wants to start construction in August. Leading up to the citywide effort, several vendors -- many of whom are expected to bid on the project -- are deploying wireless hotspots in various neighborhoods at no cost for a year. The pilots will allow the non-profit group Wireless Philadelphia, which was established by the city to manage the initiative, to evaluate wireless technologies for network performance and other concerns, and see how the network can help neighborhoods, including businesses, schools, and non-profit groups. To read more, go to: http://www.fcw.com/article88533-04-08-05-Web

Local IT Spending to Rebound

State and local spending is expected to grow by 45 percent over the next five years from $48 billion in fiscal 2005 to $70 billion by fiscal 2010, according to a report from Input, a Reston, VA based company. The state and local market will experience moderate growth in IT investments this year and through fiscal 2006, the forecast report said. Beginning in 2007, the need for outsourced IT services, primarily caused by increased employee retirements, will drive increased spending through 2010. The state and local market underwent a turnaround last year following its largest gap in 30 years between tax revenues and the gross domestic product. To read more, go to: http://www.gcn.com/vol1_no1/state-local/35387-1.html

Archiving Model Created to Preserve Digital Information

Through an $800,000 grant from the National Science Foundation, the University at Albany's Center for Technology in Government has developed a national capability assessment and planning model -- containing information about the governance structure, business model, architecture, and data standards -- to assist governments in identifying, capturing and archiving digital content critical to government operations. As part of the National Digital Information Infrastructure and Preservation Program, the Library of Congress will distribute this toolkit during three workshops that will be held beginning in late April and through May for state and territorial government representatives. Library officials hope to collaborate with their state and territorial counterparts in devising long-term strategies, and receive feedback that can be used to help create a second version. To read more, go to: http://www.fcw.com/article88434-03-30-05-Web

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Procurement: Competitive Sourcing and Contracting

A Retiring Workforce Encourages the Use of Outsourcing

State and local government officials may soon have to consider outsourcing some or all of their information technology functions because of a glut of high-tech employees who will be eligible for retirement in several years. This is the second time in recent years that experts have pointed to outsourcing as a viable way for governments to save money, stay current with technology trends and address workforce skill gaps. To read more, go to:
http://www.fcw.com/article88541-04-11-05-Print

San Diego to Recompete Outsourcing Contract

Three years ago, San Diego County's massive IT outsourcing program was close to collapse as the county claimed that prime contractor Computer Sciences Corp. was not meeting numerous service-level agreements stipulated in the seven year, $644 million contract. CSC countered that San Diego officials had set the bar too high on the performance standards. The dispute resulted in large part from ambiguities in the contract language. The two sides couldnâ€™t find common ground on dozens of requirements in the performance-based contract. San Diego County intends to use the hard-won lessons from this dispute as it prepares to recompete the outsourcing contract, which expires in December 2006. It is removing every ambiguity in the contract and is giving contractors that have expressed interest in the project ample time to familiarize themselves with both the county and the contractâ€™s requirements. To read more, go to:
http://www.gcn.com/24_7/news/35432-1.html

Performance-Based Service Acquisition
May 19-20, Arlington, VA

Government is now more results-oriented; particularly in the way which government contracts are written. One of the most important challenges facing government is the need for widespread adoption of performance-based contracting, but many acquisition personnel lack the necessary skills to develop and implement Performance-Based Service Acquisition (PBSA). The seven-step process for developing performance-based contracts simplifies the process. The process also provides new insight on defining goals and improving transparency and accountability in government contracting that will produce results. For more information or to register, go to:
http://www.performanceweb.org/training/courses/performance_based_service_acquisition.htm

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Program Spotlight: Mecklenburg County, North Carolina

Mecklenburg County, North Carolina has recently been recognized by The Performance Institute as the winner of the 2005 City and County Performance Management Award for its Managing for Results initiative. The award recognizes innovative management practices in five core function areas: strategic planning, budgeting, human resources management, information technology and procurement/contracting. Mecklenburg County has proven its effectiveness in these management functions through increased transparency, accountability and program performance.

Managing for Results, or M4R, is uses measurable performance results to make management decisions and funding choices. M4R consists of various initiatives: developing the Board's Community & Corporate Scorecard goals and performance measures; program review/assessment; priority setting; performance budgeting by service; and transparency in funding. Each aspect contributes to the effective and efficient delivery of service to Mecklenburg residents.

Mecklenburg County's balanced scorecard is called the "Community and Corporate Scorecard." The Board of County Commissioners has identified four focus areas as the top priorities for Mecklenburg County Government:

* Social, Education & Economic Opportunity
* Effective & Efficient Government
* Community Health & Safety
* Growth Management & Environment

The County evaluates performance in each of the focus areas from four perspectives:

* Customer/Stakeholder
* Internal Business Process
* Financial
* Employee & Organization Capacity

A good example of the performance measurement and effectiveness of M4R is the Effective and Efficient Government focus area. The goal for this area is: "to provide services in a highly effective, efficient and inclusive manner, promote partnerships between government, private sector and faith communities to collectively address and solve community problems." Mecklenburg has identified 13 intermediate outcomes to achieve this goal. One of these outcomes is Increased Employee Knowledge, Skills, and Abilities. Their performance measure for this outcome is an 80% favorable response on the Employee Satisfaction Survey. Results in this, and every area, is recording using the stoplight "red, yellow, and green" scale. Mecklenburg has recorded an overall "yellow" for status in this area.

For more information on Mecklenburg County's M4R initiative, go to:
http://www.charmeck.org/Departments/County+Managers+Office/Planning+and+Evaluation/Managing+For+Results/home.htm

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City and County Management Innovations Newsletter is provided as an informational newsletter to all city and county government employees about the latest news from the local government and independent news media on performance management.

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.

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