I'm enclosing this month's edition of the City and County Management Innovations e-newsletter. As you may know, we'll be hosting the 2005 City & County Innovations Summit on March 21-23 (see details below). This event will focus on improving management and performance across city and county functional areas. There is still time to register so I hope you can join us.

This year's Summit is significant because the Institute will present three "Performance Management Awards" to be distributed in three categories: Innovative Public-Private Partnerships; Transparent Budget; and Overall Performance Management. If your local government has successfully implemented management reforms in these areas and you'd like to be a nominee, please send an email to Project Director Benjamin Neumann at CityandCounty@performanceweb.org with some of the details. We need to highlight and share management innovations at all levels!

-Carl DeMaio



February 2005

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

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2005 City and County Innovations Summit

Surviving the Budget Crunch and Improving Citizen Services through Innovation

March 21-23, 2005 | Phoenix, Arizona
www.cityandcounty.org

Hosted by the Performance Institute, in association with the National Civic League and a coalition of good government organizations, the 2005 City and County Innovations Summit is the most comprehensive performance management event of the year for city and county managers.

Featuring **six tracks and five workshops**, the Summit will help local governments overcome budget shortfalls and implement results-based management into their programs.

Track 1:
PERFORMANCE MANAGEMENT AND STRATEGIC PLANNING

Track 2:
BUDGET AND FINANCE

Track 3:
PERFORMANCE BASED CONTRACTING

Track 4:
MODEL PERFORMANCE MEASURES

Track 5:
STRATEGIC MANAGEMENT OF HUMAN CAPITAL

Track 6:
INFORMATION TECHNOLOGY AND E-GOVERNMENT

Featuring Six Tracks!

Keynote speakers at this year's Summit will include Akron Mayor and President of the U.S. Conference of Mayors, Donald Plusquellic and former Honolulu Mayor Jeremy Harris. Don't miss this important event!

View the Full Agenda Online at: www.cityandcounty.org

Managing for Results: Strategic Planning and Performance Budgeting

2005 Government Performance Project: Grading the States

The Government Performance Project, funded by The Pew Charitable Trusts and conducted by a team of

journalists from Governing magazine and academics from the University of Pennsylvania, George Washington University, Georgia State University, the University of Illinois and Lynchburg College, has released the 2005 Management Report Card. “Grading the States ‘05” evaluates all 50 states in four areas of management: Money, People, Infrastructure and Information. The criteria were updated for this grading cycle to emphasize actual results of good management. The findings of this project have a direct correlation to local government management. To access the project, go to: http://results.gpponline.org/

President’s 2006 Budget Slashes Local Government Funding

President George W. Bush sent a $2.57 trillion FY06 budget to Capitol Hill that dramatically cuts into federal programs affecting local government. The budget includes $840.3 billion for discretionary programs subject to annual appropriations. The budget plan envisions a 2.1 percent increase in discretionary spending, lower than the inflation rate, and $137 billion in savings over 10 years from cuts to mandatory programs, including Medicaid and increases from user fees such as increased prescription drug co-payments for veterans. Under the budget plan, about half of FY06 discretionary spending, $419.3 billion, would be for defense programs, including base construction and housing, a 4.8 percent increase over last year. It proposes to eliminate or sharply reduce 150 federal programs, saving about $20 billion, and cut overall non-security discretionary spending by nearly 0.6 percent, while proposing hefty increases for defense and international programs. For more information and a breakdown of how the budget affects local government, go to: http://www.naco.org/CountyNews

Officials Denounce Elimination of Community Development Block Grants

City and county leaders joined with representatives of the private sector to denounce the proposal to eliminate the Community Development Block Grant (CDBG) program from the 2006 federal budget. Leaders from the National League of Cities, U.S. Conference of Mayors (USCM), National Association of Counties (NACo) and representatives of the private sector appeared at the National Press Club in Washington, D.C., to call on the Administration and Congress to keep CDBG as a separately funded program administered by the Department of Housing and Urban Development, instead of combining it with up to 17 other programs and drastically decreasing its funding level. The press conference was the first step in a joint lobbying campaign to save the CDBG program, which has helped communities across the nation provide affordable housing, job training, business development, job creation, health care and many other services to low and moderate income families during its 32-year history. For more information, go to:
http://www.nlc.org/Newsroom/Nation_s_Cities_Weekly/Weekly_NCW/2005/02/14/2246.cfm

Strategic Planning in Government
(March 14-15, Arlington, VA)

Local government agencies are increasingly under pressure to develop long-range strategic plans that chart out agency goals on a multi-year basis. Mandates require agencies to use strategic planning at all levels of the organization to develop goals, refine policies, and manage initiatives. Strategic planning in a governmental context requires a modified approach to traditional strategic planning that mixes statutory requirements with the evolving dynamics of public policy issues faced by government agencies. This training will focus on developing a performance-based strategic plan by applying the Strategic Management Framework methodology as a template for developing a results-oriented strategic plan for your government programs. This framework is derived from best practices at all levels of government. For more information or to register, go to:
http://www.performanceweb.org/Training/COURSES/strategic_planning.htm

Project Management for Government
(March 31-April 1, Arlington, VA)

Government programs at the local level are being held accountable for their performance and streamlined allocation of funds and resources in these fiscally tight times, all the way down to the project management level. Within even well-managed organizations, there is often a lack of coordination between the work that has to be done and the resources needed to do it, and there are almost always critical time constraints on the results as well. At this training, you will walk through a performance framework for project management and learn how to turn those metrics into a roadmap for effective performance-based management. For more information or to register, go to:
http://www.performanceweb.org/training/courses/project_management_government.htm

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Workforce: Strategic Management of Human Capital

Deal to Save 2,000 Jobs and $80 Million in Detroit

The Detroit City Council unanimously approved a pension bond deal that avoided 2,000 layoffs and saved the city $80 million this year. The plan allows the city to borrow $1.2 billion to fully fund its retiree pensions, a debt it is currently paying at an 8-percent interest rate. The city will now be able to refinance the debt at a rate that is 2 percent lower. As a result, the city saves $80 million this year, but over the 14-year life of the bond, administration officials say the city would save $277 million. Detroit's officials are grappling with a withering fiscal crisis that threatens to send the city into receivership. For more information, go to:
http://www.freep.com/news/locway/council5e_20050205.htm

Succession Management in Henrico County, VA

In response to data that showed 44 percent of upper level managers becoming eligible to retire by 2008, Henrico County, VA, researched and implemented a Succession Management Program. This initiative addressed two concerns: 1) the loss of intellectual capital in key positions as upper managers become eligible to retire in record numbers, and 2) the decreasing number of younger adults in the workforce available to develop the skills necessary to move into higher-level positions. The program consisted of two phases. Phase One taught supervisors how to guide employees through a professional development process using Individualized Learning Plans. Phase Two provided information to upper managers on strategies for helping them develop subordinate managers for the purpose of planning for succession. For more information, go to:
http://www.co.henrico.va.us/hr/edt/sucsnmgmt.pdf

Employee Performance Evaluations and Management
(April 11-12, Arlington, VA)

Your employees' success is often a reflection of your own leadership skills, and is a vital indication of workforce stability. As a supervisor, your role is to set expectations, gather data, and provide continuous feedback to your employees to assist them in utilizing their skills, expertise and ideas to produce results. An effective employee performance management system is linked to agency mission and goals, has clear performance measures and truly recognizes and rewards outstanding performance. This training will help you acquire the techniques to recognize employee potential and transform those employees into

the leaders of the future. For more information or to register, go to: http://www.performanceweb.org/training/courses/employee_performance_evaluations.htm

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Technology: E-Government and Information Technology

Cities Adopting Advanced Technologies

Cities and municipalities across the country are taking steps to make sure their citizens have access to the most advanced communications technology. Cities are spurred by a wide range of needs to investigate and implement these new technologies. Some cities begin with a need for a network that will serve their own needs internally, and discover that they can offer service to citizens easily. For example, interest in wireless by Corpus Christi officials began as they were exploring residential automated meter reading. After examining the available data transmission technologies, the city developed a wireless broadband network pilot program in a 20-square mile area in the city. The pilot will examine how to use the network for public safety applications, communications between city employees in the field and allowing residents and businesses to connect to the network as part of the city's economic development efforts and attracting new businesses to the city.
http://www.nlc.org/Newsroom/Nation_s_Cities_Weekly/Weekly_NCW/2005/01/31/1904.cfm

Local Governments Recognized for their Use of Technology

The Public Technology Institute (PTI) announced the winners of its 2004 Solutions Awards. Solutions is the annual, national competition that recognizes city and county governments that have demonstrated how, through the use of technology, they have improved the delivery of services to constituents, reduced costs or generated new revenues. Entries were judged with other jurisdictions of similar size in the following technology categories: Energy, environment, public safety, telecommunications and information technology, and transportation. A panel of judges from local government associations and industry selected the winning entries. Some notable winners are Phoenix, AZ for public safety and Washington, DC for telecommunications. For more information on the winners, go to:
http://www.pti.org/profile.asp?pref=http://www.pti.org/elib/publish/article_2635.asp

Resource Website for Developing Technology-Based Economies

Representatives from the Commerce Department and an Ohio-based nonprofit research firm unveiled a Web site intended to serve as a resource of reports, strategic plans and other research to help communities developed technology-based economies. The Tech-Based Economic Development (TBED) Resource Center) categorizes and offers links to more than 1,300 research papers, strategic plans, best practices, impact analysis studies and other reports collected from state and federal governments, universities and foundations. There are 33 topics -- including aerospace, digital divide, federal programs, intellectual property, research and development, technology commercialization and workforce issues -- that users can research, or they could search by keyword or author. Users can also search for documents originating in the United States, in particular states and internationally. For more information, go to: http://www.fcw.com/geb/articles/2005/0117/web-tbed-01-19-05.asp
To access the resource website, go to: www.tbedresourcecenter.org

Local Governments Moving to Align IT Services To Provide Better Citizen Service

State and local governments in the next several years will move to sharply align their IT investment with desired public policy outcomes in such areas as healthcare, human services and economic development, according to a new study from the market research firm Meta Group Inc. They also will begin grouping into clusters related government functions in areas such as health and human services to provide more efficient and effective service to citizens and comply with legislative and regulatory mandates. The new method of service delivery will coordinate federal, state and local services that likely will be delivered online and through one-stop centers and involve greater citizen self-service. For more information, go to: http://www.washingtontechnology.com/news/20_3/state/25511-1.html

Business Management Process Tools Allow Agencies to Extend their Workflow

An emerging type of application - business process management (BPM) software - incorporates e-form workflow functionality and also allows easy integration with other applications, such as customer relationship management software, allowing agencies to extend their workflow across the enterprise. According to a survey conducted by AIIM, a trade association for enterprise content management vendors, BPM use is increasing. The organization surveyed 500 enterprise users, including over 100 government users, and found that more than 50 percent of them have started building BPM systems, and 11 percent of these users are undertaking larger, enterprise-wide BPM projects. BPM software resides on a server and offers a set of forms that users can call up through a browser or desktop interface. Once a form is submitted, the BPM software stores the information in a database and follows a set of rules to determine how to handle the form. The software walks the form through all the steps required to get to its final destination, alerting and keeping tabs on the individuals who need to review or modify the form. For more information, go to: http://www.gcn.com/24_3/state-local/34956-1.html

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Procurement: Competitive Sourcing and Contracting

Local Government IT Outsourcing Spending Levels Off

Spending on IT outsourcing among state and local governments grew little in 2004, according to a new report from Input. The Reston, Va., research firm found spending reached $11.3 billion this year, slightly higher than spending levels in 2003. But replacing an aging workforce and legacy equipment will spark growth in 2007, reaching $17.7 billion in 2009, the report projected. The political debate surrounding offshore outsourcing was likely a factor in the slow spending growth. For more information, go to: http://www.gcn.com/vol1_no1/state-local/31424-1.html

NYC Transit Authority to Outsource IT Management

The New York Metropolitan Transit Authority has issued a seven-year, $143 million contract from for desktop and IT management and support services to Unisys Corp. The company will provide desktop and IT management and support services for nearly 12,000 personal computers and 350 servers at the transit authority. It will offer IT infrastructure support services that include service-desk support, desk-side support, server management, asset management and tracking, equipment maintenance, dedicated program management and e-procurement services for the Transit Authority's 48,000 employees in more than 20 departments and divisions. For more information, go to: http://www.washingtontechnology.com/news/1_1/state/25546-1.html

Orlando Mayor Kept Possible Outsourcing of Water Division Secret

An apparent lack of trust led Orlando, FL, Mayor Buddy Dyer to keep an in-depth study of how to sell the water utility secret from Orlando Utilities Commission (OUC) officials for over a year. The study by a paid consultant said the city could earn $322 million by selling the OUC water system and the city sewer system to a new, nonprofit water authority. The mayor said the idea still deserves careful analysis and he will proceed with plans for a joint study with OUC. But the revelation that his administration had already moved ahead without informing OUC may have made his idea a tougher sell -- both to OUC and his own City Council. For more information, go to: http://www.orlandosentinel.com/news/yahoo/orl-asecouc08020805feb08,0,2567371.story?coll=orl-newsaol-headlines

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Program Spotlight: Maricopa County, AZ: Managing for Results

The mission of Maricopa County, AZ, is to provide regional leadership and fiscally responsible, necessary public services to its residents so they can enjoy living in healthy and safe communities. Maricopa succeeds in this mission by being dedicated to Managing for Results. Maricopa County began to implement Managing for Results (MfR) by developing departmental strategic plans that integrated planning with budgeting and performance measurement. This effort created powerful tools for making good business decisions and achieving department and corporate goals and priorities.

The Managing for Results management system is designed to allow employees in Maricopa County to make the following three statements: 1. What we are doing today contributes to our strategic direction; 2. We know what we have done has been effective; and 3. We know how much it costs to deliver our programs efficiently. Through the Managing for Results system, Maricopa County has engaged in substantive planning and performance measurement. This comprehensive planning methodology supports the: Systematic creation of strategic goals that link to programs; Use of measures to track performance, support operational improvement, and inform resource allocation decisions; and Communication of goals and progress to both employees and the public.

Planning for Results

Maricopa recognizes that a well-executed strategic plan promotes a common understanding of the department's overall direction and purpose so that individual employees can readily determine how their work, actions and behaviors support the strategic direction and business success. In Planning for Results, current and future trends are examined in terms of how they may affect the business. Strategic goals and operational results are developed to best manage these anticipated challenges. Results are projected based on demand and internal capacity.

Budgeting for Results

Maricopa County is committed to developing a budget system that provides financial and performance information to help decision-makers make good, informed business decisions that achieve results. The County uses the operational structure developed in the strategic plan to structure financial planning and reporting for each department. This ensures that the budget is driven by policy and customers' needs. Integrating Budgeting for Results with strategic planning is critical in creating an integrated management system where financial resources, policy, department operations, and County staff are all aligned to achieve results.

Evaluating Results

The integrity of the Managing for Results process and the information produced by the planning and budgeting systems are critical to the County's efforts in Managing for Results and in sustaining public support. Maricopa County is committed to a management system founded on accurate information. Departments evaluate results, and then external evaluators with established specific procedures ensure that departments' performance information is sufficiently complete, accurate, valid and consistent. Performance audits provide assurance that reported data can be relied upon for decision-making purposes.

Based on the validated performance information gathered, decisions can be made more logically and rationally. Having supportable data allows the County to make decisions about resource allocation adjustments based on changes in demand or service delivery. If performance targets are not met, the County has information it needs to decide if those targets were set appropriately or if there is a need for operation or process improvements. We must plan ahead to make the best business decisions possible concerning future uses of all of our limited resources. Good decisions produce results that make a difference in people's lives and give taxpayers value for their money. In order to make the best business decisions, citizens and county government need the highest quality performance measure available.

For more information on Maricopa County's Managing for Results, go to:
http://www.maricopa.gov/cio/mfr/

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Newsletter Editor: Vincent Badolato

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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