Metropolitan King County Council

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Bob Ferguson, *District 2*
Kathy Lambert, *District 3*
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Larry Gossett, *District 10*
Jane Hague, *District 11*
David W. Irons, *District 12*
Julia Patterson, *District 13*

Cheryle A. Broom
King County Auditor

516 Third Avenue, Room W1020
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(206) 296-1655
TTY 296-1024

M E M O R A N D U M

DATE: September 14, 2004

TO: Councilmember Julia Patterson, Chair, Labor, Operations and Technology Committee, Metropolitan King County Council

FROM: Cheryle A. Broom, King County Auditor
Ron Perry, Principal Lead Auditor

SUBJECT: Advancing Countywide Strategic Performance Measurement and Reporting

Recent accomplishments of the Performance Measurement Work Group should be sustained and enhanced by promoting the expanded use of performance measurement in county government. The auditor's office recommends pursuing a countywide strategic performance measurement system. Its purpose is to enhance accountability to the public and taxpayers of the county, ensure achievement of county priorities, realize additional operational efficiencies and cost savings, further empower county employees to improve county services, and provide more performance information for policy making.

We recommend these next steps:

1. Continue the work group and expand its membership to include representatives of agencies headed by separately elected county officials.
2. Empower the work group to develop a work plan to determine feasible next steps such as developing legislation revising county code provisions on performance measurement to promote a uniform, countywide performance measurement and reporting system.
3. Establish goals for pursuing a countywide strategic performance measurement and reporting system.

Council Mandate

Last year the council approved a motion introduced by the Labor, Operations, and Technology Committee to give priority to the continued improvement and use of strategic planning and performance measurement in King County. The motion also directed the auditor's office to form a performance measurement work group to review and assess county business plans and performance measures.

Work Performed and Results of Work Group

The auditor's office engaged an independent consultant, SMG/Columbia Consulting Group, to familiarize council and audit staff with performance measurement, and to facilitate the work group in its reviews. The work group consisted of directors (or designees) from the Office of Management and Budget, the Department of Executive Services, the Department of Natural Resources and Parks, the

Department of Transportation, and the Department of Community and Human Services. Accomplishments included the following.

- Executive and legislative branches developed a common vision for how business plans and performance measures could be designed to meet the needs of policy makers.
- Developed guidelines for reviewing business plans and performance measures. The guidelines clarify how performance measures can be used as an oversight tool and applied in resource decisions.
- Guidelines were published with the 2005 OMB budget instructions.
- Analyzed and provided feedback on four department business plans and performance measures.
- Identified specific opportunities for further improving the county's business/strategic planning and performance management processes

Recommendations of Work Group and Consultant

The Work Group and the consultant made recommendations for advancing the use of performance measurement in the county; these are discussed in more detail in the consultant's report.

From the Performance Measurement Work Group:

1. Focus on capacity building and support (help departments to succeed)
2. Balance expectations for improvement with resource availability (limited resources due to fiscal constraints)
3. Develop a countywide framework for collaboration (countywide strategic plan and priorities)
4. Manage the detail (use concise measures appropriate to each audience for the measures).

From SMG/Columbia Consulting:

1. Reallocate resources to create a sustainable process
2. Integrate business planning and performance management into daily management processes
3. Build on the collaboration that was established by the Performance Measurement Work Group

Auditor's Recommendation

To build upon the success of the Performance Measurement Work Group and the above recommendations, we suggest further development of a countywide system of strategic performance measurement and reporting. In order to do that, we recommend these next steps by the council:

1. Continue the work group and expand its membership to include representatives of agencies headed by separately elected county officials.
2. Empower the work group to develop a work plan to determine feasible next steps such as developing legislation revising county code provisions on performance measurement to promote a uniform, countywide performance measurement and reporting system.
3. Establish goals for a countywide strategic performance measurement and reporting system.

Potential Goals

Potential goals for the county pursuing a countywide strategic performance measurement and reporting system may include:

1. Improving the performance of county programs and accountability to the public
2. Increasing the public's satisfaction and engagement in county government
3. Providing measurable performance information for policy making including allocation decisions
4. Achieving county priorities and maximization of limited resources
5. Demonstrating further efficiencies and cost savings

Elements of a Countywide Performance System

Steps toward achieving the goals adopted by county policy makers in the long term could include:

1. Development of countywide strategies to achieve the adopted goals and targets identifying specific objectives to accomplish each year.
2. Enhancement of the county's performance measurement program to include all county agencies and a consistent approach as reflected in the guidelines developed by the Performance Measurement Work Group. Surveying citizen satisfaction should be a component of the overall measurement program.
3. Providing performance information to policy makers that can inform their oversight and decision making throughout the year, including during the budget process.
4. Countywide reporting to the public demonstrating the results of achieving the county's goals and discussing strategies underway to address any issues.

Other Jurisdictions' Performance Planning, Measurement and Reporting Programs

Counties, municipalities, and states are increasingly using strategic planning and performance measurement to improve government effectiveness and to report results to the public. Councilmembers have expressed interest in what others are doing and achieving. We cite just two examples.

- *Prince William County, Maryland,* uses outcome budgeting, a citizen satisfaction survey, and an annual performance report to make its government more accountable. Among its accomplishments, it has contained county costs, focused on funding priorities, and increased citizen involvement and satisfaction.

- Locally, the *State of Washington* initiated its Priorities of Government (POG), a results-based prioritization of activities. In each of eleven areas, study teams developed priorities, indicators and strategies. They then proposed budget options based on 'purchasing' priorities with performance expectations. The results are to be incorporated into the 2005-07 biennial budget submittals.

CB:RP:yr

cc: Metropolitan King County Councilmembers
Ron Sims, King County Executive
Scott Noble, Assessor, Department of Assessments
Norm Maleng, Prosecuting Attorney, Office of Prosecuting Attorney
Dave Reichert, Sheriff, Sheriff's Office
Richard Eadie, Presiding Judge, Superior Court
Corinna Harn, Presiding Judge, District Court
Performance Measurement Work Group Members

Advancing Countywide Strategic Performance Measurement & Reporting

King County Auditor's Office

Cheryle A. Broom, County Auditor

Ron Perry, Principal Lead Auditor

Labor, Operations and Technology Committee
September 14, 2004

Overview

- What is the vision?
  - Goals
  - Key elements
  - Best practice examples
- How achieve countywide performance program?
  - Accomplishments to date
  - Recommended next steps

Goals

- Improve performance & accountability
- Increase public's satisfaction & engagement
- Provide information for policy making
- Maximize limited resources
- Identify and achieve policy and funding priorities

Key Elements

- Countywide Performance Measurement Program
- Countywide strategic plan
- Countywide report on performance results
- Performance information informs policy making, including budget process

Prince William Co. (MD) Example

- Elements:
  - Outcome budgeting
  - Citizen satisfaction survey
  - Annual performance report
- Results:
  - Contain cost of county government
  - Focus on funding priorities
  - Increased citizen involvement and satisfaction

WA State - Priorities of Gov't

- Results-based prioritization of activities
  - Teams develop priorities, indicators and strategies
  - Proposed budget based on 'purchasing' priorities with performance expectations
  - Identifies what is not funded
- Evolving process
  - Impact pending

County's Accomplishments

- Business plan requirements
  - Transmitted to OMB & Council
- Training & education
  - Committee & audit staff – SMG/Columbia Consulting
  - Work group & others – gov't reporting expert
- Collaborative work group
  - Reviewed agency business/strategic plans
  - Developed policy level guidelines
  - Identified next steps

Next Steps

- Establish Countywide Goals
- Continue Work Group
  - Broaden participation
  - Develop a work plan
- Proceed Strategically

Acknowledgements

- Performance Measurement Work Group
  - Office of Management and Budget
  - Department of Natural Resources and Parks
  - Department of Community and Human Services
  - Department of Executive Services
  - Department of Transportation
  - Council Committee and Audit Staff
  - Chris Veit, SMG/Columbia Consulting Group
- External resources/experts, including
  - Jay Fountain, Governmental Accounting Standards Board

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