

# MSBIC

## Managing For Results Overview

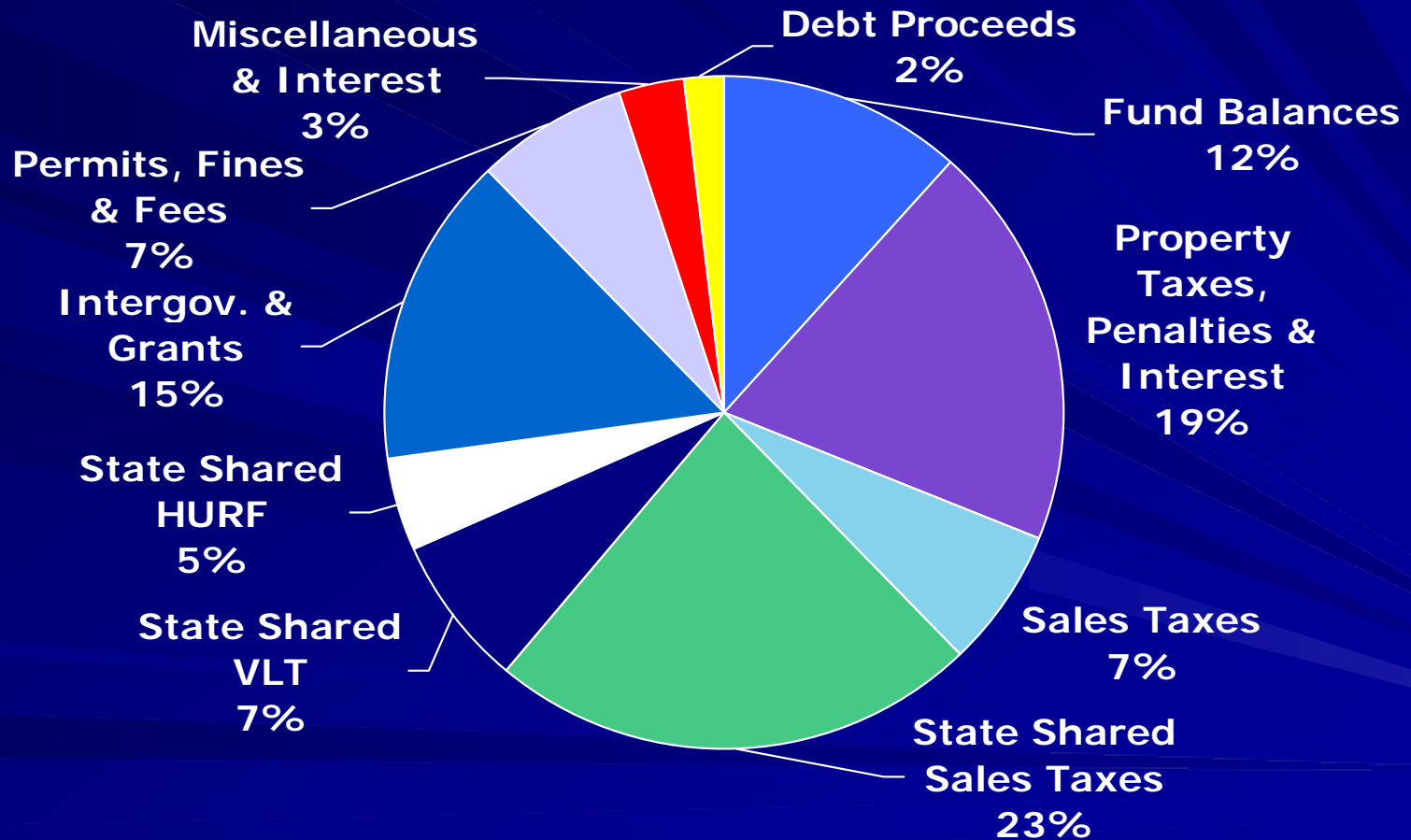
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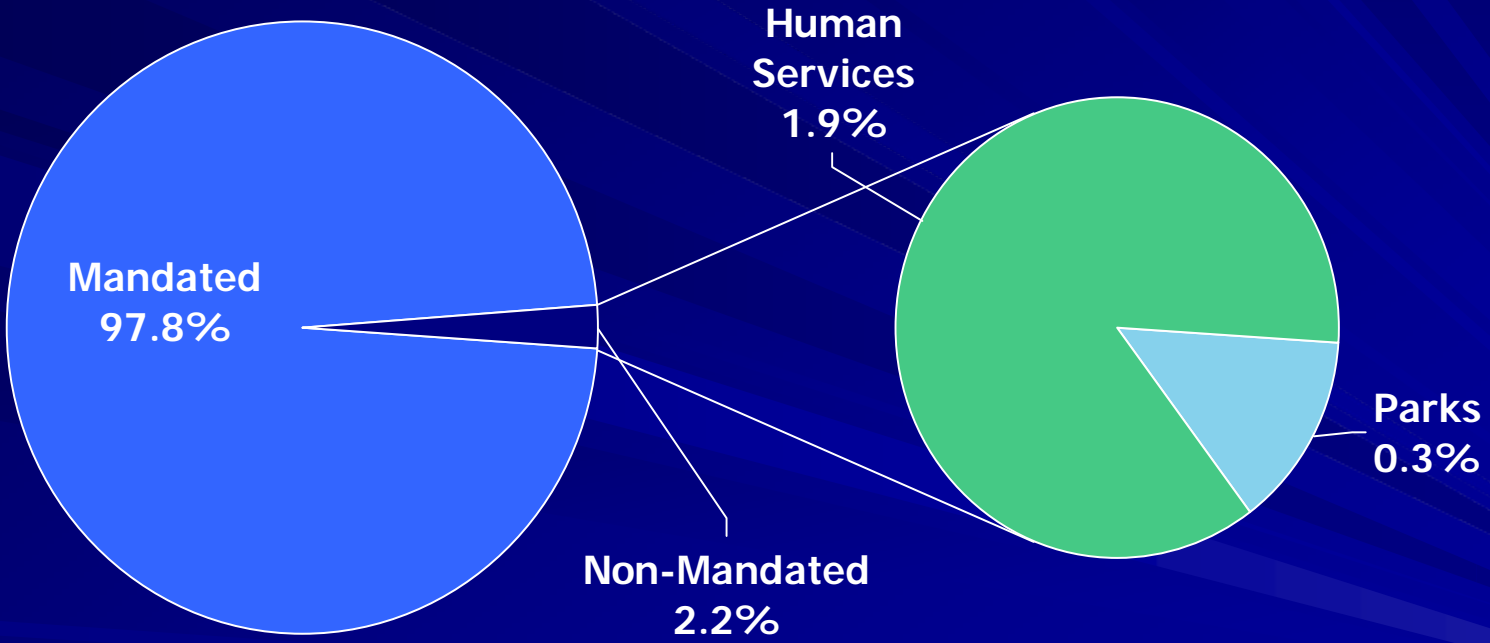
# Maricopa County

- Population 3.8 million; 3rd largest in U.S.
- 24 incorporated cities and towns
- \$2.1 billion budget (\$1.16 billion General Fund)
- 54 departments (8 elected, 3 judicial branch, 3 special districts)
- 14,300+ FTE's
- 100+ budgeted funds

# FY 2006-07 Adopted Budget Sources of Funds - \$2.126 billion



# Mandated vs. Non-Mandated Expenditures



# Challenges

- Diffused authority – elected officials, courts, special districts
  - Highly de-centralized culture
- Nearly all programs mandated
- Legal limitations on expenditures and revenues
- Little public interest/involvement in budget process
- Information systems

# David Manning

Finance Director, Nashville Metro Govt.



“The hardest thing, and the most important thing, for government is to focus on results that matter and stay focused on those results.”

# \$30 Billion Focused Annually on Measurable Results for Customers

## *Jurisdictions Managing/Budgeting for Results*

Long Beach, CA

Chula Vista, CA

Austin, TX

Seattle, WA

District of Columbia

Olympia, WA

Los Alamos Co, NM

Oklahoma City

Las Vegas

Pinal Co, AZ

Metro Nashville-Davidson Co.

Maricopa Co. (Phoenix)

Franklin Co. (Columbus)

Gunnison Co, CO

Wayne Co, MI

Hennipen Co. MN

States of Michigan, Utah, Ohio &  
N. Dakota

U.S. Marines Corps (Equip.&Training)

U.S. Navy

Pension Benefit Guarantee Corp.

U.S. Forest Service-Region 10

NASA

Smithsonian Institution

Natural Resource Conservation Srv.

# Managing for Results Defined

- A management system focusing the resources, people and organizations on results for customers
- An organizational culture focusing the language, beliefs and behavior of the organization on results for the customer

# Managing for Results Basics

Results are the benefit or impact the customer gets to experience as a consequence of receiving your services

Customers are the organizations or individuals that receive your services and experience the benefit or result

# Manage for Results Basics

Means that in everything we do, we  
are focused on results for the  
customer

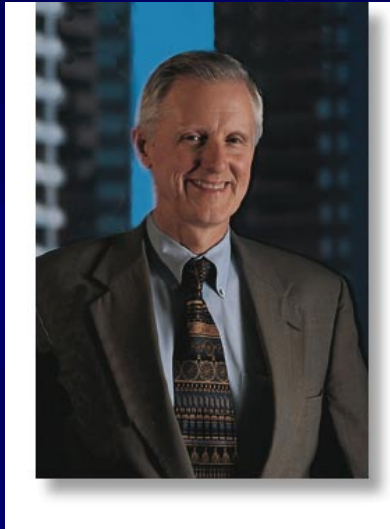
People get ahead by Managing for  
Results™

# Managing for Results Basics

Credibility means that people will believe what you tell them.

Accountability means that government is able and willing to tell taxpayers what they are getting for their money in terms of results and why.

# Value of Strategic Planning



*"The Managing For Results system did more than straight-line the status quo, it challenged us to seek even higher goals and perhaps do things we wouldn't have thought possible in the past."*

***Dave Smith***

***County Administrator, Maricopa County***

## *Evaluating & Improving Results*

- Program Evaluation
- Process Improvement
- Employee Evaluations
- Program and Policy Decision-Making

## *Planning for Results*

- Vision, Mission, Values
- Environmental Assessment
- Strategic Priorities and Goals
- Programs, Activities, Services
- Employee Performance Plans

## *Analyzing & Reporting Results*

- Validate and Record Results
- Analyze Data
- Communicate Results
- Celebrate Achievements

# Managing for Results

## *Measuring for Results*

- Family of Measures®
- Benchmarks and Targets
- Data Collection Standards

## *Delivering Results*

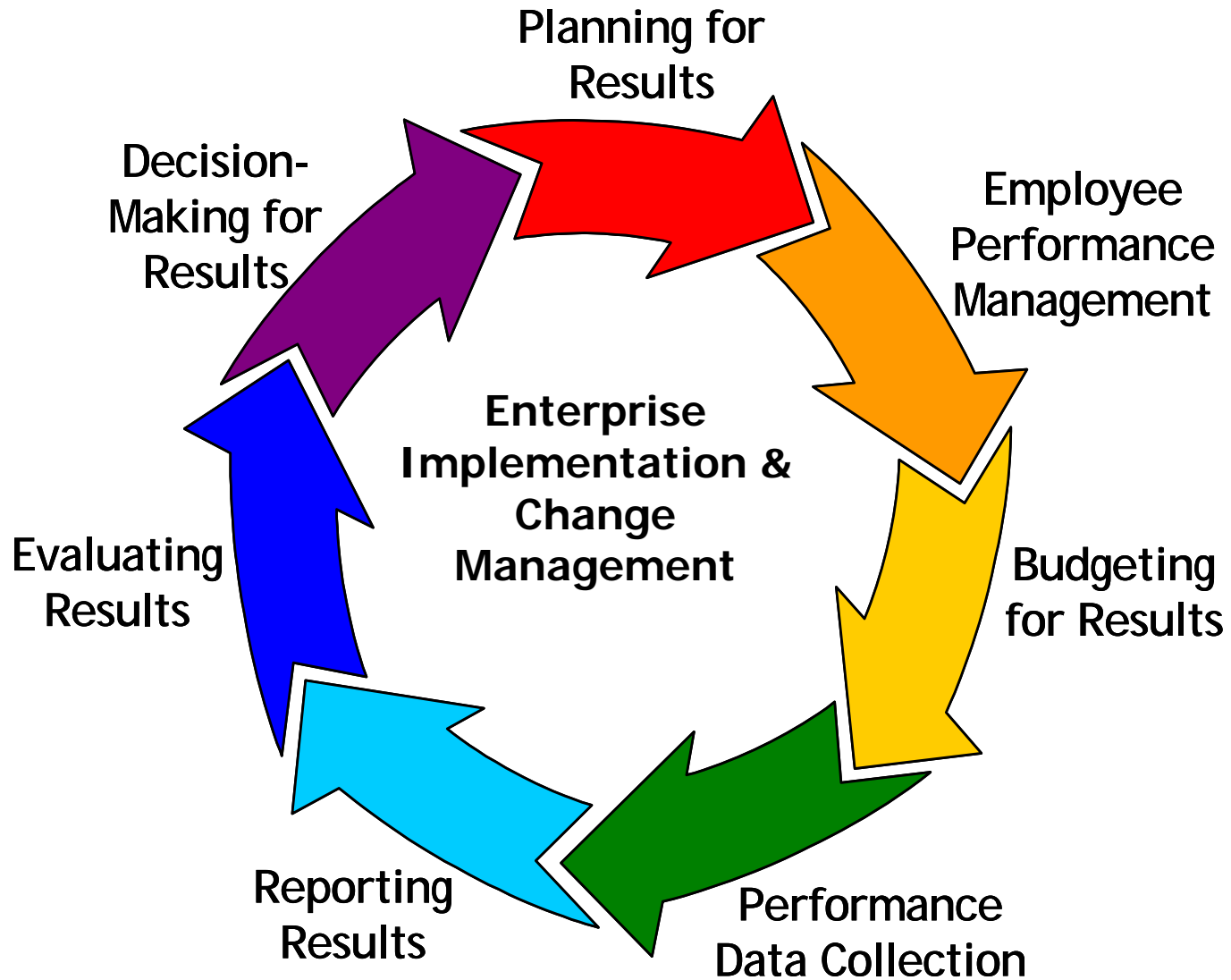
- Implement Strategies and Action Plans
- Deliver Services and Collect Data
- Survey Customers and Employees
- Monitor Program and Budget Performance

## *Budgeting for Results*

- Activity-Based Budgeting
- Align Budget with Strategic Priorities and Goals
- Allocate Resources

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# Managing for Results



The purpose of **Decedent Medical Investigations activity** is to provide **medical and forensic information to the Medical Examiners** so that they can **use the information to make a timely determination of the cause and manner of death.**

	FY 2005-06 ACTUAL	FY 2006-07 REVISED	PROJ ACT	FY 2007-08 RECOMM	Variance (Rev. - Rec.)	%
<b><u>Result</u></b> Percent of investigative summaries completed by day of exam	<b>97.0%</b>	<b>100.0%</b>	<b>98.0%</b>	<b>98.0%</b>	<b>-2.0%</b>	<b>-2.0%</b>
<b><u>Result</u></b> Percent of denials of total investigations	<b>30.0%</b>	<b>29.0%</b>	<b>31.0%</b>	<b>37.0%</b>	<b>8.0%</b>	<b>27.6%</b>
<b><u>Demand</u></b> Number of investigations required	7,399	7,652	7,047	7,658	6	0.1%
<b><u>Output</u></b> Number of investigations completed	7,399	7,652	7,047	7,658	6	0.1%
Percent of Demand met	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%
<b><u>Efficiency</u></b> Expenditures per unit of Output	\$ 92	\$ 108	\$ 102	\$ 139	\$ (31)	-29.0%
<b><u>Expenditures by Fund</u></b>						
General	\$ 680,484	\$ 823,486	\$ 720,914	\$1,062,862	\$ (239,376)	-29.1%
Totals	\$ 680,484	\$ 823,486	\$ 720,914	\$1,062,862	\$ (239,376)	-29.1%
<b><u>Staffing (FTEs)</u></b>		11.45		11.45		0.0%

The purpose of **Decedent Medical Examinations activity** is to provide a **certification as to the cause and manner of death** for **families of decedents and the legal and medical community** so that they can **conduct financial transactions and have closure, investigate and prosecute offenders, and reduce risks to public health and safety.**

	FY 2005-06 ACTUAL	FY 2006-07 BUDGET PROJ ACT		FY 2007-08 RECOMM	Variance (Rev. - Rec.) %	
<b>Result</b>	<b>49.0%</b>	<b>52.0%</b>	<b>55.0%</b>	<b>60.0%</b>	<b>8.0%</b>	<b>15.4%</b>
Percent of autopsies of total exams						
<b>Result</b>	<b>32.0%</b>	<b>40.0%</b>	<b>45.0%</b>	<b>50.0%</b>	<b>10.0%</b>	<b>25.0%</b>
Percent of exams completed within 24 hrs of admit						
<u>Demand</u>	5,156	5,424	4,836	4,850	(574)	-10.6%
Number of exams required (same as admits)						
<u>Output</u>	5,156	5,424	4,836	4,850	(574)	-10.6%
Number of exams completed						
Percent of Demand met	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%
<u>Efficiency</u>	\$ 496	\$ 636	\$ 678	\$ 707	\$ (71)	-11.2%
Expenditures per unit of Output						
<u>Revenues by Fund</u>						
General	\$ 130,502	\$ 45,580	\$ 65,988	\$ 60,038	\$ 14,458	31.7%
Medical Examiner Grant Fund	42,642	-	-	-	-	
Totals	\$ 173,144	\$ 45,580	\$ 65,988	\$ 60,038	\$ 14,458	31.7%
<u>Expenditures by Fund</u>						
General	\$2,549,888	\$3,447,778	\$3,281,176	\$3,429,047	\$ 18,731	0.5%
Medical Examiner Grant Fund	5,774	-	-	-	-	
Totals	\$2,555,662	\$3,447,778	\$3,281,176	\$3,429,047	\$ 18,731	0.5%
<u>Staffing (FTEs)</u>				27.38	0.90	3.4%

# Planning for Results

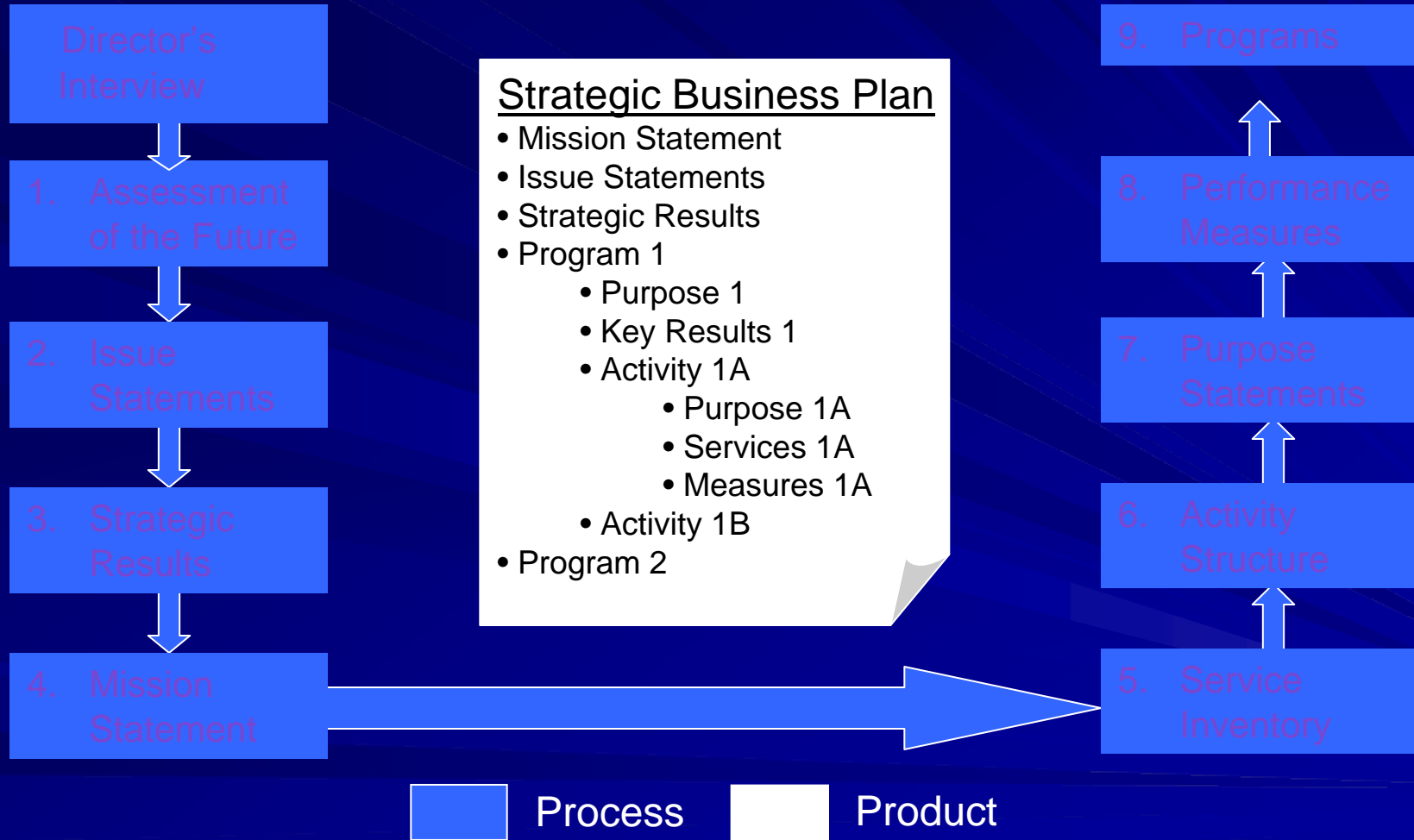
**Result:**  
**X% of Exams**  
**Completed within**  
**24 hours**

**Strategic  
Planning**

**Operational  
Performance  
Planning**

# Strategic Business Planning

## *More Meaningful Performance Information*



# Strategic Plan



## Goal Four      Health Care Access

Increase the number of uninsured persons who have access to needed health care services by:

- Linking 4,000 additional uninsured and publicly insured residents to an on-going source of primary health care during each of the next five years.
- Linking 2,500 additional uninsured residents to an on-going source of dental care during each of the next five years.
- Linking 250 additional uninsured residents to a mental health and/or alcohol and drug abuse provider during each of the next five years.
- Providing uninsured patients access to prescription drugs required to meet their medical needs.

# Multi-Year Business Plan



## PROGRAM

<b>Line of Business</b>	<b>FAMILY, YOUTH, AND INFANT HEALTH</b>
<b>Purpose Statement</b>	The purpose of the Family, Youth, and Infant Health Line of Business is to provide assessment, intervention, and education products for the families, youth, and infants in Davidson County so they can experience health and wellness.
<b>Program Name</b>	<b>Children's Special Services</b>
<b>Program Purpose Statement</b>	The purpose of the Children's Special Services Program is to provide payment for eligible medical expenses and care coordination services so that chronically ill children can obtain needed health care services and have a medical home.
<b>Family of Measures: Result Measure(s)</b>	Percentage of children who have a documented medical home within 3 months of enrolling or at recertification
<b>Family of Measures: Output Measure(s)</b>	Number of enrollments and recertifications
<i>If you have more than one output measure for this program, please list the <u>one</u> output measure that contains your key product for this program.</i>	
<b>Family of Measures: Demand Measure(s)</b>	Number of enrollments and recertifications demanded
<b>Family of Measures: Efficiency Measure(s)</b>	Expenditure per child enrolled or recertified



# Performance Based Budget

## 38 Health Department-At a Glance



### Children's Special Services Program

The purpose of the Children's Special Services Program is to provide payment for eligible medical expenses and care coordination services so that chronically ill children can obtain needed health care services and have a medical home.

### Results Narrative

The proposed budget for the Children Special Services Program includes maintaining funding at the current level. The program has the primary responsibility of screening and certifying Davidson County children who have special health care needs (disabilities). This program assists families in getting special medical services and equipment for their children, and has been quite successful in linking children to a primary care provider and coordinating that care. During fiscal year 2004, the program provided care coordination services to 461 children who had special health care needs. This program is important in achieving the departmental goal of providing health care access by linking citizens to a primary care provider.

### Program Budget & Performance Summary

	2004 Budget	2004 Actual	2005 Budget	2005 1 <sup>st</sup> Half	2006 Budget
Program Budget: Special Purpose Grant Fund	...	...	\$678,000	...	\$682,000
FTEs: Special Purpose Grant Fund	...	...	0.00	...	0.00
<b>Results</b>					
Percentage of Children Special Services Program children who have a documented medical home within 3 months after enrolling or at recertification	NA	NA	NA	80%	95%

# Operational Performance Planning

- Organized around a common “structure”
- Focused on Purpose
- Meaningful Measurement

# Structure

## ■ Services

- Lowest level of cost information
- Level at which outputs, demand and efficiency are measured

## ■ Programs

- Level the budget is developed
- Level results are measured
- Level services are managed

## ■ Lines of Business

- Level the budget is presented
- Level the department tells its operational story to the community

# Why PSPM's?

- Creates a COMMON PURPOSE
- Enables those who do the work to share a common understanding of the purpose of their work and mutually agree on how to define “success” and tell the story
- Helps employees understand how their individual and collective efforts contribute to the accomplishment of Activity and Departmental results for customers
- Collaborative and participative process

# Telling our Story Family of Measures®

**We will produce this Result for this customer by delivering these services or products (Output), against this Demand, at this cost (Efficiency).**

# Family of Measures®

- Results
- Output
- Demand
- Efficiency

# Family of Measures®

Generates program-level performance information managers and leaders need to:

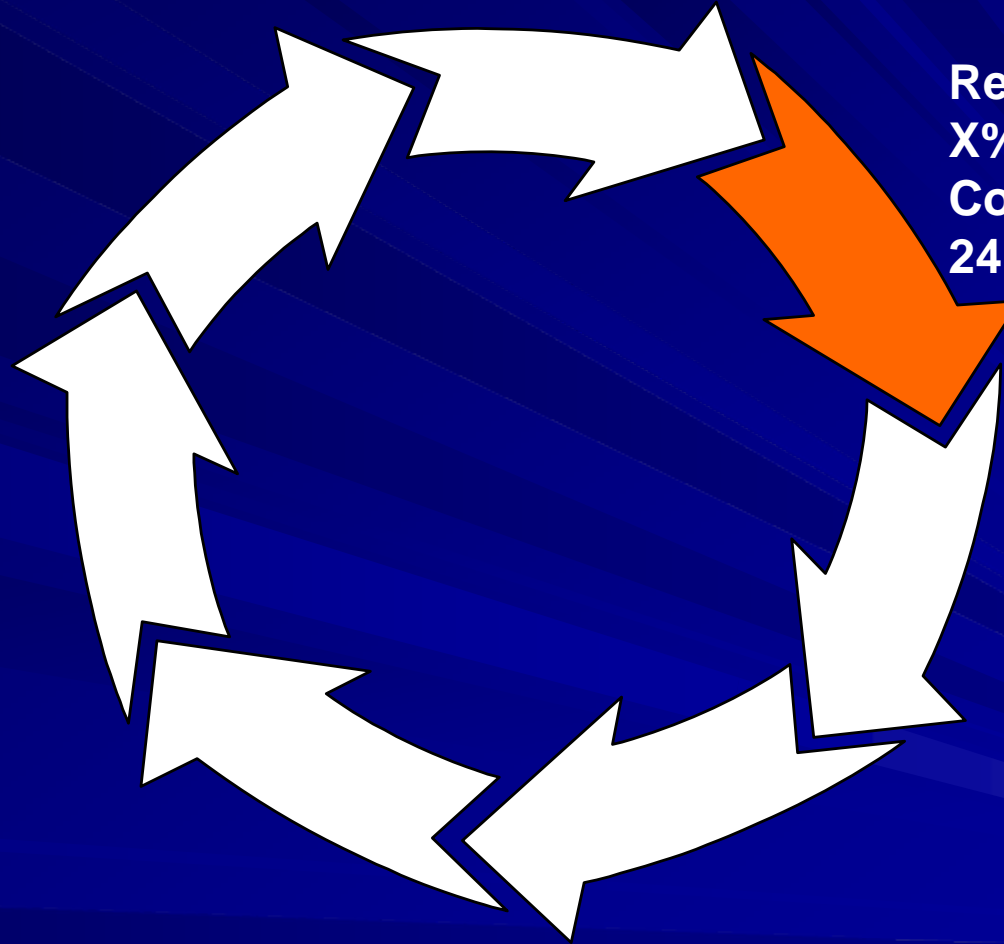
- Evaluate program success
- Evaluate program alignment with goals and priorities
- Improve service delivery
- Improve results
- Manage cost of services
- Tell the story of challenges and accomplishments
- Evaluate managers and work units

# Developing Purpose Statements

The purpose of the Job Training Program is to provide job training and coaching products to individuals with disabilities so they can obtain and retain employment for at least six months.



# Budgeting for Results



**Result:  
X% of Exams  
Completed within  
24 hours**

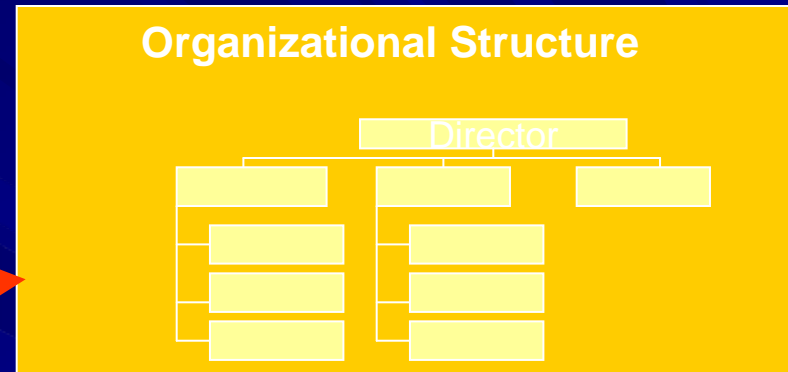
# Budget/Accounting Structure

Fund

Department/Org 

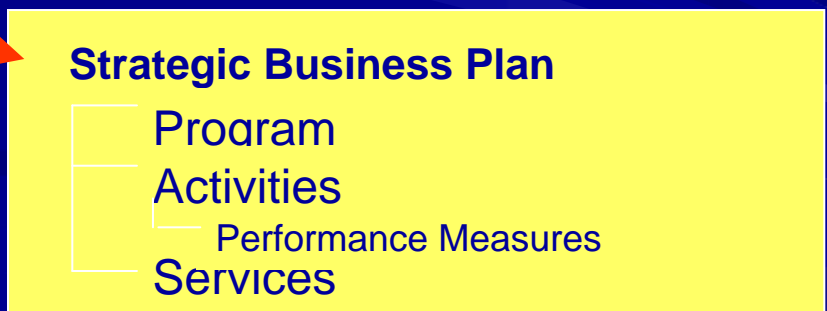
Object/Source 

Activity 



- Components**
- Personnel Services
  - Supplies & Services
  - Capital

*All revenue and expenditure transactions, including payroll, must be coded to each of these elements.*



# Performance Budget Best Practices

## Summary

To achieve the maximum benefit from Performance Budgeting it must be seen as an integral component of a supporting management system focused on managing in order to produce the best possible result for the customer.

# Performance Budget Best Practices

NACSLB, GFOA

Based on strategic business plan that:

- Identifies issues and outlines goals for addressing those issues,
- Reflects inputs from citizens, policymakers and other stakeholders,
- Includes performance measures for tracking progress in meeting goals,
- Includes the proposed strategies for achieving results and the expenditures required, and
- Is communicated and understood by stakeholders, including employees

# Performance Budget Best Practices

- The same structure (programs, activities) is used for planning operational performance *and* accounting for expenditures.
- This consistent structure demonstrates performance accountability to the public.
- The budget is presented in a format that communicates effectively to policy makers, the public and to employees.
- Performance information allows managers to have the information they need to better manage financial, human, and information resources so they can produce better results for customers.
- Performance information is meaningful to policy makers and the public; facilitates comparisons with other entities.

# Budgeting for Results Defined

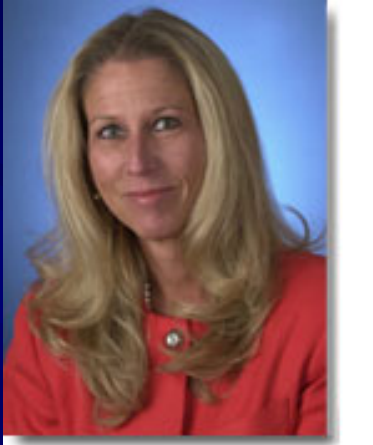
Program Based Performance Budget is a budget which is structured by organizing Services around Results for customers into Programs and Lines of Business, and budget decisions are informed by performance information about those Programs and Lines of Business, especially in regard to the measurable results they achieve for customers.

# Performance Budgeting

## *Why do it?*

- Informs resource allocation decisions by showing the impact of proposed expenditure alternatives
- Changes the budget conversation to what the customer will get rather than what the customer will pay
- Creates stability in the budget process over time and through political transitions

# Value of Managing for Results



*We would never have been able to achieve the reductions we have had to make in our programs during this fiscal crisis without the information developed through business planning. Now MFR is how we do business.*

**Toby Futrell**

**Former City Manager, City of Austin**

**2002 governing conference**

# Success in the Budget Process

- Did we make a change?
- Was the budget adopted quickly?
- Were decision makers happy when they are done?

# Simplicity in the Budget Process

- Program structured, performance based budgets are simpler for elected officials and the public to understand
- Austin City Council – “We understand the budget better than we ever have before.”
- Council adopted the budget in less than ½ the normal time

# Simplicity in the Budget Process

- Simplify the budget and amplify performance
- Collect the information and decide what to emphasize
- We have done this in several places and we are yet to find an accounting or budgeting system that cannot accommodate this change
- Makes clear what the choices are –  
Austin Traffic
- Don't be afraid of 'bad news' –  
Austin Fire

# Success in the Budget Process

## ■ Maricopa Success

- \$100K Changed in \$2.5Billion Budget

## ■ Franklin Success

- 16 of 32 agencies propose budgets lower than prior year

## ■ Austin

- Aids Tough Decisions in Tough Times

# Making Tough Decisions in Tough Economic Times

- Alignment

- Performance

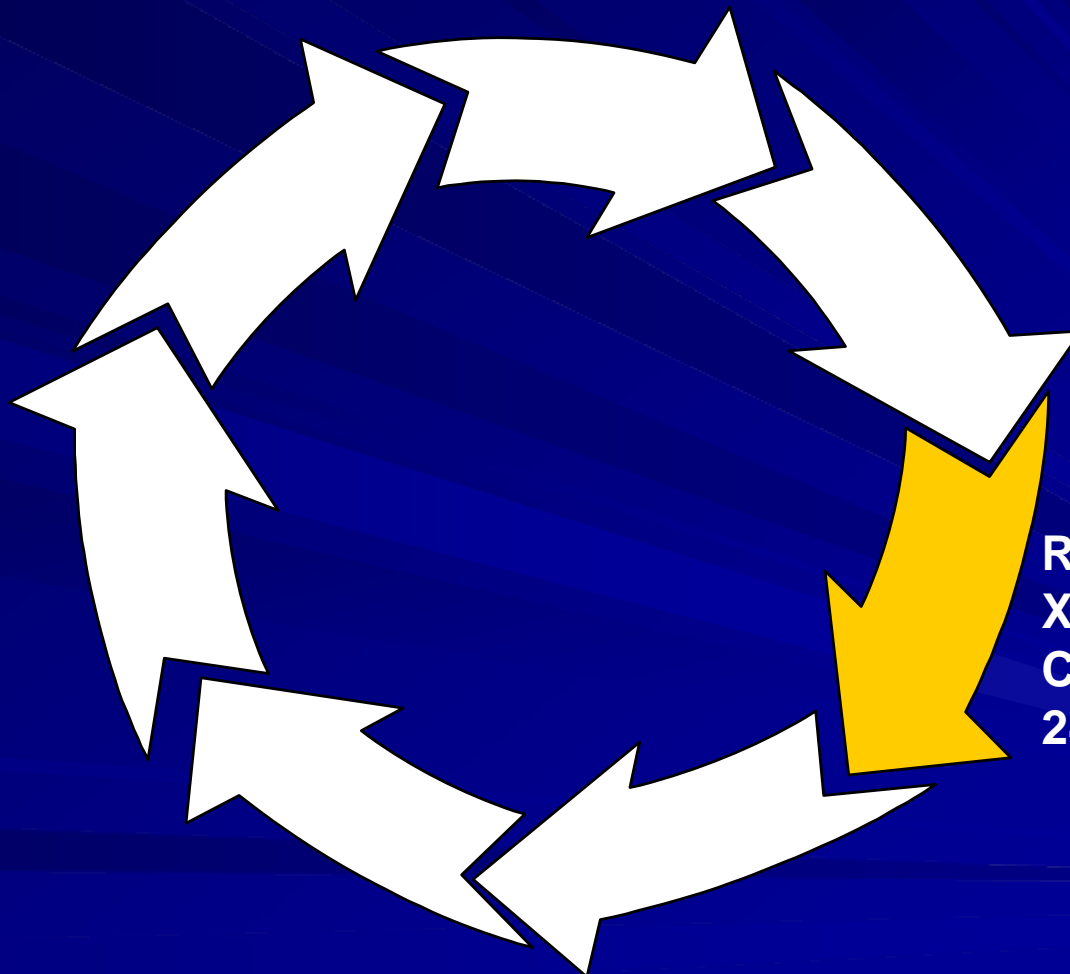
# Manage Expectations UP

- Customer and elected official expectations are difficult to clarify
- Expectations can change continuously over time
- Budgeting For Results significantly helps City Manager and Department Directors clarify expectations
- Performance Measures tie performance expectations to money – stop the madness!

# Lessons Learned

- Stay with the overall process – keep working on all parts of the MFR cycle, not just one part.
- Build performance measure databases as soon as possible, and start regular reporting.
- Keep discussion and training going, make sure that new managers and employees get the same preparation as those present at the start.
- Make Budgeting for Results a prerequisite for funding, and stick with it – limit significant funding allocations that are not supported by measured performance and results

# Employee & Contract Performance Management



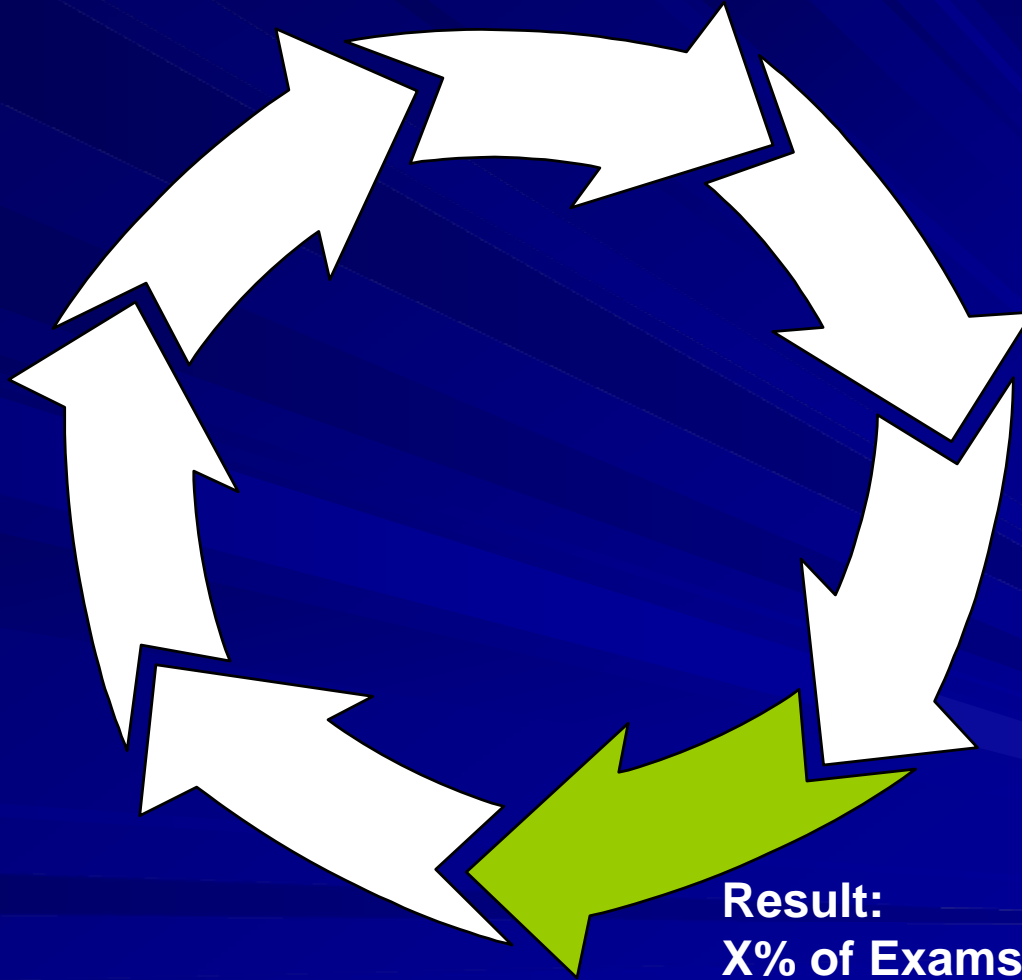
**Result:  
X% of Exams  
Completed within  
24 hours**

# Manage Performance Down

## EPM Integration

- Department executives and managers need to know they can articulate, initiate, reinforce, recognize, and reward the performance that will achieve the results for which they are themselves accountable
- Department strategic and operational plans are implemented by frontline employees
- EPM Integration makes it possible for department to actually implement their Strategic Business Plan

# Performance Data Collection



**Result:**  
**X% of Exams**  
**Completed within**  
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# Performance Data Collection

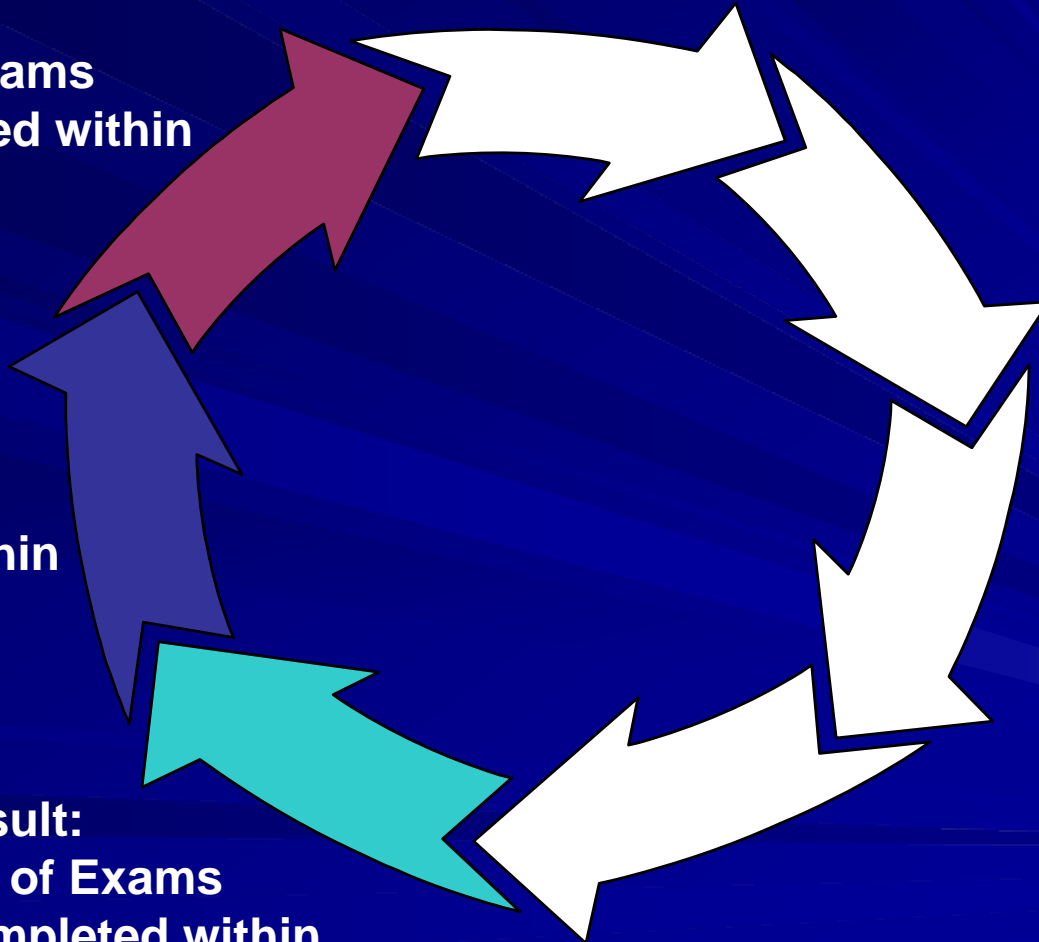
1. Define Measures - Data Definition Template
2. Define Roles in Data Collection
3. Provide BI system for recording & reporting
4. Accurate, consistent data for decision making
5. Credibility is on the line with quality of data

# Reporting, Evaluating Results and Decision Making

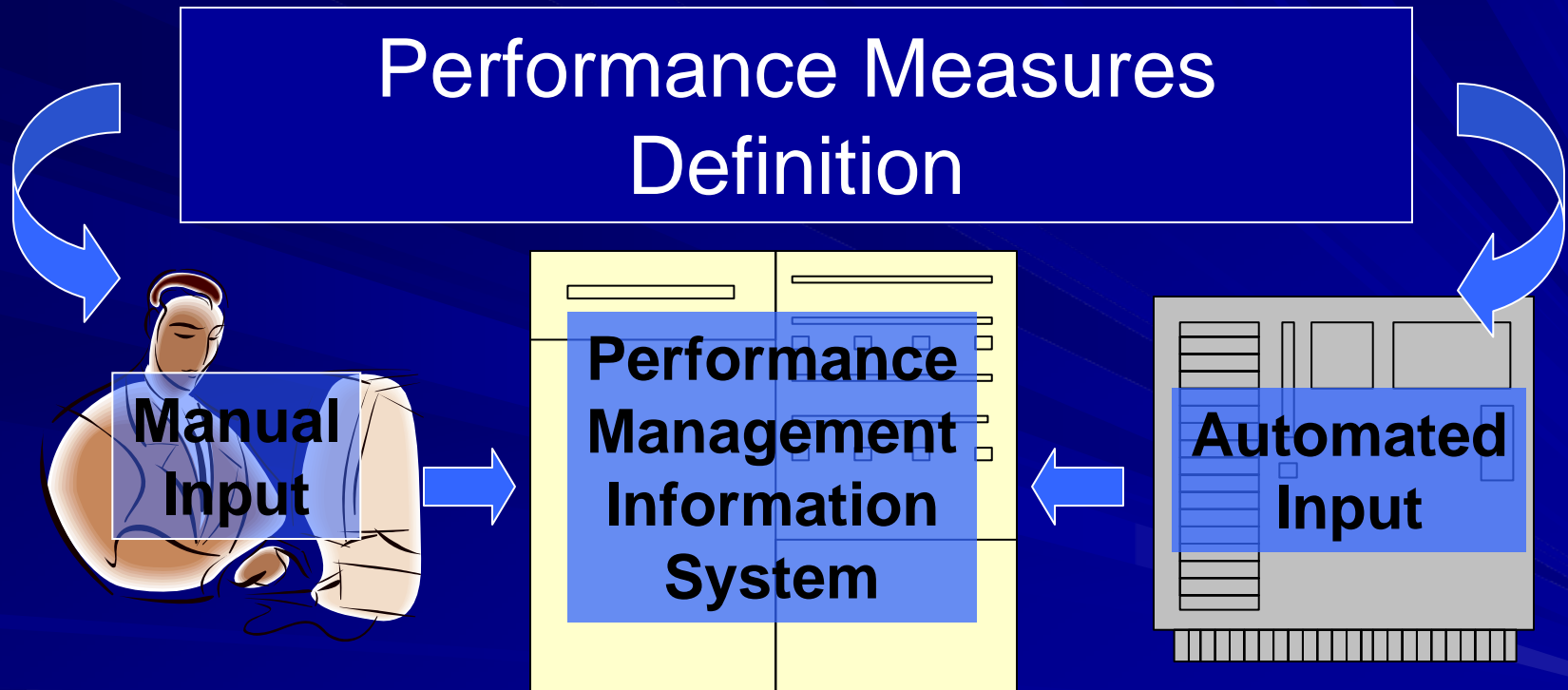
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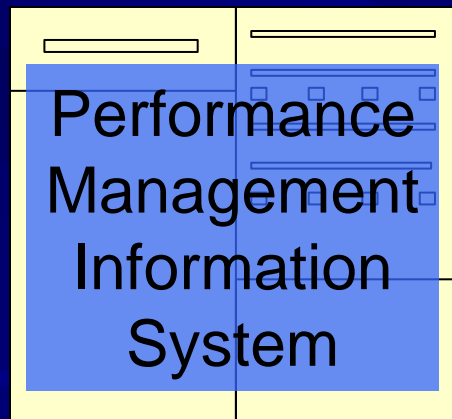


# *Managing For Results:* Measuring Results



# Managing for Results: Performance Reporting

COMPILE



REPORT



REVIEW

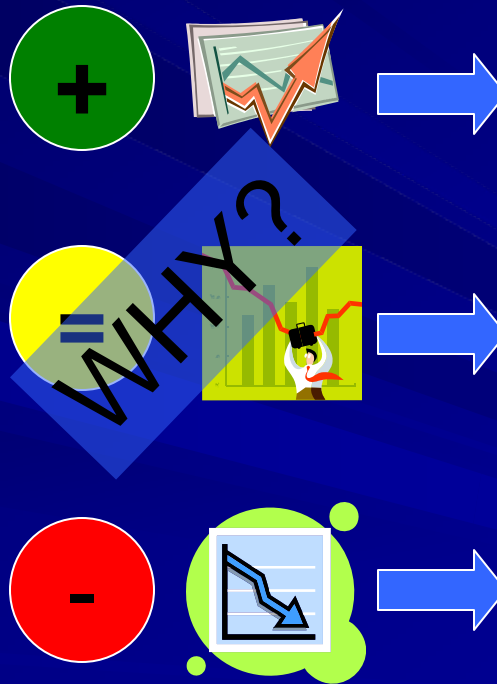


# Focus On Results: Evaluating Results

## REVIEW



## EVALUATE



## IMPROVE

- Verify Success
- Reward Success
- Spread Success
  
- Are we on the edge?
- Can we do better?
- Should we do better?
  
- Performance Audit
- Improvement Plan
- Lower the Target?



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