

## INTRODUCTION

While the policies that govern the implementation of the budget are detailed each year in the budget resolution, there are specific policies, guidelines and major issues that underlie the development of the budget itself. This section is designed to give the reader a more comprehensive understanding of the thought process behind the preparation of Washtenaw County's 2004/05 biennial budget.

- Budget Process Overview – Beginning on this page, a general overview of the budget is discussed, laying out the major stages, components and timeframe for the completion of the budget.
- Budget Principles – Given the challenging economic situation, principles were developed and followed throughout the budget process to help ensure the appropriate use of limited resources. These principles are outlined on page B-3.
- Business Improvement Process – The Business Improvement Process (BIP) has transformed Washtenaw County into an organization that focuses on accomplishments, improvements and measures. A discussion of how the BIP began and how it informs budget discussions begins on page B-3.
- The 2004/05 Integrated Planning Process – An overview on the county's approach to business and strategic planning and how it framed the 2004/05 budget development begins on page B-6. This section outlines the major issues and the strategic initiatives underway within the county to help move the organization towards its vision of Community Impact. These initiatives begin on page B-11. There is also information on the major financial constraints that had to be dealt with in the 2004/05 Budget and the major reductions that resulted (page B-22 through B-29).

## BUDGET PROCESS OVERVIEW

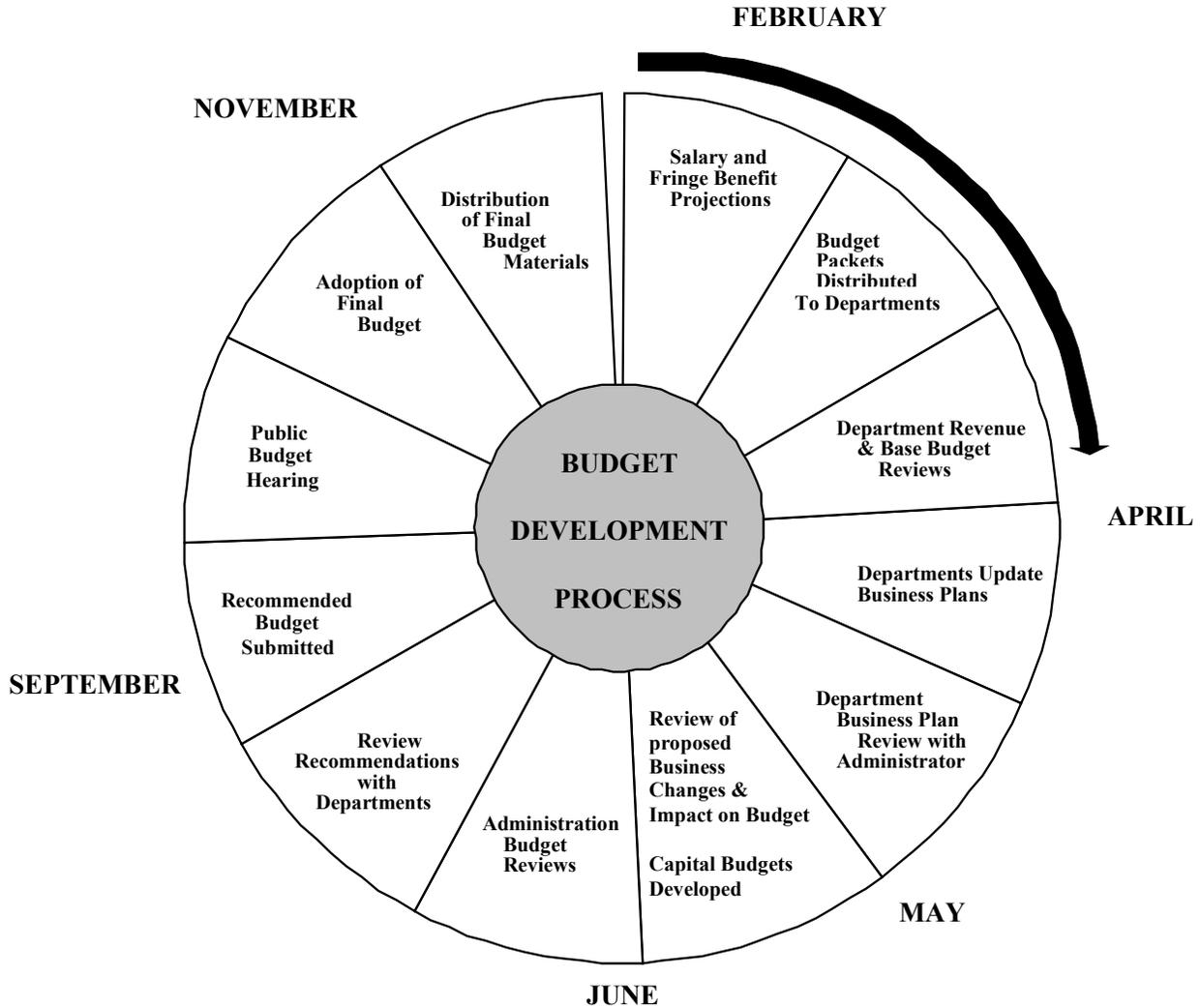
Washtenaw County's fiscal year begins January 1 and ends December 31. Preparation for the County's biennial budget encompasses a period of over ten months every two years, with the majority of work being completed during February and November. Many factors influence the direction of the budget, most notably the economy and outside funding levels, the priorities of the Board of Commissioners, and the vision of the Administrator. Each two year budget process is unique given the internal and external influences, but the basic budget process structure remains the same.

The budget process begins with a determination of revenue projections and base budget levels. Reviews are held with departments for a discussion on their current operations and resource needs. The base budget assumes we maintain the current operations into the future without major adjustments or enhancements. Personnel cost projections are calculated and indirect service costs for user departments are developed. The budget manual, forms and instructions are distributed so everyone understands the direction for the organization and what is expected of them throughout this process. Conversations then begin with internal county departments and outside agencies to determine any appropriate adjustments to the base budget levels that are needed to move the organization towards its priorities and to develop a balanced budget. The structure for these discussions vary significantly each cycle depending on the fiscal situation.

A recommended budget is then prepared and presented to the Ways & Means Committee of the Board of Commissioners, and a public hearing is held. Preliminary budget documents are printed, giving fiscal and narrative detail of departmental budget requests and modifications.

**BUDGET CALENDAR**

The following shows the general timeline for the standard budget process:



**BUDGET ADJUSTMENTS**

After adoption of the budget by the Board of Commissioners, the budget resolution becomes a legal guideline for County fiscal operations. The Board adopts the budget both by fund and by fiscal activity within funds, and approves specific position modifications. The Board also sets out specific written policies/procedures/rules for a variety of operating activities such as budget adjustments, position modifications and limitations on certain line items. Adjustments to the budget can be made one of two ways: either through a Board resolution or an inter-departmental transfer. Generally, Board resolutions are necessary when a budget adjustment involves an increase or decrease in revenue or movement between county funds or organizations. The County Administrator is authorized to make adjustments in budgets not to exceed 10% of a total program or \$100,000, whichever is less, with the exception of Unearmarked Reserves.

## BUDGET DOCUMENTS

The Budget Office works to ensure that there is clear and open communication during the entire budget process. The following documents are prepared:

Budget Manual – Including an overview of the process; communication on the vision, priorities and goals of the Board and County Administrator; detailed procedures and sample forms. It is distributed at the beginning of the process so there are clear expectations set between the Budget Office and the rest of the organization.

Budget Summary – Includes information about current issues in and priorities of the county, charts and graphs, personnel information, the budget resolution and departmental summaries. Both preliminary and final copies are printed. This is also available online at <http://www.ewashtenaw.org/> for the general public to view.

## BUDGET REDUCTION PRINCIPLES

It became clear early in the development phase of the 2004/05 budget process that the external factors influencing the county fiscally were bleak. The world experienced the effects of September 11<sup>th</sup>, layoffs were occurring regularly throughout the job market and the State began using its reserves and operating with a deficit. In anticipation of a reductionary budget, cost reduction principles were developed. These principles have been used throughout the process when making decisions on the most effective use of limited resources. The principles include:

- Maintain core/mandated services
- Minimize community impact
- Attempt to find alternative funding for State or Federal cuts
- Identify and implement administrative efficiencies
- Distribute reductions across populations and providers
- Maintain commitment to infrastructure
- Support the County Guiding Principles.

This reality meant that this budget was more than just dollars, but it was about keeping the commitment to the community, to the citizens of Washtenaw County, to provide the services they need in an efficient and accessible manner, and at the same time finding a way to do it for a reduced cost. The budget process became more focused than ever before on the business of the organization. The 2004/05 budget process was referred to as the “Planning Process”. This stressed to the organization the integration of the strategic planning aspect of the Business Improvement Process and the development of the biennial budget.

## A NEED FOR TRANSFORMATION

The Business Improvement Process originated during the development of the 1996/97 Budget and grew out of the need for transformation in Washtenaw County government. Three major factors created the sense of urgency to make changes.

1. **Lack of confidence in government:** Although it is sometimes anecdotal in nature, it is well known at most levels of government that citizens want better, more accessible service and they want it at a lower cost.
2. **State and federal cutbacks:** An issue for many local governments. Through “devolution” an increasing number of programs that were previously state and federally run have been handed down to local government. While local governments may be better suited to provide these programs because they are closer to people being served, the dollars rarely follow the mandates.
3. **Organizational culture of Washtenaw County:** The workforce felt stifled by the entrenched bureaucracy and lack of meaningful work. The county was operating in a financial “crisis mode” because few reserves had been set aside to meet unanticipated financial situations. By operating in this manner, the county leadership spent their time and energy dealing with the next crisis rather than on long-term planning and “creating the future.”

When translating those three factors into financial terms, the situation was bleak:

- In fiscal year 1993 the County was confronting a \$1,000,000 shortfall
- A property tax freeze was enacted in 1993
- With the 1994/95 Budget process, there were projected shortfalls of \$1,000,000+ in each year, and 20 General Fund supported positions were eliminated.

In preparing the 1996/97 Budget, the County leadership took a longer-range perspective and developed a budget that was balanced for a five-year time frame. A new voter referendum (Proposal A) enacted in 1995 was expected to greatly limit property tax growth. Initial projections indicated a \$3,000,000 shortfall in the year 2000 and \$7,800,000 cumulative shortfall for the five year period. To meet the commitment to balance the budget, 19 General Fund supported positions were eliminated in the 1996/97 Budget, with 20 more eliminated in the 1998/99 Budget.

The County could not go on eliminating positions and operating at status quo. It became increasingly apparent that the County needed to transform the way it conducted business in order to remain a viable organization into the 21st century. The Business Improvement Process was created to transform the way the County does business.

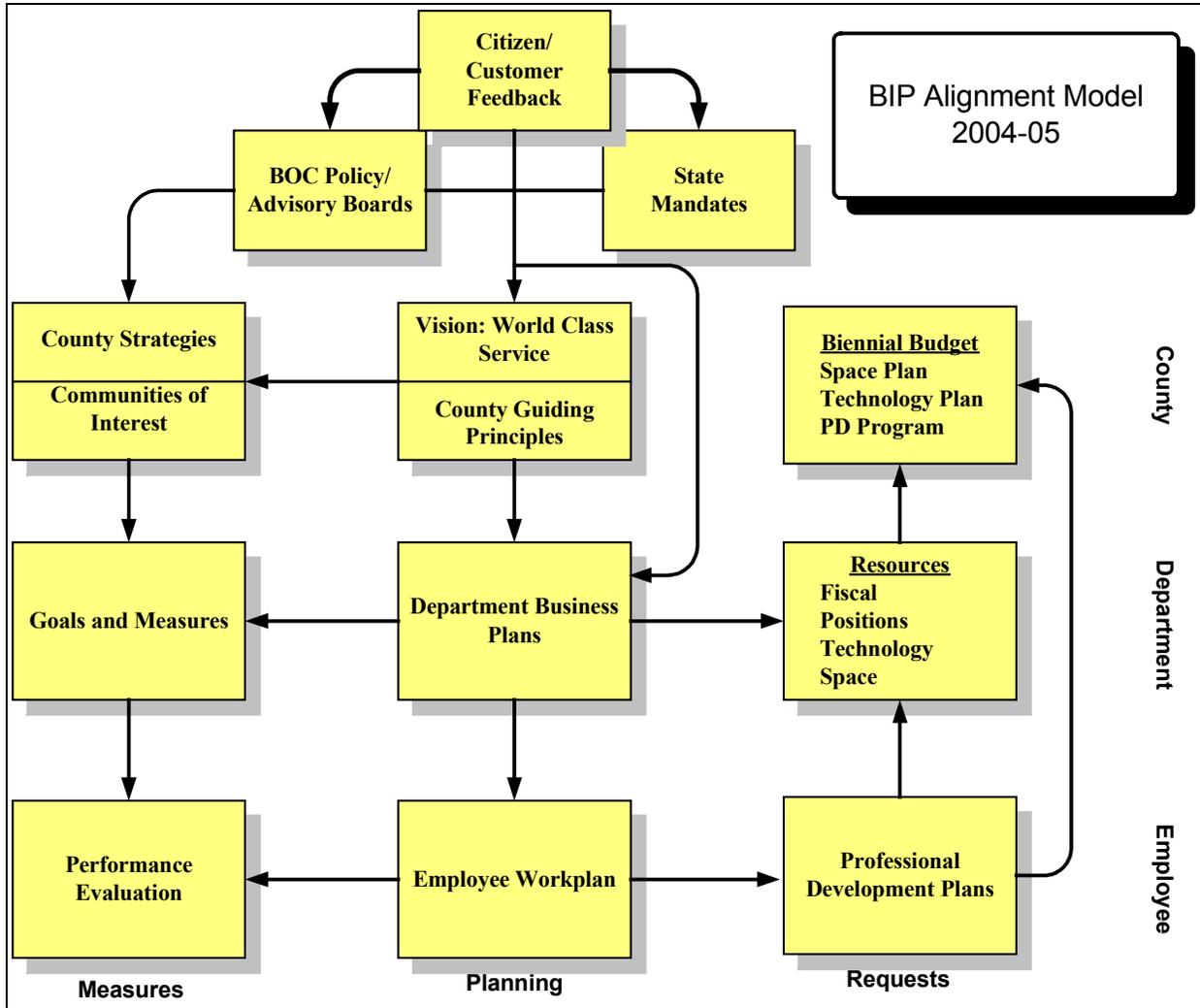
### **OVERVIEW OF THE BUSINESS IMPROVEMENT PROCESS**

The purpose of the Business Improvement Process is to ensure the maximum level of efficiency and effectiveness in the provision of services to Washtenaw County residents. This is accomplished through the comprehensive alignment of resource allocation, collaborative program efforts, efficient processes, and a well-trained and motivated workforce.

The goals of the Business Improvement Process are to:

- Develop a budget process that ensures resource allocation based on outcomes
- Ensure county-wide alignment through the use of business plans with performance measures
- Equip the workforce by providing resources, training, direction and employee involvement
- Develop measures that support the County Guiding Principles
- Focus on customer satisfaction
- Become a learning organization that focuses on using data to drive decisions.

To accomplish these goals, to better serve customers, and to improve internal operations, the county established an alignment model. This alignment model includes all aspects of the business improvement process and ensures that any new improvement projects are supported by the direction given by the Board of Commissioners, the State of Michigan, and direct interaction with the citizens of Washtenaw County. This alignment model also helps to show how individual efforts at the employee level will advance the goals and operations at the department level and how departmental goals support organization-wide initiatives.



**Diagram A – Washtenaw County Alignment Model**

This is the model used in the development of the 2004/05 budget. The Planning Process walked the organization through these steps by breaking it down into the following stages:

- I. Identify What We Need to Do – this first stage represents the top three boxes of the alignment model by evaluating the needs of our customers, the mandates imposed on us by other governmental entities and the priorities/direction from the County Board of Commissioners;
- II. Set a Future of What We Want to Achieve – the County Administrator sets a vision to challenge the organization to think about how we can operate differently and to realize the potential we all have to make a difference to our customers and to the community;
- III. Define How to Reach Our Desired Future – a desired state and action steps for how to move towards that future were set at multiple levels throughout the organization, ensuring that there was alignment at each level so the common vision was being advanced;
- IV. Define Business Operations and Assign Resources Needed to be Successful – each department updated their business plan to reflect their current operations and the need for resources including space, technology, professional development and operational dollars was assessed;
- V. Assemble Recommended Budget and Present to Board for Review, Revision and Adoption.

The concept that distinguishes Washtenaw County’s alignment model from others is the departmental business plan, which serves as the cornerstone of the alignment model and the budget process. Departments must engage their customers, improve the provision of state mandates, and implement Board policies prior to discussions about resources. These business plans include all of our operations and detail what is being accomplished for the customer as a result of our operations. Administration advises the Board to invest more heavily in those departments that articulate and measure this customer impact and have proven success in the past. Without this alignment, community resources would not meet their highest value and Washtenaw County would revisit the difficult times faced in the early 1990’s.

## **THE 2004/05 INTEGRATED PLANNING PROCESS**

### **I. IDENTIFYING WHAT WE NEED TO DO**

#### **GATHERING CUSTOMER FEEDBACK**

During the past decade, Washtenaw County has transformed the way it conducts business to focus on customers. This is evident in the county’s adoption of the philosophy of the balanced scorecard approach. Details on the balanced scorecard can be found on page B-11 of this section. The basic premise is that there are multiple tiers of cause and effect relationships that lead to our desired outcomes. When used in the private sector, making a profit is generally the desired result. In its role as a public service provider, it is quality customer service that is the driving force for Washtenaw County. The following major initiatives to enhance customer service have recently been undertaken: customer needs assessment through Communities of Interest, customer engagement, local unit outreach, and internal employee surveys.

#### *Customer Needs – Communities of Interest*

The 2004/05 planning process was framed around the concept of Communities of Interest. One of the chief components of this planning process is to take a very comprehensive and systematic look at our common customers and the services that we provide throughout the County. To do this, the previously established priorities of our Board of Commissioners were used to establish seven Communities of Interest:

- Public Safety & Justice
- Planning, Development & Environment
- Health
- Children’s Well-being
- Homelessness & Housing
- Revenue & Record Keeping
- Support Services.

County department heads and key program managers partnered with locally elected officials from townships, villages and cities, the staff of these elected officials, representatives from local not-for profit organizations, and representatives from the private sector to discuss strategies to improve the Washtenaw County community and provide the services most needed by our citizens. These strategic discussions took place in September and December of 2002 during which time participants were asked to identify how customer behaviors and expectations will change in the next five to ten years, what opportunities we can take advantage of, and begin to develop strategic goals for our organization and our community. The outcome of these discussions framed future conversations internal to county staff to determine how to begin working as a system to enhance service while reducing costs.

#### *Customer Engagement*

One goal of the Business Improvement Process is to focus on customer satisfaction. Toward this end, Washtenaw County has committed to have all departments involve customers in identifying ways in which services can be improved upon. To assist departments in this effort, and with the assistance from Eastern Michigan University’s Institute for Community and Regional Development, County Administration sponsored the development of a *Customer Service Toolkit*. This toolkit is designed to help department heads and program managers select the best techniques for securing customer feedback for their programs and services. Washtenaw County provides a diverse range of services to varied customers so there is not a unified approach to involving customers in the evaluation of

our processes. What may be appropriate for one department may not be appropriate for another, so a variety of customizable tools were developed by county employees. Examples included in the toolkit are customer surveys, interviews, focus groups, comment cards, advisory committees, and secret shoppers. Each department rose to the challenge and those who relied on quantitative data gathering techniques will have satisfaction measures and targets reflected in their business plans.

#### *Local Unit Outreach*

All citizens of Washtenaw County are also citizens of the various townships, cities and villages that are contained within the county. In many cases, these citizens may not be aware of whether certain public services are offered by the county or by one of these other local units of government. The goal of the Local Unit Outreach project is to partner with these local units to enhance the quality of life of county residents. This is done by sharing County infrastructure with Local Units (LU) of government in Washtenaw County so Cities, Villages, and Townships have free access to the Internet, an informational website that is consistent with other LU sites in Washtenaw County, email accounts specifically branded for the LU, and access to Washtenaw County's Professional Development program.

The primary focus of the Local Unit Outreach team is on educating the locally elected officials and their staff, assuring they receive world class service when interacting with the County. This is achieved by working with the Local Units to develop, maintain, and expand an informational website that serves the business needs of the LU and the information needs of their constituents. Thus far we have worked with fifteen (15) Local Units to develop web sites and provide these services.

#### *Internal Employee Surveys*

Many county functions are centralized for the purpose of providing efficient, high quality services to employees of Washtenaw County Government. Toward that end, a survey of Support Services has been conducted in 2002 to gauge whether employees are satisfied with centralized services including facilities, technology, payroll and professional development. The questionnaire was again distributed in 2003. The responses were analyzed and served as the basis for restructuring the way in which Support Services are delivered. Those departments who participated in this survey will have employee satisfaction measures and targets included in their business plans.

A second survey that has been used to help shape how Washtenaw County is structured and how services are provided has been our Organizational Capability Survey (OCS). This survey, which is conducted every other year, is distributed to all employees. Nearly 100 questions are asked of employees. These questions fall into general categories including customer service, communication, teamwork, and supervision.

The internal surveys have also served the purpose of demonstrating to employees the importance and value of asking others for feedback. When employees are asked to help shape the future of Washtenaw County, departments are more likely to ask their customers to help shape their individual operations. Although the answers we receive from customers may not always be complimentary, customer engagement has proven to be the most effective way of identifying how operations can be changed to enhance customer service. It is also very consistent with the underlying principles of a democratic society.

### **STATE MANDATES**

Like all counties in Michigan, Washtenaw County's primary responsibility is to provide services to its citizens – many of which are mandated by the State and Federal levels of government. Over 70 percent of county functions are mandated through a variety of State statutes and case laws. Changes in State policies and legislation can have significant impacts on county operations. Included in these mandated services are the elected offices of Clerk/ Register of Deeds, Drain Commissioner, Prosecuting Attorney, Sheriff and Treasurer. All Court functions are also mandated and managed as a separate branch of government determined by popular election of judges. Various state statutes also mandate several human service and environmental functions, including mental health services, communicable disease control, restaurant inspection and others.

But while the State mandates what services are provided, they normally do not mandate the way in which those services are provided. So the above elected officials and department heads usually have discretion over the

processes that enable the provision of mandated services. Washtenaw County has been in the fortunate position of having several elected officials recognized as leaders in their field.

*Changes in State Government*

In 2002, a new governor for the State of Michigan was elected for the first time in twelve years. In addition, over half of the members of the legislature were elected to a first term. This new group of elected officials took office under difficult times faced with significant issues, including a projected budget shortfall, increasing unemployment rate, heightened costs for health and retirement, stagnating state revenues, and a reduced workforce as a result of a recent early retirement option to qualifying State employees. The governor's office and state legislatures have been working hard to adopt a balanced budget by their October 1 deadline.

While the long-term direction for the new governor and legislature is not clear, there are two impacts from the current budget discussions that are clear. The first is a reduction in the amount of revenue sharing available to all local units of government and the second has been a decreased commitment to certain human service programs, including those provided through our departments of Public Health and Community Support and Treatment Services.

Washtenaw County anticipates that the financial constraints at the State level will continue for the foreseeable future. Our ability to adapt to state mandates and cutbacks will in large part dictate our ability to be successful. Constitutionally set term limits of statewide executive and legislative positions ensure that there will continue to be changes in the statewide offices, making shifting priorities likely.

**BOARD OF COMMISSIONERS**

Members of the County Board of Commissioners are elected every two years and represent members of a district. Each district includes approximately 27,000 residents. Board members are elected to establish policies for the county, oversee the appropriate provision of mandated services, and represent the needs and concerns of their districts.

After each national census, County boards are required by statute to redistrict in order to ensure that the districts are representative of changes in population. A special group convenes each decade to discuss this issue toward the end of agreeing upon new districts for the Board of Commissioners. Included in this group are the publicly elected officials of County Treasurer, Prosecuting Attorney, Clerk/Register of Deeds, as well as the chair of the local Republican Party and the chair of the local Democratic Party. This group is also charged with determining the number of county commissioner districts for the next ten years. The group held public hearings and met several times in 2001 and decided to change the number of county commissioner districts from 15 to 11 effective January 1, 2003.

Washtenaw County also has a variety of advisory boards and commissions that are either established by statute or are created by the Board of Commissioners to handle specific areas of expertise or are established by other elected officials or departments to advise on policy and customer service. In total, there are over 70 such boards, commissions, committees, and advisory councils that meet to either advise the Board on policies, advise departments on service delivery, or otherwise manage operations and resource allocation. A comprehensive list of these boards and commissions can be found on our website, [www.eWashtenaw.org](http://www.eWashtenaw.org).

One of the Board's mandated responsibilities is to adopt a balanced budget every year and its development is time consuming and detailed – a major commitment for the Board and the Administrator's staff. Since 1994, Washtenaw County has produced a biennial budget that includes funding decisions and priorities for a two-year period. The benefits of this are that it encourages a long-range approach to funding decisions and it allows for greater focus in implementing Board priorities in off-cycle years. A balanced budget is proposed in the off-budget years as well, but this is usually a less intensive undertaking.

*Board Areas of Consideration*

The results of the Community of Interest discussions were presented to the Board of Commissioners by the Administrator and department heads. The Board of Commissioners used reports from the Communities of Interest

to develop strategies for the County to improve upon over the course of the next few years. Nine specific focus areas were identified:

1. ***Continuum of Sentencing Options*** – Jail overcrowding has put a premium on alternatives to jail sentencing but, at present, there is no comprehensive listing of options to gauge gaps and overlaps within the County correctional and justice system. Needed attention to two gaps in this continuum is clear-cut: pre-trial incarceration (consistently, almost half the jail’s population is there awaiting trial); and re-integration or re-entry services for inmates.
2. ***Mental Health Services and Corrections*** – The State’s Mental Health system re-design has increased the number of mentally ill persons in the judicial system, creating distinct sets of problems. Implement a coordinated initiative with other Communities of Interest (Health, Homelessness) to find and divert the mentally ill in the judicial system, ensuring treatment options as appropriate, and alternatives to incarceration as necessary.
3. ***Information and Referral*** – Currently there is no encompassing repository of available resources and accessible services in the County, nor is there an effective and credible means of updating and communicating such information. For virtually all of the Communities of Interest this gap was identified as an impediment to effective, efficient and reliable service delivery.
4. ***Comprehensive Plan*** – One of the County’s most important obligations has also been identified as one of its biggest barriers to successful governing: the need for a County-wide comprehensive plan to provide direction and coordination for every aspect of this community’s growth. Develop and market a County-wide comprehensive plan that addresses current and future sustainability –economically, socially and environmentally. The plan would also include a strategic housing perspective. It would involve integrating all stakeholders as goals are set, track and market key sustainability factors, and coordinate sub-regional and local unit planning efforts.
5. ***Access to Healthcare*** – Access to healthcare and healthcare coverage was identified as the most ingrained and costly barrier to making Washtenaw County a healthy community. The customer’s perspective has been lost in the expansion of decentralized healthcare systems. Thoroughly integrate the network of healthcare coverage within Washtenaw County government (Public Health, WCHO, CSTS, WHP, ETCS) and bring it into alignment with private sector initiatives. Once gaps and duplication of services have been identified, develop nontraditional sites and methods for health promotion, healthcare delivery and healthcare coverage.
6. ***Strengthened Relationships with Local Units of Government*** – There was significant agreement by Local Unit representatives who participated in the Communities of Interest that County – Local Units relationships must be improved and strengthened. Create an overall strategy to facilitate better communication between County government and Local Units of government that would market existing County services, coordinate individual strengths and continue discussions on County-wide technology integration.
7. ***Coordination of Services for Children*** – There is little coordination of services for children as they age. Often as a child progresses beyond a program’s age limits, there is no mechanism to ensure that services still needed will continue to be provided. Create a process that will invite stakeholders in this Community of Interest, especially the schools, to collaborate and share information on available services. Review these information systems for possible integration, and utilize this Community of Interest as a communication vehicle to make citizens aware of better, more coordinated services.
8. ***Treatment Options for Youthful Offenders*** – This Community of Interest identified serious gaps in treatment alternatives for youth-at-risk and youthful offenders. Convene discussions with area stakeholders on the creation of alternative placement programs for youthful offenders. Facilitate the discussion of possible alternative substance abuse programming for youth-at-risk.
9. ***Environmental/ Public Health Regulation and Protection*** – To sustain and strengthen the ability to protect the health and safety of Washtenaw County residents and natural resources and to meet new challenges in rapidly changing times. Communicable disease and bio-terrorism can pose immediate threats

to the public welfare while pollution and poor environmental policy can pose long-term threats to future generations. In either case, effective communication and coordinated plans and policies that cross jurisdictional boundaries are the best way to ensure a sustainable community.

These nine focus areas are the major efforts that Washtenaw County will tackle over the course of the next few years. Each of these areas cross traditional departmental boundaries, thereby requiring departments to reexamine the processes that are currently in place to deliver services. Most of these areas also require that relationships with other governmental units, the not-for-profit sector, and the private for-profit sector be strengthened in a coordinated fashion (Guiding Principle #7). They all set the direction for the future.

## II. SETTING A FUTURE OF WHAT WE WANT TO ACHIEVE

### COUNTY VISION AND GUIDING PRINCIPLES

Among the most important functions for the Board of Commissioners is to provide leadership and direction to Washtenaw County's 1400+ employees. The Board sets the future by identifying what the County will achieve and establish the priorities of the community. The County Administrator then takes this direction back to the organization and works to build it into the culture of the organization. This leadership is captured in the county's vision and guiding principles. The county vision states that:

**Washtenaw County will be a world-class service provider.**

This vision for Washtenaw County was established in 1998 as a challenge for what excellent public service could be. A part of this vision is driven by a need to shape our organization around our customers. That vision is a picture of any citizen walking into any County building for any reason and getting excellent service while increasing our capacity to provide services to our customers through the Internet and other modern tools.

Since 1998, this vision has evolved into a vision that goes beyond our capacity to provide services in a courteous way and being prompt and efficient in our transactions with the public, to a vision that inspires each employee to identify opportunities to change the way we do business to positively impact the community. It is a shift in a vision representing "World Class Service" to a belief that the county can create a "World Class Community". This is a vision that understands the complexity of the issues facing our customers. And this is a vision that seeks solutions and finds them in this diverse and resource-rich community and seeks to impact the overall quality of life for all county citizens. Departments have been challenged to adjust their visions to express how they will impact quality of life for county residents.

The County Guiding Principles were extracted from this vision and provide the framework for the day-to-day operations of the County. All program outcomes in the departmental business plans must contribute to one or more of the following Guiding Principles.

### **County Guiding Principles**

- 1. Ensure long term fiscal stability for the County.**
- 2. Reduce the cost of conducting the County's business.**
- 3. Enhance customer service.**
- 4. Provide the necessary knowledge, skills and resources to County employees to carry out these principles.**
- 5. Ensure adequate provision of mandated services.**
- 6. Focus on the root causes of problems that affect the quality of life of County citizens by aggressively pursuing prevention strategies.**
- 7. Provide leadership on intragovernmental, intergovernmental and intersectoral cooperation and collaboration aimed at improving services to County citizens.**

Diagram B (following) illustrates how the Guiding Principles and the vision have been adapted into a balanced scorecard approach, as shown in the context of four key business perspectives. The customer perspective on the top tier reminds us the only reason we are in business is to serve the citizens of Washtenaw County and everything we

do should enhance the service we provide our customers. The middle tier identifies our operations, or what we do on a day-to-day basis in order to provide customer service as well as ensure fiscal stability. The foundation of the vision, as pictured in the diagram, is to ensure the long term fiscal stability of the County and to equip employees with the necessary knowledge, skills and resources to do their jobs well.

The Guiding Principles are placed in a format consistent with the Balanced Scorecard model, developed by Robert S. Kaplan of Harvard University. This format helps identify cause and effect relationships. The arrows on the diagram represent the cause and effect relationships that exist between all of the business perspectives and, therefore, the Guiding Principles and vision. Having employees who are properly equipped leads to more efficient operations and, in turn, facilitates the County's ability to provide world-class service to our customers.

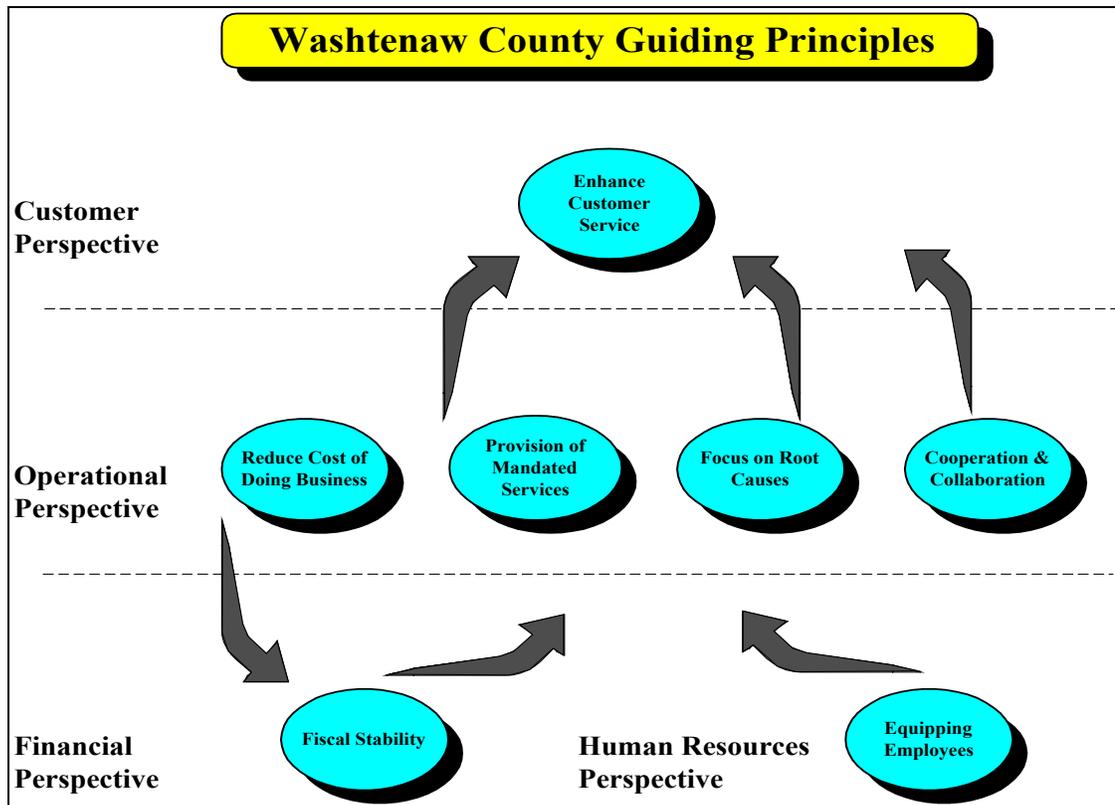


Diagram B - County Guiding Principles in the context of the Balanced Scorecard

### III. DEFINING HOW TO REACH OUR DESIRED FUTURE

Discussions about how to move the organization towards the vision occurred at multiple levels of the organization. First, internal Community of Interest discussions were held for the internal leaders of each community to identify the initiatives that must be a focus for the next two years. A summary of each major initiative is outlined below. Second, Department Heads were asked to identify goals for their individual department that aligned with these community priorities. And third, departments updated their business plan and engaged staff in integrated action planning. This process allowed employees to identify ways to change their operations to reach departmental goals that were aligned with the Community of Interest goals.

#### COMMUNITY OF INTEREST MAJOR INITIATIVE BY BOARD AREA OF CONSIDERATION

The following initiatives were identified by the organization as those that are currently underway and must be continued within the next few years to advance the identified needs of the community and the Board Areas of Consideration.

### **Continuum of Sentencing Options – Jail Overcrowding Taskforce**

The Jail Overcrowding Taskforce was established in July 2003 in response to continual over crowding in the Washtenaw County Jail. The Taskforce was put together in concert by the County Administrator, Chief Judge of the Washtenaw County Trial Court and the Sheriff. Three steps were taken to work towards a resolution of the Jail Overcrowding concern in Washtenaw County.

1. The Courts made some short term scheduling changes to help accommodate for the overcrowding.
2. The taskforce is gathering information on alternative sentencing options.
3. The Sheriff's office has connected with the National Institute of Corrections (NIC) to complete a study on Washtenaw County's Criminal Justice System. NIC will:
  - Evaluate each component and assess how well they are working in the areas of processes and coordination
  - Recommend new programs and/or modifications that the jurisdiction may wish to consider
  - Assess the capacity of the jurisdiction to modify any of the components in ways that enhance, rather than strain, the system
  - Educate the local decision makers about the decision points in the system so that they may assess their ability to manage these points.

The County Administrator is also leading the Jail Crowding Correction Space group whose charge is to make long and short term recommendations to the Washtenaw County Board of Commissioners to relieve space issues associated with the correctional facility. The group plans to have recommendations to the Board of Commissioners no later than December 2003.

### **Mental Health Services and Corrections – Mental Health Diversion**

Treatment for the mentally ill is a growing concern within Corrections. Due to the national trend of treating mentally ill individuals in the community instead of in hospitals, the State has closed many of its inpatient mental health facilities resulting in an increase in the jail population requiring mental health services. Currently the jail has approximately 28% of its population receiving mental health services. The jail is not designed for or equipped to treat many of the individuals needing mental health services. This is also an increasing cost liability. In 2002 the jail spent approximately \$140,000 on psychotropic medication to treat inmates with mental illness.

The Michigan Sheriff's Association has recognized the following factors that impact the situation:

- (1) A State mandate limits county mental health providers to only providing services for individuals who meet the criteria of 'severe and persistent mental illness' (SPMI), leaving a gap in the public sector for individuals who exhibit disturbing behaviors but who do not meet this criteria.
- (2) One aspect of mental illness is the lack of insight that mentally ill individuals have into their need for treatment leading to poor treatment compliance.
- (3) Many of the individuals who commit non-violent crimes have a co-occurring problem of both mental illness as well as substance abuse, leading to systemic problems in accessing integrated services to treat both disorders concurrently.

As a result of these concerns for incarcerated individuals who are suicidal, mentally ill or have a diminished capacity for cognitive reasoning, the Michigan Sheriff Association has sponsored a state wide three day mental health diversion training aimed at bringing key stakeholders together to identify local resources, increase awareness, and identify gaps in services. Another objective of the training is to provide police officers, who engage these individuals in the streets, with skills to de-escalate potential problems.

This state wide initiative led the county to develop a local Mental Health Jail Diversion Committee comprised of a variety of key stakeholders such as Courts, Public Defender, National Alliance for the Mentally Ill (NAMI), Community Support & Treatment Services (CSTS), local treatment providers, the Shelter and others to identify systemic solutions to divert mentally ill who come into contact with the criminal justice system due to non-violent misdemeanors. The team has begun to map out the system from pre-arrest to incarceration to identify points where

a mentally ill individual could be diverted from the criminal justice system. Gaps in services will also be identified. Currently the Ann Arbor Police department is already working with the Crisis Relief team, the homeless shelter, Mental Health providers and community mental health consumers in an effort to better serve this population.

The goals of the Mental Health Jail Diversion Committee are to:

- Provide better and more consistent level of service to the mentally ill population.
- Link individuals to community services who have been identified as needing services through contact with the criminal justice system.
- Impact recidivism by providing a more effective and appropriate mental health treatment service.
- Enhance public safety by freeing up jail bed space for violent offenders.
- Lower operating and liability cost for the county because inmates with mental illnesses require more services and attention than the average inmate. If the inmate can be treated in the community there would be a reduction of duplicated services.
- Provide a more human response to citizens who are mentally ill.

**Mental Health Services and Corrections – Jail Medical Costs**

County Administration initiated a review of medical services in the Jail. This issue has been brought to light recently due to rising health care costs in the Jail. One of the reasons for higher costs is the higher incidence of mental illness in the Jail. This issue has become a priority for the Board of Commissioners.

A work group led by Washtenaw County Administration is working on several issues confronting the Jail Population in regards to medical services. The first issue is a philosophical issue regarding the level of care given to the inmate population. The question is what level of care is appropriate to give to the inmate population and how much preventative care should the jail provide for their inmates. The County has to balance appropriate care to the inmate population versus the cost of care. It is important to note that the County Jail does not generally have inmates on a long-term basis.

**Information and Referral – 211**

What is 211? It is an easy-to-remember, free-to-the-user phone number linking people in need of health and human services with the providers of such services. With 211, callers could find help getting food, housing, child care, job training services, adult day care services, drug treatment or money to help pay the electric bill as easily as they get police help by dialing 911. This type of service is referred to as an Information and Referral phone line.

This service would also take calls for people who may want to volunteer. This proved to be very successful in the State of Connecticut after September 11, 2001. Calls to the Connecticut 211 call center jumped 20% as it served both as the official victim’s response line and also helped direct volunteers.

Washtenaw County is unique among Michigan communities in providing information and referral services, in that it lacks a centralized call center. Our county has a history of starts and stops in relation to information and referral services. Washtenaw United Way (WUW), SOS, The Ann Arbor District Library (AADL) and the NEW Center have had databases of human services and have provided information and referral to varying degrees. Many of these agencies lack the resources to keep the databases current and accurate. This results in information often being outdated and inaccurate. Other human service organizations in our community also maintain crisis information lines and/or information and referral services for their specific domain. The Washtenaw Community Health Organization (WCHO) maintains its 800 Health Service ACCESS phone line to screen callers for eligibility for mental health, public health, substance abuse, MCare-Medicaid, the Washtenaw Health Plan, and the Chelsea Help Line. Of the 30,000 calls a year to ACCESS, 4,000 are deemed eligible for services and 26,000 are referred to community providers. ACCESS also provides the community crisis intervention response, through a relationship with the University of Michigan’s Emergency Room Psychiatric Services. However, a vacuum exists in our community because we do not have a comprehensive and centralized mechanism for providing accurate information and referral. As a result, citizens are often trapped in a web of numerous calls to potential resources before locating the appropriate responses. Sometimes they give up in frustration. Only the most assertive, persistent and articulate are likely to succeed.

A feasibility study was completed in the summer of 2003 on how a 211 call center would look in Washtenaw County. Currently, a steering committee with representatives from Washtenaw County, Washtenaw United Way, Huron Valley Ambulance and the Ann Arbor Area Community Foundation have a timeline that will bring a 211 call center to Washtenaw County by 2005. This initiative is lead by the Washtenaw United Way with support from multiple organizations, including Washtenaw County, to have one centralized Information and Referral center.

### **Comprehensive Plan**

Developing, and acting on, a comprehensive plan is an important method to fulfill our obligation to protect the health, safety and welfare of our citizens. The plan includes a careful analysis of demographic data and information on conditions and trends effecting the identity and livability of our community. Results of the process include a clear and compelling vision for the community's future, comprehensive goals, strategies and actions for attaining the vision. The target date for completion of a draft plan is summer 2004.

Success requires a systems approach. The natural and built environment, economic and social considerations must be considered. Success requires broad participation. The County's numerous boards and commissions, several county departments, all units of local government, community organizations and the residents of the County are involved in the process.

A shared vision and responsibility for plan implementation with local units of governments will ensure a continued quality of life and efficient delivery of needed public services. By making sound growth and land use decisions, the cost of providing services will be reduced. By leveraging our resources we will have greater success in acquiring state and federal funds for needed public services. A strengthened partnership with the County's numerous community agencies, education, health and not for profit groups, will ensure that important plan objectives are met.

The Washtenaw County Department of Planning and Environment is currently developing the Washtenaw County Comprehensive Plan. A kickoff to the updating of the plan is scheduled for October 2003 at the County's Annual Planning Workshop. The plan is expected to be completed by the fall of 2004. The County will engage citizens of the County through workshops held throughout the County to review issues and opportunities as well as solicit goals and actions for growth and development in the County. County Boards and Committees, as well as local experts will be consulted in the process as well. There will also be a website devoted to the process, and include meeting information and comprehensive plan information and materials. A draft of the comprehensive plan will be presented at regional open houses throughout the County. Three Washtenaw County Board of Commissioners Working Sessions will be held throughout the process, to seek input from the County Board. The Planning Advisory Board will hold a public hearing on the draft plan, and review the plan and make recommendations to the Washtenaw County Board of Commissioners. The County Board of Commissioners then will hold a public hearing, review the draft, and then consider the plan for adoption by resolution.

### **Comprehensive Plan – Parks & Recreation**

The Washtenaw County Parks and Recreation Commission (WCPARC) plays an important role in the provision of recreational opportunities, parks, nature areas and other leisure services. The Commission is responsible for the acquisition, development, maintenance, management, planning and operation of the recreation delivery system at the county level.

The Parks and Recreation Plan sets the long-range priorities and development plans for the Commission. It is intended to serve as a guide in the preparation of future recreation opportunities and services, and supports the continuation and prioritization of recreation funding within Washtenaw County government.

The plan presents an adopted action program and capital improvement schedule for the next five-year period, after which time it will be updated. The delineation of the action program will aid the Commission in long range capital improvement budgeting and in seeking grant assistance for proposed projects from a variety of sources.

The plan is the result of an open process that considered public surveys, local parks and recreational planning, special task force and community forum recommendations, interviews with community and citizen group leaders, coordination with parks and recreation professionals, and direct formal and informal public input. It reflects the

recreational needs and desires of County residents, emerging recreational trends and the physical development patterns of the County.

**Access to Health Care**

The Health Services Departments (Public Health-PH, Washtenaw Community Health Organization-WCHO, Community Supports and Treatment Services-CSTS, Washtenaw Health Plan-WHP) have established a collaborative Health Policy Team that meets regularly with County Administration to align public sector healthcare delivery services with private sector initiatives. A primary focus has been on expanding access to physical and mental health services for the county’s uninsured and most vulnerable residents. Currently over 4,000 individuals who are otherwise uninsured are enrolled in the WHP while another 1,000 are enrolled in the prescription plan.

*Health Services Access* provides Washtenaw County residents with a single telephone number to access publicly funded health services. This integrated service allows callers to complete multiple enrollment processes with one phone call. Referrals to other community services are also provided to all callers through this access point.

The Health Services Departments are committed to providing effective and efficient services through implementation of evidence based best practices, those which have been demonstrated to provide positive outcomes. Current initiatives include, but are not limited to:

- Integration of primary care and mental health services
- Integrated services to individuals with co-occurring disorders (mental health and substance abuse)
- Assertive Community Treatment (ACT) for individuals with mental illness
- Supported employment for individuals with disabilities
- Medication guidelines and cost management
- Wrap around services to families and children
- Multi-family groups and psycho education for individuals with serious mental illness and their families
- Traumatic Event Response Network and Critical Incident Stress Debriefing
- Community based health promotion initiatives through the Health Improvement Plan

In addition, the departments continue to investigate and develop “promising practices”, assuring that Washtenaw County remains at the forefront of health services delivery. Examples of these promising practices include:

- Project Outreach Team (PORT) services to the chronically homeless
- Outreach for maternal substance abuse treatment
- Development of culturally competent services.

**Relationships with Local Units – Local Unit Outreach Initiative**

There was significant agreement by Local Unit representatives who participated in the Communities of Interest that County – Local Units relationships must be improved and strengthened. Several functions of government often seem similar from a citizen's perspective and it can be unclear whether a particular service is provided by a township, city, or county. The group agreed that it is the responsibility of government at all levels to identify ways in which citizens can access services and to work together to reduce overall costs of providing services.

To accomplish this, the Board has directed the County to create an overall strategy to facilitate better communication between County government and Local Units of government that would market existing County and local services, coordinate individual strengths and continue discussions on County-wide technology integration. Such a strategy should also include investigating ways in which in sharing other common services can be enhanced, such as recreation, law enforcement, and general government. Other functions necessary to carry out these services, such as procurement, personnel, and grant seeking, are also opportunities for collaboration.

**Relationships with Local Units – Guide to County Services**

The Washtenaw County Board of Commissioners is committed to providing world class public service. To this end, they have published the Washtenaw County Guide to County Services to be distributed to local units of government as well as to the citizens of Washtenaw County through the Ann Arbor News.

Economic concerns have made finding and accessing available services that the County provides very important. The Guide to County Services is an attempt to bring needed services to the hands of the citizens of the County. The Guide also has an extensive index that is customer-focused to help citizens find the services they need.

**Coordination of Services for Children – CSTS Interface between Adult/Children Services**

Youth and Family Services staff provides clinical and case management services for youth from birth to eighteen years of age. At least six months prior to turning age eighteen, the young person eligible for adult services and their family engage in a transition planning process initiated by the CSTS staff. A team approach is utilized with meetings to explore treatment/service options. Continuity of clinical/medication services is planned, as well as connecting with educational, vocational, medical, and other community resources.

For those young people who may not be eligible for services as adults who are seriously and persistently mentally ill, the staff at Youth and Family Services will connect them with other available community supports and services. A similar transition planning process occurs for young persons with developmental disabilities.

Another point of Adult/Children Services interface is the Family Centered Approach. Parents who receive mental health services at our Adult Clinic have the option to receive family centered services, including medication monitoring and family therapy, at our Huron Valley service site.

CSTS participates in Community Wraparound. Services are targeted for children who have serious emotional disturbance and who are at risk for out of home placement. Community mental health, juvenile justice, Family Independence Agency, special education, public health and other community supports are “wrapped around” the child and family.

A new best practice initiative has been to offer coordinated mental health and substance abuse services for those individuals and families with serious and persistent mental illness. CSTS is licensed by the State of Michigan to provide these specialized services for persons with co-occurring disorders.

**Coordination of Services for Children – Juvenile Justice System Review**

The Family Division of the Trial Court convened a workshop of local family law professionals (judges, lawyers, mental health professionals, mediators, and Friend of the Court (FOC) staff) in October, 2002 to develop ideas to improve the delivery of services to families involved in domestic relations cases in Washtenaw County. The meeting led to the formation of a task force of six committees or “teams”, including Training, Mediation, Legislative/Court Rule, Trial Procedure, Children’s, and Parents’ teams.

A non-exhaustive list of initiatives under consideration includes: (a) developing a compendium of available resources for attorneys, families and the courts, (b) pro se assistance implementation, (c) “triage” system for assessing and directing cases from inception (d) lobbying for various statutory changes, e.g. permission to administratively delay cases in mediation or reconciliation, (e) facilitating motion scheduling, public access to data base, expanded hours, judgment approval system, (f) expanding parenting education, e.g. SMILE program and developing a SMILE program for children, (g) supporting supervised visitation centers e.g. HelpSource.

Perhaps the single most significant and robust finding in the social-science literature on divorce is that the lower the level of conflict between parents, the better the long-term prognosis for children’s mental health post-divorce. The general theme of the proposed initiatives is to focus judicial and community resources on promoting low conflict alternatives to litigation. These efforts would redound to the benefit of families involved in domestic relations cases, and especially the children of such families.

**Treatment Options for Youthful Offenders – “Day Break” Substance Abuse Program**

Day Break is a new pilot program targeting court-involved teenagers with substance abuse problems. The target population is youth, and their families, where the youth is at risk of removal from home and the Family Court has authorized a petition. The purpose of the program is to reduce substance abuse and to maintain youth in the community.

The program will be administered by the Children’s Services Department in collaboration with the Trial Court Family Division – Juvenile Center. Substance abuse services (including individual, family and group treatment) will be provided by a local substance abuse treatment agency through a contract for services.

The program consists of three phases: residential, day treatment and aftercare. After an initial screening for appropriateness, the youth enters the existing juvenile detention center program for a period of approximately 30-120 days, depending on progress in treatment. Once the residential phase is completed, the youth moves to the existing day treatment program for a period of 6 to 9 months. Upon completion of day treatment, the youth enters the aftercare phase for a period of 6 to 9 months.

When the youth and family enter the Day Break program, they will be assigned to substance abuse treatment staff who will then work with the youth and family throughout the duration of the program, including aftercare. The program is expected to serve up to 20 youth and families per year.

**Treatment Options for Youthful Offenders – Wraparound Services**

Wraparound has been defined as a philosophy of care that includes a definable planning process involving the child and family that results in a unique set of community services and natural supports individualized for that child and family to achieve a positive set of outcomes.

Wraparound is a process to bring together the key people in a child’s life to do what can be done to assure success. The focus is often on children with serious emotional disturbances who are or have been involved in multiple systems. It is a process that is family led, strength based, and focused on unconditional care. The wraparound team agrees to never give up and that it is the adults in a child’s life who must adapt to meet the needs of children. Wraparound plans are individualized and rely upon flexible funding to assure that needs are addressed. In wraparound, the role of the community is paramount.

Wraparound is based on the tenet that human beings typically prefer to live in communities with their families and friends. People with complex needs often do better with support from other people and, due to each person being unique, needs will vary from person to person.

Wraparound is a successful alternative to placing children in institutions due to the ecological perspective that drives its values.

**Environmental/Public Health Regulation and Protection – Storm Water General Permit**

Under United States Environmental Protection Agency mandate, Washtenaw County applied for a Phase II Stormwater Permit on March 10, 2003. The Washtenaw County Drain Commissioner is the county coordinator for the Phase II Stormwater Permit.

The County’s areas of jurisdiction under the Phase II Permit include county drains and certain properties under the County’s ownership. The Phase II Permit Certificate of Coverage requires the County to meet the EPA’s “Six Minimum Measures”:

1. Public Education and Outreach
2. Public Participation and Involvement
3. Illicit Discharge Elimination Plan
4. Construction Site Runoff (sites exceeding 1 acre)
5. Post Construction Runoff Control
6. Pollution Prevention/Good Housekeeping

Washtenaw County Program planning to implement the Six Minimum Measures in 2004 is under way under the direction of the Drain Commissioner in Partnership with other County Departments. While the Drain Commissioner will take the lead role in the County's program implementation process, the Permit program is a cooperative effort between the Drain Commissioner's Office, the Washtenaw County Environmental Health Department, the County Facilities Department, the Parks and Recreation Department, and Washtenaw MSU Extension. This collaborative effort is designed to meet the County's Permit requirements while avoiding duplication of services, cost and efforts as reflected in the County Guiding Principal Number 2.

Per the Year 2000 United States Census "urban areas" Phase II designation, numerous Washtenaw County local governments and other agencies are also required to apply for Phase II Permit coverage. The Drain Commissioner has initiated the Washtenaw County Intergovernmental Coordinating Committee where designated Phase II local governments and agencies have the opportunity to coordinate permit requirements with available County resources. This program is consistent with Washtenaw County Guiding Principal Number 7: to "Provide leadership on intergovernmental, intragovernmental and intersectoral cooperation aimed at improving services to County citizens". A special initiative for local governments is a Public Education and Public Participation program designed by the Huron River Watershed Council and provided through the Drain Commissioner's Office. The Drain Commissioner's Office will also provide County program planning to implement the Six Minimum Measures in 2004.

Washtenaw County is also regulated under a Stormwater Permit Mandate of the Federal Court within the County's Rouge Watershed boundaries. The County holds an MDEQ approved Stormwater Pollution Prevention Initiative under this mandate.

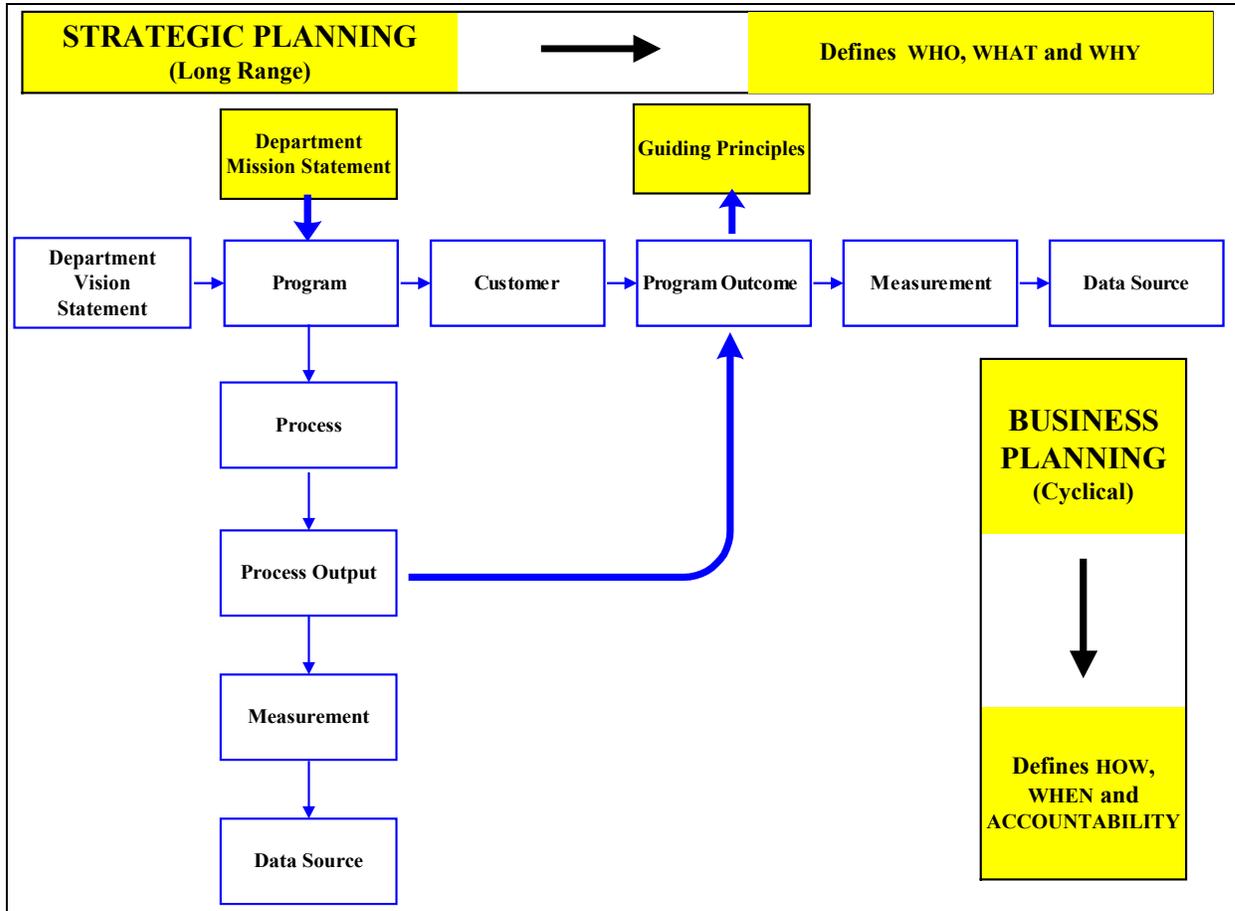
**Environmental/Public Health Regulation and Protection – Keeping up with Emerging Trends**

Significant effort is being devoted to emergency preparedness between the Public Health and Environmental Health Regulation Departments. The potential threat of bioterrorism, epidemics such as SARS, emerging diseases including West Nile Virus, and activities to assure clean water and protect the environment are taxing our limited resources. Federal funding for bioterrorism planning has helped to support the development of key public health infrastructure that strengthens our capacity to respond to many of these issues even in the face of declining local resources. Communication and Collaboration between Public Health and Environmental Health is a priority to assure that our work together and with our key community partners is efficient and effective in protecting the health of County residents.

**DEPARTMENTAL BUSINESS AND ACTION PLANS**

The cornerstone of the County alignment model is the business plan. Each department has a business plan that includes the information in Diagram C, on the next page.

The County defines strategic planning at the service or program level on the top of the graph and flowing left to right. Strategic planning in our terms is long-range in nature, defines what each department is going to do in the next five years, and defines the purpose behind the services provided by that department. Strategic planning requires the identification of specific outcome(s), measure(s) and data source(s) for each of the customer outcomes.



**Diagram C - Washtenaw County Department Business Plan**

Business planning is on the lower half of the chart flowing vertically. It includes the processes and activities that are in place in order to accomplish the strategic plan, it is cyclical in nature by including things that get produced on a regular basis, and it defines the “how, when and accountability” of the work that gets done. Specifically, business planning involves identifying the processes, outcomes, measures and data sources, timing and accountability for each program.

The County's business plans successfully:

- Integrate strategic planning with day-to-day operations
- Help us become more customer oriented: the first question at the program level is “who are your customers?”
- Help us become results-oriented
- Ensure alignment at three levels of the organization: process, program and policy
- Provide a powerful database to manage the organization

Each element of a department’s business plan answers questions about that department’s services. The departmental business plans that appear in the Departmental Summaries section are a brief synopsis of each department’s business plan. Due to the size of the information included in business plans, only an abridged version could be provided for most departments. But each department is challenged with answering a series of questions that correspond with the terminology included:

*Department Mission:* Why does our department exist?

*Department Vision:* What does world class service look like?

*Program:* What are the major services we provide?

*Customer:* Whom is this program designed to serve? Who else benefits from this program?

*Outcome:* What do we hope to accomplish for our customers?

*Outcome Measurement:* How can we measure whether the outcomes we desire are being reached?

*Outcome Target:* By what standard will we measure success?

*Process:* What key activities do we perform to achieve our program?

*Collaboration:* What other departments or outside agencies are essential to meeting our outcomes?

*Process Output:* What is the product or result of this process?

*Output Measurement:* How will we measure this production?

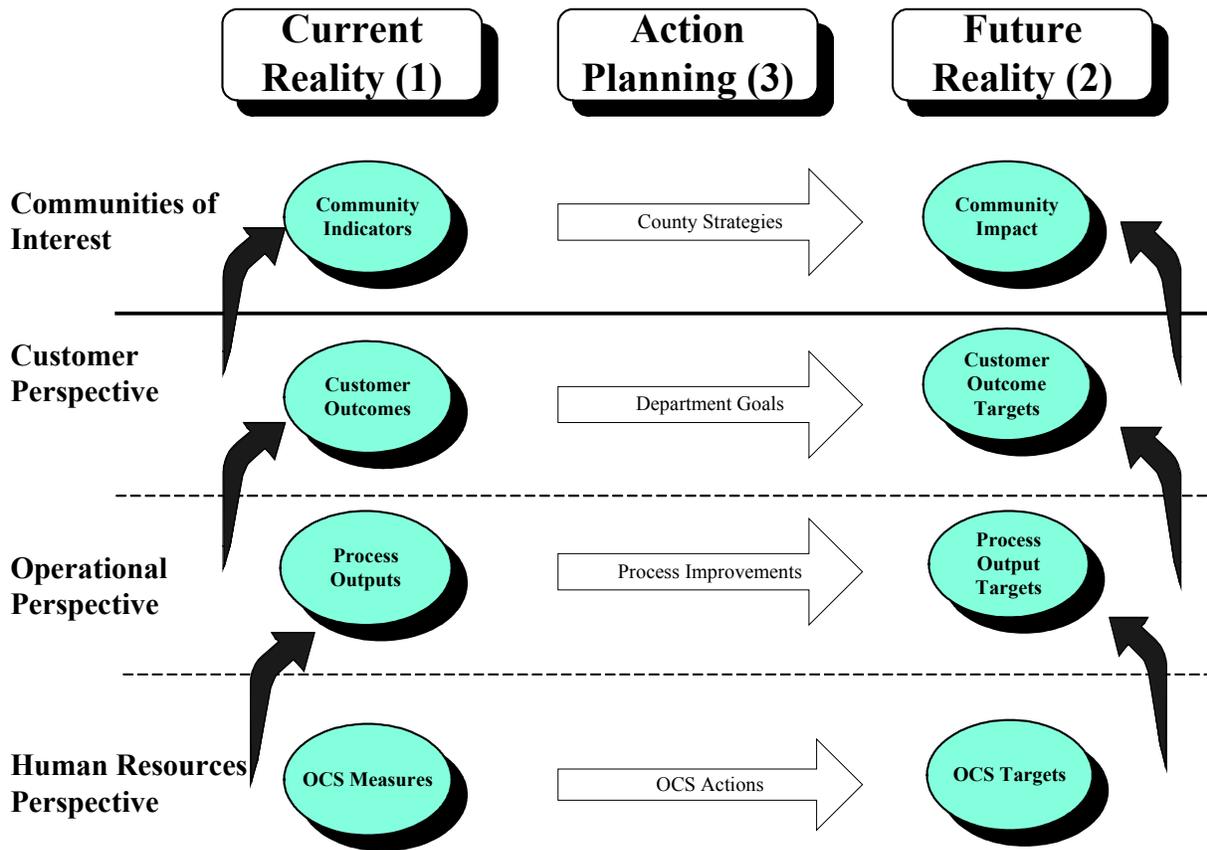
*Output Target:* How much of this output do we plan to produce?

Customer outcomes, state mandates, and Board priorities are all reflected in departmental business plans. Together, these plans detail all operations within the County, estimates of what each department will produce in the foreseeable future, and how success will be measured. Departments are challenged to always keep their business plan up to date but administrative and Board review of business plans happens once every other year, as aligned with the planning cycle.

For departments, the planning cycle begins a full year prior to the Administrator presenting a recommended budget to the Board. All department heads participated in one or more of the Community of Interest discussions that began in September of 2002. As indicated above, the result of these discussions were recommended strategies that the Board adopted as areas of consideration. Departments were then challenged to identify ways in which they can take leadership in implementing the Board areas of consideration and change the way in which they operate in order to enhance public service.

The methodology that departments followed for updating their business plans was an integrated action planning process. This planning process is consistent with the Balanced Scorecard concept and with the Community of Interest discussions. In it's simplest form, each department was asked to:

- 1) Assess your current reality
  - a. What impact are we having on the community?
  - b. What are you accomplishing for your customers?
  - c. How do your processes help you accomplish these outcomes?
  - d. What are your employees saying about customer service and operations?
  
- 2) Identify your future reality
  - a. What has our Community of Interest discussions identified as a vision for 2010?
  - b. What outcomes do you contribute to help impact the community?
  - c. How should we operate in order to realize these outcomes?
  - d. Do our employees have the skills to meet this changing environment?
  
- 3) Develop action plans to help us get there.
  - a. What strategies is the County undertaking to realize the Community of Interest vision?
  - b. What goals can the department take to help advance the vision?
  - c. What steps does the department need to take to improve operations?
  - d. What steps does the department need to take to improve staff skills and manage the transfer of knowledge?



**Diagram D – Integrated Action Planning Model**

The result of this integrated action planning process is a series of goals and action steps for each department – all of which are aligned with the overall direction of the County as established by the Board. The next step is to assign accountability at the individual level to ensure that tasks get implemented. The employee workplan serves this function.

**EMPLOYEE WORKPLANS**

Washtenaw County has combined professional development planning with individual workplans to enhance the identification of development needs and to heighten the relationship between the employee and supervisor into a partnership for developing the knowledge and skills necessary to achieve the outcomes of the department. Employees in all departments will have the opportunity to create a new individual workplan annually that highlights key objectives of the job, focuses on the critical target measures and provides a basis for development of knowledge and skills for the year ahead.

At the beginning of each year, supervisors meet with their employees to discuss their department’s business plan. The two come to agreement about how the employee will contribute to the success of the department’s outcomes and outputs and these objectives are developed for the operation section. In addition to the department’s operations, there are major projects and goals that the department wishes to accomplish over the course of the following year. Finally, the accomplishment of some objectives may require professional development in order to be successful. These requests feed into the development of the countywide professional development program.

The workplan process is designed to foster an ongoing dialogue about work activities, priorities and desired results. This is a dialogue between the employee and his or her supervisor – the key relationship of every organization.

#### IV. ASSIGNING RESOURCES TO BUSINESS OPERATIONS

##### *Base Budget*

The departmental business plan serves as the basis for budget discussions. The first stage of assigning resources is a base budget discussion at which departments meet with staff from the budget office to determine what level of funding is needed to maintain current operations. At the same time, current operations are reviewed to determine alignment with goals and action plans.

The base budget hearings are approached as a partnership between the service departments and the Administrator's office. Each department meets with representatives from Support Service departments, the Internal Consulting Group (ICG), to review the department's business plan, project the needs and costs associated with those operations, and recommend improvements in service delivery. The product of these meetings is a joint memo from the service department and the ICG to the administrator that details the base budget agreement.

For this budget cycle, the base budget hearings were more comprehensive than just a conversation around positions and dollars needed to fund current operations. The hearings included an assessment of hardware, software, capital and space. A result of this comprehensive approach was that many resources that had been purchased or developed to help departments with operations in the past were either not fully utilized or could be replaced by lower cost, higher value tools. In either case, by conducting this assessment, the partnership of the base budget hearings helped reduce the cost of doing business.

Another topic of discussion during the base budget hearings was updating departments on the increasing costs associated with overall county operations. While few departments have anything more than cursory knowledge of these issues, each constrains the County's ability to fund services, making it more necessary to reduce costs in other areas. Several factors have made the overall cost of doing business higher than the past.

##### **Major Influences on the Fiscal Environment of the County**

- ❑ ***Property Tax Restrictions (see also page E-6)*** – Two State laws have a particular impact on a County's ability to raise revenues through property taxes. These are Proposal A and the Headlee Amendment – both of which are constitutional amendments that were passed by State voters. Proposal A mandates that for any individual parcel of property, the taxable value can only increase by the rate of inflation. The rate of inflation in 2002, as calculated for property taxes, was only 1.5%. So for any individual parcel, Proposal A allows only a 1.5% increase in property taxes. The Headlee Amendment says that when the entire taxable value for a county exceeds the rate of inflation, it becomes a loss to the millage—essentially a permanent tax reduction for property owners, and a loss of potential revenue for governments. The Headlee Amendment also restricts the fees that governments charge for particular services, including inspections, and ensures that the fees are not higher than the actual cost to deliver the service. These two constitutional amendments greatly restrict the revenue potential for local governments and force us to consistently review our operations to make sure precious resources are reaching their highest value in the community.
- ❑ ***State Revenue Sharing (see also page E-10)*** - Under Michigan law, a portion of State sales tax revenue is distributed to local governments as State Revenue Sharing. For the last two years the State has passed a budget that overrides the distribution formula for revenue sharing and has instead based revenue sharing on the previous year's distribution. For 2004 this amount is a 3% reduction from the 2003 distribution, resulting in a \$1.13 million decrease in State funding. Assuming this trend is going to continue, the impact through 2005 would be over a \$2 million reduction.
- ❑ ***State Funded Programs*** - Programmatic funding levels for Health related services at the local level have either been reduced or held flat. It is expected for this trend to continue for the foreseeable future. Based on the Board of Commissioners' strong commitment to maintaining these services, the decision was made to share the burden by covering negotiated salary and fringe benefit increases through increased General Fund appropriation.
- ❑ ***New Labor Contracts*** – Nearly 80% of employees at Washtenaw County are represented by one of fourteen bargaining units. Beginning in 2001, County management and union leadership entered into a

partnership for securing long term labor contracts. Using an interest based bargaining methodology, contracts were settled for five years beginning in 2003. This was considered a major success from both parties as it offered fiscal stability to the county by being able to project personnel costs, and also for the unions as the long-term contract provided guaranteed benefits in turbulent times. Both parties agreed to higher wages for employees, with annual increases of 3%. A review of the 10 year projections was completed resulting in the awareness that this commitment to paying employees a respectable wage came at a cost of several unidentified positions over each of the next several budget cycles. Further, the Board of Commissioners made a commitment to this community that services provided by non-General Fund departments, primarily health related services, would not suffer because of these new contractual obligations.

- ❑ ***Fringe Benefits*** (health insurance, pension rates, and liability insurance) – Many of the costs associated with labor are driven by market forces. Health insurance rates have dramatically outpaced inflation for many years and currently account for about 20% of overall personnel costs. The rates have continued to climb at an increasing rate, and are projected by some to double within the next five years. At the same time, the economy entered into a recession and stock markets experienced significant declines. Since many of the County's pension funds are invested in equities, the decline in this market had a serious impact on our ability to fund retiree obligations. Finally, as a result of terrorist activities, liability insurance rates have skyrocketed (81% increase in the past three years). Each of these factors resulted in increased fringe benefit costs that are expected to continue in the foreseeable future.
- ❑ ***Police Services Methodology*** – In 2000, the Board of Commissioners adopted a new methodology for contracting police services. According to this policy, area townships and cities can contract with the Sheriff to provide police services and the Board will subsidize these contracts at a rate of .5 mills. The costs associated with providing these services have been higher than anticipated, resulting in a higher subsidization rate than originally anticipated. The Board established a committee of elected officials and County staff to examine this issue. The result was an increase in the annual percentage cost increase to the contracting jurisdictions, but the county will continue subsidizing at an amount greater than the original commitment of .5 mills, with an expectation that the subsidy will return to this level by 2008. The projected subsidy for 2004 is \$1,581,095.
- ❑ ***Jail Medical Costs*** – Due to a variety of factors, the characteristics of jail inmates has become such that there is an increased need for medical and psychological treatment. At the same time, costs for these services have increased. An internal committee, including membership from the jail, administration, and mental health experts, has been formed to recommend and implement strategies to address this issue.
- ❑ ***Reserves*** – At the same time that jail medical costs are increasing, the county is also experiencing a problem with jail overcrowding. This results in excess costs over anticipated operating needs because these additional inmates must be monitored, fed and provided with medical services. A reserve has been established in the 2004 budget in case this trend continues. The Jail Overcrowding Task Force is implementing short-term solutions to help this problem, with long-term strategies being developed.

In addition, juvenile placement costs are increasing within the Child Care Fund. It appears to be due to more serious offenses of youth being charged as adults. There is no evidence that this trend will decrease so a reserve has been set up expecting to be needed to cover costs in 2004.

Non general fund departments who were previously financially stable are now facing difficult times as outside funding is decreasing or being held flat while the cost of doing business is increasing. Due to these funding constraints felt throughout the organization, a change in philosophy on general fund support is being pursued to cover the increasing cost of wages and benefits for all county departments. This results in a more even distribution of funding reductions so no one area is disproportionately hit. With anticipated fringe benefit rate increases for 2004 and 2005, reserves have been established to cover these increased appropriations if needed.

- ❑ ***Restored Appropriations*** – To balance the 2002 and 2003 budgets, the county implemented a short term strategy of decreasing appropriations to capital funds, allowing them to use accumulated fund balance for operations so no disruption to the commitment to infrastructure resulted. These appropriations are being restored partially in 2004 and entirely in 2005. In addition, the Board of Commissioners established an

annual appropriation of \$650K to establish a reserve for Jail Renovations/Space Needs. This appropriation was the result of the new Police Services Methodology adopted in 2001. It was expected that the new methodology would result in operational savings sufficient to cover this increased appropriation. Since this was not the case in 2002 and 2003, the appropriation did not occur and was instead used to cover Police Services cost increases. With the importance of jail space concerns becoming even more paramount with the jail overcrowding problem, this appropriation has been re-established for \$350K in 2004 and back to its original amount of \$650K in 2005.

- **Increased Appropriations/New Initiatives** – Given the economic conditions, very few enhancements or new programs were added to the budget. Based on the Board of Commissioner focus areas, the following adjustments were approved in the 2004/05 Budget:
  - a. **Day Break Program (Juvenile Substance Abuse)** – This new program is set to begin on January 1<sup>st</sup> due to a desire by the Trial Court and the County to offer direct services for juveniles with substance abuse issues. The budget includes an \$88,000 general fund appropriation to the Child Care Fund for this initiative.
  - b. **Juvenile Diversion Program** – This program has been conducted through the County Prosecuting Attorney for the past several years as a means to divert non-violent youth offenders from the criminal justice system. Successful completion of this program means that the crime will not appear on their permanent record. This program has been grant funded in the past, with funding expiring as of October 1, 2003. The Board of Commissioners felt this was an important program for the community and allocated costs to operate the program for 2004 from the General Fund.
  - c. **Comprehensive Plan** – Planning efforts within the county have been a high priority for the Board for the past several years. The county is underway in establishing a new County Comprehensive Plan. This major initiative and the importance of its success on the community resulted in the Board approving an increased allocation to the Planning & Environment Department of \$115K.

All of these issues were incorporated into the county’s base budget for 2004/05 to determine how much of a gap existed between revenues and expenditures. The results were stark: a total of \$6 million was needed to balance the budget, with approximately \$4 million in the general fund and \$2 million in non general fund departments. The organization then moved into the challenging conversations of how to close this gap.

*Resource Allocation System*

As with all governmental agencies, Washtenaw County faces the challenge of ever increasing needs and opportunities with limited resources. It is essential that these resources be used in a wise manner to serve our citizens. The governance of our infrastructure is critical in ensuring that our delivery systems are efficient and effective and that our employees have what they need to provide world class service. At Washtenaw County, infrastructure includes space, capital equipment, technology, professional development and processes. A new system is being developed to ensure that our infrastructure continues to be aligned with business objectives, that they are used in the most effective and efficient manner, and that decisions regarding resources are made at the appropriate levels within the organization.

The system that is in development consists of an infrastructure alignment team designed to update and enforce policies, advise Administration on county-wide strategy, provide oversight of the proposal evaluation, and make funding recommendations to Administration (details on page G-2). Below the infrastructure alignment team is a series of implementation committees that are responsible for tracking projects, developing policies and standards, performing skills inventory, training staff to develop skills, and identify processes in need of review and update. Each implementation committee is structured around a specific area of expertise, such as application development, space planning, organizational development, and capital improvement projects. Development of this structure is still in development but it is expected to make the resource allocation process much more seamless.

One of the governing principles of this structure is that no new infrastructure projects will be funded until a formal review is done of the impacted processes. Committees will review and recommend changes to the organization and

delivery of services with the goal of reducing duplication, streamlining and clarifying roles and responsibilities within the organization. These process reviews will become standard operating procedure, as we continue to look for ways to reduce the cost of doing business.

A result of the infrastructure allocation structure is the production of consolidated plans for three of the organization's major resource categories: space, technology, and professional development.

**Operational Budgets – Specific Budget Modification Recommendations for Board Consideration**

Changes in state funding, revenue growth restrictions, and unforeseen increases in overall operating costs have created an immediate need to modify the budget. Many cost reduction strategies have been implemented in 2003 but the fiscal challenges will continue in 2004/05 and likely beyond for many years to come. The Administrator has recommended three overarching strategies to cope with cutbacks:

1. **Administrative Services** – Whenever possible, services provided directly to citizens should be preserved. This means that indirect, or supportive services, will need to be examined with a heightened level of scrutiny to see whether costs can be reduced. There was a commitment made by County Administration to reduce the county administrative team identified as Support Services by over \$1 million. A resolution was passed by the Board of Commissioners on July 16, 2003 that accomplished this task. County Administration has challenged county departments to realize any administrative savings possible.
2. **Systems Integration/ Operational Efficiency** – All of the Community of Interest discussions identified ways to improve the ways in which County departments operate with one another. Specifically, processes that cross traditional department lines, as well as processes that could be integrated from the customer's perspective, should be examined to identify ways in which services can be enhanced while reducing the cost of doing business.
3. **Leverage Funds** – Many operating costs can be shifted into accounts that are supported by State, Federal, or private grant dollars. When these funding agencies have agreed to support certain costs, those costs should be transferred into those accounts. A systemic review of fees has also been a way of effectively leveraging funds.

Conversations with the organization on these three overarching strategies have resulted in major analyses to streamline services and reduce costs. The major issues are outlined below, with a more thorough look at the budget modifications identified in the grid on page B-28.

1. **IT Reorganization** – As noted above, a resolution was passed by the Board of Commissioners on July 16<sup>th</sup> reorganizing Support Services. Most notably, this was a reorganization of the Information Technology (IT) division. A reorganization of this component of county operations had not been conducted for over 15 years. With the major changes in technology during this time, a review was needed to ensure the county was using technology funding in the most effective manner to lead us into the future.

The review revealed that the county has built a very strong infrastructure in the area of technology. The county positioned itself well to begin realizing the benefits of this solid foundation. One of the changes proposed centered on the wide variety of technologies currently supported by IT. A concept of Core Technologies was developed to identify those specific areas the county should focus its efforts and streamline its processes to maintain. As this concept is implemented, it will allow IT staff to be more focused, plan strategically, and build deeper skills to support these more concentrated technologies.

Based on this concept of Core Technologies, a new organizational structure has been developed. The proposed reorganization is based of three primary factors:

- Focus on core technologies
- Customer focus – maintaining the commitment to customer service with a stronger commitment to understanding the customers business needs
- Team Based/Project Management – operate within IT and between IT and the county departments as a unified team working towards using technology to enhance operations while reducing the cost of doing business with expanded expertise in project management

As there is no longer the need to build the infrastructure, and there will be a more focused core set of technology to maintain, a smaller organizational structure is needed. This led to large fiscal savings of almost \$1 million dollars annually.

2. **Health Services** – The Health departments were the departments impacted most severely by the State funding reductions. This amounts to a \$2 million deficit from their base budget. Extensive work was done with these departments as a system to automate processes through common computer systems, cut administrative staff, actively apply for grant funding, ensure appropriate exit strategies from the system, and help build the capacity of outside agencies to fulfill gaps left by decreased funding.
3. **Juvenile Diversion Program** – This program has been conducted through the County Prosecuting Attorney for the past several years as a means to divert non-violent youth offenders from the criminal justice system. Success of a youth through this program means that the crime will not appear on their permanent record. This has been grant funded in the past, with funding expiring as of October 1, 2003. The total program was projected to cost over \$193K and was not included in the Recommended Budget. After a thorough review, the Board of Commissioners felt this was an important program to retain due to the service impact on the Community. The Prosecuting Attorney identified several cost savings measures within the program that could be implemented without sacrificing the impact of the program. In addition, the Prosecuting Attorney agreed to keep a general fund vacant position on hold for a year while they tried to obtain outside funding. As a result, the Board adopted the program and allocated \$33K of their General Fund Unearmarked Reserves to cover the costs for 2004. The cost saving measures resulted in a total savings of \$160K over what would have had to be appropriated to cover the previous program level.
4. **Peer Education Program** – This was a program partially funded by the county and Michigan State University through the County MSU Extension to take FIA referrals for the "Parents of Newborns Program". Through this program, MSU Extension employees provide life skills teachings to new parents beginning when the baby is 6 weeks old. Skills include budgeting, breastfeeding, parenting, child care assistance, and resource management. While there are other programs available throughout the system, this program is unique in that it is offered to the general public without eligibility requirements. At this time, the MSU funding is scheduled to continue. The County Administrator chose to recommend the discontinuation of general fund support of this program for the 2004/05 Budget. The Recommended Budget does include \$550,000 in Children's Well-Being funding targeted for appropriation to outside agencies to fill gaps in service throughout the community-wide system. This program is eligible to apply for such funding.
5. **Homelessness & Housing Initiatives** – The county is seeing great growth in its housing initiatives. With the county realizing the Urban County designation, more outside funding is flowing through the county for housing initiatives than ever before. This has allowed the county to shift some of the administrative and direct service costs over to these funding sources, instead of being paid out of the general fund.
6. **Police Services** – Given the challenges with the new Police Services Methodology outlined above, the Chair of the Board established a Police Services Committee which included multiple members of the Board of Commissioners, the County Administrator, the Sheriff, Undersheriff, and Sheriff and Administrative support staff. An extensive review was conducted by the committee during the fall of 2002 and throughout the first six months of 2003. Given the other fiscal issues within the county, the committee quickly came to consensus that the county could not afford to subsidize police services to the extent it has been forced to do the past two years. This resulted in an increase in the cost per Police Service Unit (PSU) from 3% annually to 6%. There is also a large burden to the county when new deputies were introduced into the workforce as their time was not eligible to count towards the jurisdictions contractual deputy hours. The committee adopted a methodology to allocate a portion of the training costs to the local jurisdictions. While these changes did not result in a reduction in police service expenditures, they did provide an increase in reimbursement from local jurisdictions into the county general fund. The Sheriff also agreed to the elimination of 3.0 FTE administrative staff whose duties could be absorbed through a restructuring of Sheriff Administration. The commitment remains to the county and the local jurisdictions to continue to review Sheriff operations for cost saving measures.

- 7. Trial Court Unified Budget** – The Trial Court makes up almost 20% of the General Fund, including appropriations to the Friend of the Court and to the treatment of juvenile offenders within the Child Care Fund. With the general fund needing to transform in order to balance the budget, the County Administrator looked to the Trial Court for assistance in implementing measures to reduce costs. Conversations occurred between the County and the Trial Court. The court agreed to an elimination of 2.6 FTE that could be realized through a streamlining of administrative functions and internal processes. The court also agreed to the restructuring of the fiscal management of the Child Care Fund, resulting in a decrease of 2.0 FTE. These changes resulted in a savings of \$298,067 for 2004. The court also began exploring opportunities of increased revenue collections. While these changes were substantial, they were not significant enough to bring the budget into balance. The administrator felt that all other appropriate measures had been incorporated into the rest of the general fund departments or allocations, and began negotiations with the Chief Judge to determine if the Trial Court could absorb more reductions. The two sides were not able to reach agreement. As a result, the recommended budget includes a reduction of general fund support of almost \$430,000 to the Trial Court allocations. There is a dispute on the authorization of the county to make this change without consent of the Trial Court. It is worth noting again that the county and court have been operating under an mutual agreement since 1990 (resolution #90-0261). In this agreement, a lump sum budget is to be allocated to the Trial Court, and the court agrees to abide by the county personnel policies.
- 8. Fee Increases** – The county does a review of its fee levels every two years in coordination with the biennial budget. Analysis is conducted to determine the percentage of service operating costs being recaptured by fees in appropriate service delivery areas. The 2004/05 budget includes fee increases in the Clerks Office, Sheriff, Environmental Health and Public Health. The proposed fee increases were determined appropriate based on the levels authorized by statute, capturing a greater percentage of operating costs, and the anticipated impact the changes would have on the community. The general fund impact is \$532,100. Without these fee increases, the organization would have had to identify alternative revenue sources or further reduce operational costs.

The next few pages outline all of the measures taken by county departments to balance the budget. These are outlined by Community of Interest, with a brief explanation on why the organization is positioned to withstand these reductions without a negative internal impact. This information does not include position and operational changes made within the base budget. This is also not an all-inclusive list as central technical adjustments are not included.

WASHTENAW COUNTY MICHIGAN

2004/05 BUDGET MODIFICATIONS

Major Change	Reason for Ability to Change
<b>Support Services</b>	
ITS Reorganization	Focus on core technologies
Elimination of Management Analyst in County Administration	Creation of Internal Consulting Group (ICG)
Consolidation of Administrative Functions	System integration
Consolidation of Accounting Functions	System integration & realization of capacity within financial system
Energy Savings	Implementation of Energy Coordination initiative
Elimination of Assistance Architect Position	Completion of Space Plan initiatives
Ending of E-government contract with MLI	Completion of start-up phase of e-government initiative
<b>Health</b>	
Reduction of CSTS staff in:	
Administration	Administrative restructuring and process efficiencies
Office Management and Support	Restructuring of work due to technological infrastructure
Reduction of staff in CSTS Adult Services	Restructuring of workflow for placement and referral; alignment of services along best practice models
Reduction of staff in CSTS Youth and Family Adult Developmental Disabilities	Alignment of services along best practice models
Adult Developmental Disabilities	Analysis of caseloads and clinical models
Reduction in Transportation Costs in CSTS	Re-evaluation of fleet needs
Need for contractual services within CSTS	Focus on internal resources and skills
CSTS revenue enhancements	Leveraging outside funding
Public Health Position Reductions	Restructuring of administrative functions and direct service modifications based on program analysis
Public Health Revenue enhancements	Fee increases, leveraging outside funding
<b>Public Safety &amp; Justice</b>	
Restructuring of Juvenile Diversion Program	No longer grant funded. Ability to maintain program with fewer staff.
Trial Court elimination of 2.6 FTE	Administrative restructuring and process efficiencies
Reduction of Trial Court general fund allocation	Size of budget and workforce
Fiscal Management of Child Care Fund Juvenile Center (2.0 FTE)	Administrative restructuring and process efficiencies
Sheriff elimination of 3.0 FTE administrative positions	Administrative restructuring and process efficiencies
Police Services Overtime Reduction - Court Time included in Contract Hours	Change in eligibility for court time as annual contract hours
Sheriff fee increases in Police Services and Corrections	Recapturing a greater percentage of cost of doing business
<b>Homelessness &amp; Housing</b>	
Shifting 2.7 FTE from General Fund to Housing/Community Development Outside Funding	Urban County status; Efforts to bring in outside housing funds into the county
<b>Planning, Development &amp; Environment</b>	
Position modifications with Building Services	Changes in Economy & Construction Industry
Position modifications with Environmental Health	Changes in Economy & Construction Industry
Fee Increases in Environmental Health	Recapturing a greater percentage of cost of doing business
Reduction of 3.0 FTE within Employment, Training & Community Service (ETCS)	Administrative restructuring
Savings of contract costs and misc operating expenses with ETCS	Review of fiscal management and operating practices
<b>Revenue &amp; Record Keeping</b>	
Shifting a portion of Treasurer positions non General Fund funding sources	Leveraging outside funding
Elimination of Administrative Coordinator in Elections Office	Administrative restructuring
Clerk Technology Revenue	New statute allocating fees to technology initiatives
Fee Increases to Certified Copies	Setting fees at maximum allowed per statute
<b>Children's Well-Being</b>	
Peer Education Program	Apply for Children's Well-Being Funding
Increased Courtesy Detention Revenue	Implementation of video arraignment with Livingston County
<b>All Communities of Interest</b>	

WASHTENAW COUNTY MICHIGAN

Community Impact	2004 Savings
No reduction in service. Gaining efficiencies through internal adjustments.	\$940,354
No reduction in service. Gaining efficiencies through internal adjustments.	\$53,445
No reduction in service. Gaining efficiencies through internal adjustments.	\$66,491
No reduction in service. Gaining efficiencies through internal adjustments.	\$146,664
Increased availability of county resources for community services.	\$100,000
Increased availability of county resources for community services.	\$94,745
Increased availability of county resources for community services.	\$370,000
	<b>\$1,771,699</b>
No reduction in service. Gaining efficiencies through internal adjustments.	\$65,798
No reduction in service. Gaining efficiencies through internal adjustments.	\$375,394
No reduction in service. Gaining efficiencies through internal adjustments.	\$132,743
No reduction in service. Gaining efficiencies through internal adjustments.	\$48,808
No reduction in service. Gaining efficiencies through internal adjustments.	\$153,376
Increased availability of county resources for community services.	\$55,000
No reduction in service. Gaining efficiencies through internal adjustments.	\$90,000
No reduction in service. Redistribution of costs.	\$129,000
No reduction in service. Gaining efficiencies through internal adjustments.	\$523,813
Redistribution of costs. Fee increases not burden on community.	\$394,474
	<b>\$1,968,406</b>
No reduction in service. Gaining efficiencies through internal adjustments.	\$160,390
No reduction in service. Gaining efficiencies through internal adjustments.	\$188,941
No reduction in service. Gaining efficiencies through internal adjustments.	\$426,884
No reduction in service. Gaining efficiencies through internal adjustments.	\$109,126
No reduction in service. Gaining efficiencies through internal adjustments.	\$204,011
No reduction in service. Redistribution of costs through new PSU contracts.	\$100,000
Cost increase is not a significant impact on community.	\$447,100
	<b>\$1,636,452</b>
No reduction in service. Redistribution of costs.	\$174,945
	<b>\$174,945</b>
Reduction in service due to market demands.	\$582,846
Reduction in service due to market demands.	\$120,204
Cost increase is not a significant impact on community.	\$104,870
No reduction in service. Gaining efficiencies through internal adjustments.	\$95,136
No reduction in service. Gaining efficiencies through internal adjustments.	\$75,000
	<b>\$978,056</b>
No reduction in service. Redistribution of costs.	\$80,540
No reduction in service. Gaining efficiencies through internal adjustments.	\$42,996
No reduction in service. Redistribution of costs.	\$132,494
Cost increase is not a significant impact on community.	\$85,000
	<b>\$341,030</b>
No reduction in service since funded through alternative source.	\$30,925
Increase in use of Detention from Livingston County.	\$30,000
	<b>\$60,925</b>
	<b>\$6,931,513</b>

In addition to departmental operations, each county business is dependent on the infrastructure of space, technology and professional development. Without a strong plan in each of these areas, the business will not be successful. Information is presented below on each aspect of the infrastructure.

**Space Plan**

Requests made in departmental business plans serve as the basis for the County Space Plan. As is the case in any plan, the requests are evaluated within the constraints of current capacity. With the Space Plan, that means current facility space and the County’s ability to fund construction of additional buildings.

In 1997 and 1998, the Board of Commissioners adopted significant revisions to this plan. With the Board’s commitment to infrastructure, a AA- bond rating by Standards & Poors, and a bond market that had interest rates at their lowest in years, the County was able to make significant investments in new facilities and remodeling existing facilities. A brief discussion of those projects authorized by the Board follows:

- Construction of a new building in downtown Ann Arbor for the County Clerk/Register of Deeds, County Treasurer, Equalization Department and Prosecuting Attorney.
- Development of a new building on Zeeb Road for the services geared toward environmental services, including Planning & Environment, Building Department, Drain Commissioner, Environmental Regulation and MSU Extension. In addition, this facility supplies office space for an associated, though independent agency, the Ann Arbor/Ypsilanti Urban Areas Transportation Study (UATS).
- Remodeling of the County Annex for the Public Defender, Information & Technology Services and other activities.
- Remodeling of the space vacated within the County Courthouse by the departure of the County Clerk/Register of Deeds, Public Defender and Prosecuting Attorney.
- Development of a facility(s) to meet the needs of the homeless in Washtenaw County.
- Develop a new Juvenile Detention/Day Treatment Facility.

An important element used in the development of new space is standards for how space will be utilized. After staffing, office space is typically an organization’s second largest expense. Because office space can impact an organizations ability to create and effective, efficient infrastructure and a positive work environment for its employees, the Facilities Management developed uniform County Space Standards. These standards are based on a 1997 International Facility Management Association (IFMA) survey. Washtenaw County Facilities Management will design all future spaces around the new standards.

While the above projects will address many of the County’s current space needs, there are additional needs and opportunities to be addressed during the next ten years. Included in this list is the expansion of existing facilities to meet increased service demands, remodeling of current facilities to meet changing needs and uses and possibly, and the development of new facilities, if that course is determined to be the best means of meeting office space needs. All future space needs will be evaluated based on systems integration and the access to services for county customers. The following lists the major projects that should take Washtenaw County’s space needs through 2010:

1. Washtenaw County Corrections Facility
2. Court Needs and Courthouse Remodeling/ Replacement
3. Consolidation of Support Services into a single location
4. Huron Valley Ambulance Headquarters building
5. Relocation of the County Garage
6. Consolidation and redesign of space due to systems integration process reviews for Community of Interests

## Technology Plan

As we move into the 21<sup>st</sup> century, technology will play an increasingly larger role in how citizens, visitors, businesses, and employees conduct business with the County. Thus, Washtenaw County has made it a goal to maintain and continually upgrade the current viable technological infrastructure and to be a leader in the emerging field of E-Government aimed toward improving citizen access to government services. Washtenaw County has also committed to making sure that employees have the technology tools and training to use those tools, aimed at realizing organizational efficiencies and enhancing customer service.

The changing nature of technology requires frequent assessments of an organization's ability to fully take advantage of emerging technologies, assess the way in which the organization supports those technologies, and use technology as a tool to redesign business processes. An assessment of County technology revealed that the County has a very good infrastructure that positions it to streamline to core technologies. This will allow the organization to take advantage of new technologies provided that service delivery and project management adapt to this changing environment – a finding that is used along with an assessment of departmental business plans to help shape the technology plan. There are four distinct categories to Washtenaw County's technology plan: E-Government, Systems Integration and Applications, System Upgrades, and Hardware Infrastructure/ Network. The thrust will be on Systems Integration – identifying ways in which Communities of Interest can use common technology to create process efficiencies. This integration can occur because of the strong investment made over the past several years. The County has built an infrastructure that can now be leveraged by expanding the use of existing technologies. The four major technologies to be exploited are:

- Graphic Information Systems (GIS)
- Document Imaging
- Workflow
- Data Warehousing

All new technology projects in the future will be required to demonstrate an equivalent cost reduction in the operating cost of doing business to the total cost of implementing the technology changes.

## Professional Development Program

The Professional Development Program provides development of core competencies in alignment with the Business Improvement Process and Individual Professional Development Plans. This program responds to the need for employees to continually improve their existing skills and to develop new ones to adapt to changes in the work environment. To better identify the necessary knowledge, skills and resources that employees need to do their jobs, Washtenaw County has combined professional development planning with individual workplans. This format heightens the relationship between the employee and supervisor into a partnership for developing the knowledge and skills necessary to achieve the outcomes of the department.

As part of a realignment of all Support Service functions, Professional Development's responsibilities were enhanced to Organizational Development. This new division of Support Services includes Professional Development, which is designed to make sure that employees have the skills needed to meet the demands of a changing environment, and Business Improvement, which is designed to make sure that Washtenaw County is structured in such a way that it can meet the demands of a changing environment.

One of the initiatives used to develop skills necessary to manage change has been the Leadership Academy. Building on efforts that began in 2001, this program offers targeted development opportunities for over 200 supervisors and managers. The Leadership Academy is a comprehensive yearlong effort offering training in the areas of leadership, management and coaching, which are the cornerstones of our approach to the vision of becoming a World Class Service Provider. While these leadership opportunities are provided to supervisors and managers, it is with the intent of impacting the entire organization with increased knowledge and skills.

As with space and technology, a major thrust of PD for 2004/05 will be supporting systems integration and the stress created by major change initiatives.

**OUTSIDE AGENCIES**

In addition to the operational and infrastructure budgets, the organization also allocates a set of funds to community organizations. Outside agencies are defined as those non-profit entities outside the County Government with which the County contracts for the provision of services. Various departments within the County also contract with non-profit organizations to provide or subsidize services; however, the particular services listed here are those which the Board of Commissioners chooses to fund directly with General Fund dollars to address their priorities. Contracts for provision of services are executed with each agency, and each agency's performance is overseen by a County department.

The outside agencies applying for funding are handled in three groups. The Human Services departments oversee the application process for three Human Services priorities (Homelessness & Housing, Health and Children's Well-Being, and recommend small awards totaling approximately \$250,000 each year to meet the needs in these areas. The Board allocates an additional \$550,000 for larger awards specifically to meet needs in the area of Children's Well-Being. Agencies can submit proposals for either or both of these priority areas. In the review process for 2004-05, the Request for Proposals have been combined for these two areas, so that one format is used for both sets of applications.

The third group of agencies falls under the oversight of several other County departments. Each oversight department reviews applications for agencies within its jurisdiction and makes funding recommendations to Administration.

The application process for all three groups is integrated to align with the Business Improvement Process. Outside agencies were required to outline programs and expected service outcomes or products, define customer value and delineate measures that would demonstrate the attainment of expected outcomes.

A history of funding for each agency receiving funding is shown on the following tables. In addition to these agencies, many other agencies who applied for the limited funds available are not shown here.

WASHTENAW COUNTY MICHIGAN

**OUTSIDE AGENCIES – HUMAN SERVICES OVERSIGHT:**

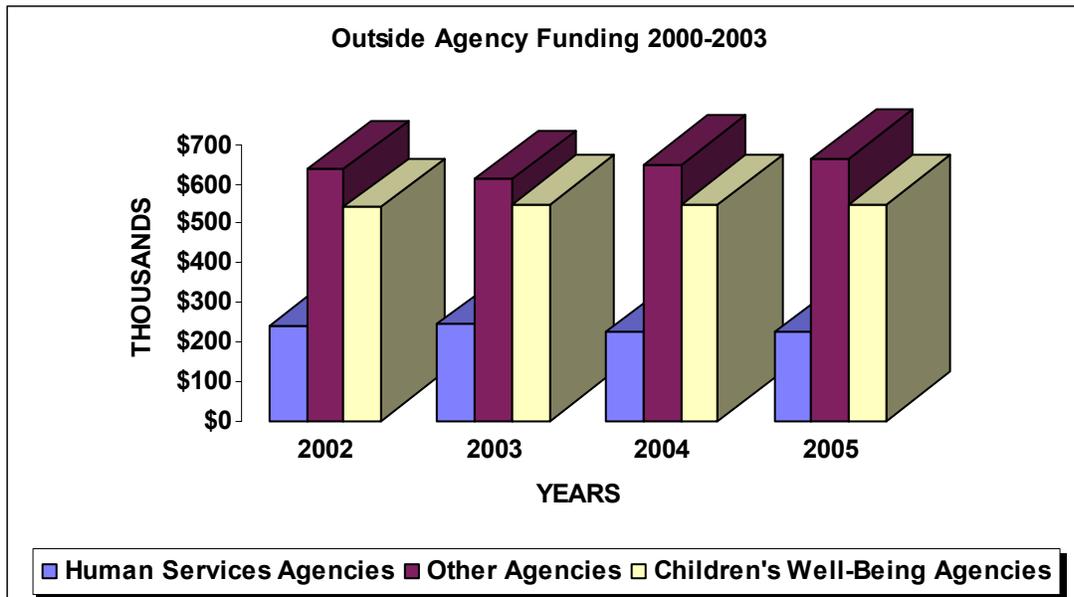
AGENCY NAME	PROGRAM	2002	2003	2004	2004	2005
		ACTUAL	BUDGET	REQUESTED	ADOPTED	ADOPTED
<b>HUMAN SERVICES OVERSIGHT</b>						
Ann Arbor Center for Independent Living	Living Well with a Disability	\$ 24,700	\$ 24,750	\$ -	\$ -	\$ -
Avalon Housing	Enhanced Property Management	\$ 5,000	\$ -	\$ 25,000	\$ 25,000	\$ 25,000
Catholic Social Services	Father Patrick Jackson House	\$ 23,724	\$ 24,827	\$ 25,000	\$ 19,000	\$ 19,000
Catholic Social Services	Grandparents as Parents	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000
Community Dental Center - U of M	Dental Services for the Low Income	\$ 13,648	\$ 25,000	\$ 30,000	\$ 25,000	\$ 25,000
Family Book Club	Staying in Closer Touch	\$ 5,000	\$ 5,000	\$ -	\$ -	\$ -
Food Gatherers	Food Provider	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Home of New Vision	Transitional Housing	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000
HOPE Medical Center	Low-Income Medical Services	\$ 2,500	\$ -	\$ 20,000	\$ 20,000	\$ 20,000
Interfaith Hospitality Network	Family Wraparound	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000
Neighborhood Senior Services	Medical Access Program	\$ 27,500	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Northfield Human Services	People's Express Transportation	\$ -	\$ -	\$ 11,000	\$ 11,000	\$ 11,000
S.O.S. Community Services	Homeless Family Service Program	\$ 25,000	\$ 25,750	\$ -	\$ -	\$ -
Shelter Association Of Washtenaw County	Emergency Shelter	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
St. Joseph Mercy Hospital	Sexual Abuse Nurse Examiner	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
Superior Township Parks & Recreation	Summer Learning Camp	\$ 15,000	\$ 15,000	\$ -	\$ -	\$ -
Community Health Education Resource Ctr	African-American Health Improvement Initiative	\$ 25,000	\$ 25,000	\$ -	\$ -	\$ -
<b>SUBTOTAL:</b>		<b>\$ 242,072</b>	<b>\$ 245,327</b>	<b>\$ 236,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>

**OUTSIDE AGENCIES – CHILDREN'S WELL-BEING:**

AGENCY NAME	PROGRAM	2002	2003	2004	2004	2005
		ACTUAL	BUDGET	REQUESTED	ADOPTED	ADOPTED
<b>CHILDREN'S WELL-BEING</b>						
Ann Arbor Teen Center/Neutral Zone	Building Bridges Program	\$ 22,500	\$ 22,500	\$ 75,000	\$ 35,000	\$ 35,000
Ann Arbor YMCA	Youth Volunteer Corps	\$ 42,500	\$ 42,500	\$ 55,000	\$ 35,000	\$ 35,000
Catholic Social Services	Healthy Families Program	\$ 78,498	\$ 85,000	\$ 100,000	\$ 85,000	\$ 85,000
Chelsea School District	Parents as Teachers Program	\$ 35,000	\$ 35,000	\$ 39,826	\$ 35,000	\$ 35,000
Child Care Network	Child Care Scholarships	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Family Learning Institute	Family Literacy	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ 35,000
Interfaith Hospitality Network	Alpha House Children's Services	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000
J.O.S.H.U.A.	Y.E.S. Program	\$ 55,000	\$ 55,000	\$ -	\$ -	\$ -
Ozone House	Homeless Youth Counseling	\$ 50,000	\$ 50,000	\$ 75,000	\$ 50,000	\$ 50,000
Parents Together/City of Ypsilanti	S.U.R.E. at Parkridge Center	\$ -	\$ -	\$ 54,040	\$ 35,000	\$ 35,000
Planned Parenthood	Comprehensive Prenatal Program	\$ 60,000	\$ 60,000	\$ 75,000	\$ 60,000	\$ 60,000
S.O.S. Community Services	Parents as Teachers Program	\$ 35,000	\$ 35,000	\$ 52,535	\$ 35,000	\$ 35,000
The African-American Academy	R.E.S.C.U.E. Program	\$ 65,000	\$ 65,000	\$ -	\$ -	\$ -
Washtenaw County MSU Extension	Peer to Peer Parenting	\$ -	\$ -	\$ 30,700	\$ 30,000	\$ 30,000
<b>SUBTOTAL:</b>		<b>\$ 543,498</b>	<b>\$ 550,000</b>	<b>\$ 707,101</b>	<b>\$ 550,000</b>	<b>\$ 550,000</b>

**OUTSIDE AGENCIES:**

<b>AGENCY NAME</b>	<b>2002 ACTUAL</b>	<b>2003 BUDGET</b>	<b>2004 REQUESTED</b>	<b>2004 ADOPTED</b>	<b>2005 ADOPTED</b>
<b>Sheriff Oversight</b> Humane Society of Huron Valley	\$169,525	\$159,000	\$434,867	\$159,000	\$159,000
<b>Public Defender Oversight</b> Legal Services of South Central Michigan	\$55,000	\$55,000	\$60,000	\$60,000	\$60,000
<b>Parks &amp; Recreation Oversight</b> RSVP - Retired Senior Volunteer Program	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
<b>Planning &amp; Environment Oversight</b> Washtenaw Area Transportation Study SEMCOG ( Dues )	\$20,000 \$111,647	\$20,000 \$108,441	\$20,000 \$132,250	\$20,000 \$132,250	\$20,000 \$145,500
<b>Drain Commissioner Oversight</b> Huron River Watershed Council River Raisin Watershed Council SEMCOG - ( Water Quality ) Soil Conservation	\$11,892 \$5,812 \$18,050 \$26,000	\$11,892 \$6,296 \$9,025 \$26,000	\$11,892 \$6,780 \$9,250 \$26,000	\$11,892 \$6,780 \$9,250 \$26,000	\$11,892 \$7,265 \$9,500 \$26,000
<b>Administrator Oversight</b> Area Agency on Aging I-B Dispute Resolution Center Fair Housing Small Business Development Center NAAPID NEW Center Washtenaw Development Council	\$20,700 \$22,000 \$35,050 \$10,000 \$10,000 \$6,500 \$100,000	\$21,425 \$22,000 \$35,050 \$10,000 \$10,000 \$5,000 \$100,000	\$20,364 \$50,000 \$35,590 \$10,000 \$10,000 \$8,700 \$100,000	\$20,364 \$25,000 \$35,050 \$10,000 \$10,000 \$10,000 \$100,000	\$21,036 \$25,000 \$35,050 \$10,000 \$10,000 \$10,000 \$100,000
<b>County MSU Extension Oversight</b> Project Grow	\$3,000	\$3,000	\$6,000	\$3,000	\$3,000
<b>SUBTOTAL:</b>	<b>\$ 637,176</b>	<b>\$ 614,129</b>	<b>\$ 953,693</b>	<b>\$ 650,586</b>	<b>\$ 665,243</b>



**THE STRATEGY FOR 2005 AND BEYOND**

The entire philosophy of the Business Improvement Process centers on continuous improvement. The organization has advanced significantly in its efforts to evaluate its operations, focus on who does what best, and identify its customers needs. These same concepts will carry Washtenaw County through these tough economic times. The 2005 budget includes a lump sum reduction in the amount of \$1.9 million, or approximately 32 FTE, resulting in the need for immediate review of systems integration from all aspects of operations. The primary focus will be continued systems integration within Communities of Interests. A plan for balancing the 2005 budget will be presented throughout the 2004 fiscal year to the Board of Commissioners.

The following page outlines the recommended 2004/05 budget by Community of Interest. The 2005 budget amounts do not reflect potential savings that will be realized through the continued systems integration conversations. The expenditures for many departments are counted multiple times due to the nature of Communities of Interests having overlapping boundaries.

**WASHTENAW COUNTY MICHIGAN**

<b>Washtenaw County Communities of Interest 2004/2005 Budget Process</b>	<b>2002 Unaudited</b>	<b>2003 Budget</b>	<b>2004 Adopted</b>	<b>2005 Adopted</b>
<b>Public Safety &amp; Justice</b>				
Trial Court	\$18,767,596	\$19,123,349	\$20,624,620	\$21,216,753
Probation	\$128,152	\$141,829	\$147,333	\$147,333
Sheriff	\$26,820,054	\$27,391,005	\$29,849,149	\$31,013,141
Prosecuting Attorney	\$5,477,884	\$5,888,896	\$6,561,530	\$5,479,578
Public Defender	\$1,855,244	\$2,065,243	\$2,401,274	\$2,514,079
Emergency Management	\$778,702	\$766,427	\$814,958	\$829,711
Children's Services - Juvenile Detention	\$3,015,330	\$3,718,692	\$3,902,724	\$4,022,152
Children's Services - Juvenile Day Treatment	\$1,143,400	\$1,453,066	\$1,304,376	\$1,356,613
FIA - Child Care Fund	\$1,170,141	\$1,378,812	\$1,424,998	\$1,424,998
<b>Total Public Safety &amp; Justice</b>	<b>\$57,314,721</b>	<b>\$60,004,696</b>	<b>\$67,030,962</b>	<b>\$68,004,358</b>
<b>Health</b>				
CSTS (CMH prior to 2001)	\$16,630,613	\$17,239,724	\$17,184,449	\$17,567,384
WCHO	\$3,143,409	\$3,837,027	\$3,850,957	\$4,089,014
Public Health	\$8,099,225	\$7,282,756	\$6,795,624	\$6,929,148
Environmental Health	\$3,577,383	\$3,650,655	\$3,764,131	\$3,956,540
Veteran Services	\$198,073	\$211,652	\$210,230	\$219,306
<b>Total Health</b>	<b>\$31,648,703</b>	<b>\$32,221,814</b>	<b>\$31,805,391</b>	<b>\$32,761,392</b>
<b>Housing &amp; Homelessness</b>				
Planning & Environment	\$893,778	\$1,845,033	\$1,961,804	\$1,961,804
CSTS (CMH prior to 2001)	\$315,140	\$378,302	\$343,689	\$351,348
MSU Extension	\$41,864	\$43,750	\$54,074	\$55,331
ETCS	\$513,231	\$469,096	\$482,222	\$481,164
Veteran Services	\$236,587	\$252,807	\$251,108	\$261,949
<b>Total Housing &amp; Homelessness</b>	<b>\$2,000,600</b>	<b>\$2,988,988</b>	<b>\$3,092,897</b>	<b>\$3,111,595</b>
<b>Children's Well-Being</b>				
Children's Services	\$4,709,222	\$5,800,842	\$5,839,727	\$6,011,752
CSTS (CMH prior to 2001)	\$1,562,312	\$1,590,952	\$1,546,600	\$1,581,065
Public Health	\$1,757,487	\$1,764,005	\$1,374,380	\$1,404,289
MSU Extension	\$349,539	\$365,284	\$549,752	\$562,527
Head Start	\$3,674,063	\$3,890,713	\$4,334,321	\$4,380,664
Trial Court	\$10,061,157	\$10,057,954	\$10,946,390	\$11,223,141
FIA	\$1,170,141	\$1,378,812	\$1,424,998	\$1,424,998
Prosecuting Attorney	\$693,616	\$889,537	\$623,324	\$636,156
<b>Total Children's Well-Being</b>	<b>\$23,977,537</b>	<b>\$25,738,099</b>	<b>\$26,639,492</b>	<b>\$27,224,592</b>
<b>Planning, Development &amp; Environment</b>				
Parks & Recreation	\$5,641,086	\$14,795,038	\$14,635,164	\$14,836,450
MSU Extension	\$232,847	\$243,336	\$306,419	\$313,540
Building Services	\$2,030,732	\$2,468,917	\$1,765,002	\$1,765,002
Environmental Health Reg	\$1,788,692	\$1,825,328	\$1,882,066	\$1,978,270
Planning & Environment	\$2,626,739	\$2,542,658	\$2,270,027	\$2,356,539
Drain	\$1,744,993	\$2,092,185	\$2,342,796	\$2,544,883
ETCS	\$5,623,592	\$5,941,262	\$6,406,667	\$6,392,609
<b>Total Planning, Development &amp; Environment</b>	<b>\$19,688,681</b>	<b>\$29,908,724</b>	<b>\$29,608,140</b>	<b>\$30,187,293</b>
<b>Revenue &amp; Record Keeping</b>				
Clerk	\$4,232,379	\$4,036,879	\$4,285,710	\$4,272,387
Treasurer	\$1,070,553	\$1,106,396	\$1,353,138	\$1,400,749
Equalization	\$1,168,299	\$1,242,756	\$1,367,879	\$1,431,732
<b>Total Revenue &amp; Record Keeping</b>	<b>\$6,471,231</b>	<b>\$6,386,031</b>	<b>\$7,006,727</b>	<b>\$7,104,868</b>
<b>Support Services</b>				
County Administrator	\$721,597	\$712,456	\$678,150	\$709,319
Corporation Counsel	\$258,505	\$249,740	\$252,151	\$261,946
Facilities	\$6,441,225	\$6,431,858	\$6,529,294	\$6,529,294
Finance	\$5,123,550	\$4,649,098	\$4,180,861	\$4,278,622
Budget	\$425,156	\$429,696	\$411,518	\$433,760
ITS	\$5,630,327	\$6,168,437	\$5,420,739	\$5,631,548
Human Resources	\$1,008,966	\$946,457	\$920,519	\$961,612
Organizational Development	\$429,797	\$539,075	\$614,774	\$634,600
LLRC / LBPH	\$739,904	\$760,754	\$821,226	\$833,611
Costs allocated to other departments	(\$8,926,036)	(\$9,061,303)	(\$12,595,830)	(\$12,595,830)
<b>Total Support Services</b>	<b>\$11,852,991</b>	<b>\$11,826,268</b>	<b>\$7,233,402</b>	<b>\$7,678,482</b>
<b>Other</b>	<b>\$4,052,206</b>	<b>\$3,215,786</b>	<b>\$3,719,875</b>	<b>\$2,803,555</b>