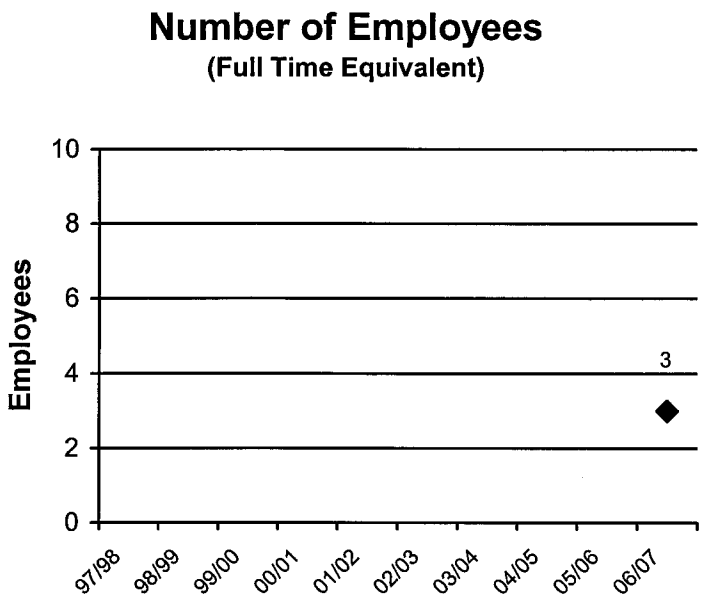
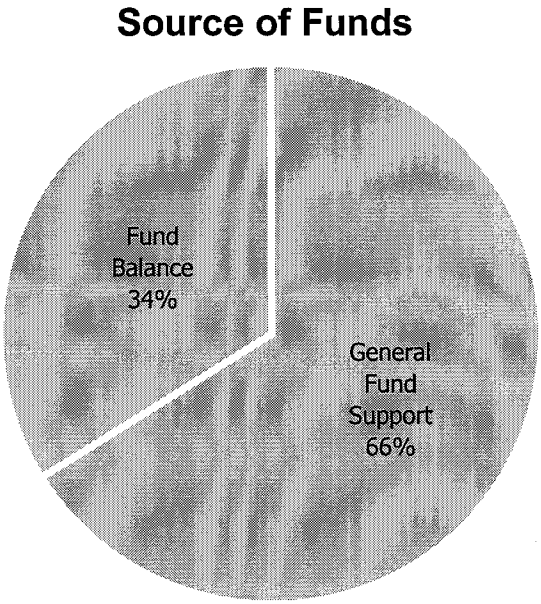
PURPOSE

To continuously improve the quality and effectiveness of services provided to the public through strategic planning, organizational reviews, leadership development and staff training.

Financial Summary	2004-05 Actual	2005-06 Actual	2006-07 Requested	2006-07 Recommended	2006-07 Adopted
Revenues	$ 261,451	$ 287,791	$ 450,000	$ 450,000	$ 450,000
Fund Balance Available	$ 174,043	$ 271,865	$ 231,699	$ 231,699	$ 419,135
Cancelled Reserves	150,000	100,000	0	0	0
Total Financing Sources	$ 585,494	$ 659,656	$ 681,699	$ 681,699	$ 869,135
Salary and Benefits	$ 0	$ 0	$ 298,601	$ 298,601	$ 298,601
Services and Supplies	303,672	220,549	331,258	331,258	331,258
Other Charges	0	0	0	0	0
Fixed Assets	0	0	0	0	0
Gross Expenditures	$ 303,672	$ 220,549	$ 629,859	$ 629,859	$ 629,859
Contingencies	0	0	51,840	51,840	51,840
New Reserves	0	47,822	0	0	187,436
Total Financing Requirements	$ 303,672	$ 268,371	$ 681,699	$ 681,699	$ 869,135



*2.0 FTE transferred from FC 112 - Personnel



SERVICE PROGRAMS

Organizational Effectiveness and Employee University

Provides educational and career development for employees as well as facilitation, mediation and specialized training for County departments.

Total Expenditures: $629,859 Total Staffing (FTE): 3.0

RECOMMENDED BUDGET AUGMENTATION REQUESTS AND RELATED RESULTS

Unit Amount	Description	Results
Gross: $108,513 General Fund Support: $108,513	1.0 FTE Human Resources Analyst to support organizational development programs, with specific emphasis on succession planning to assist in recruiting and retaining qualified County employees to fill positions created by future retirements.	▪ Develop and distribute employee retirement plan survey by January 1, 2007. ▪ Develop succession planning "curriculum" and begin rollout by July 2007. ▪ Support successful implementation of the High Performance Management Program countywide – 100% of all departments trained by the end of 2007.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The Organizational Development (OD) program was established in FY 2001-02 and has been called "Organizational Effectiveness" until this year. We have changed the title to reflect the terminology used industry wide for similar programs and the proposed resource augmentation aimed at succession planning. We are now beginning to see the first of the "Baby Boomers" retiring and expect to see a significant turnover in County staff over the next five years. To retain a qualified workforce, it is critical that we create an environment that encourages and supports remaining employees in their efforts to enhance skills and knowledge. The OD program also focuses on developing and implementing strategies or services in support of a high performance organization that delivers meaningful, measurable results to our customers. These strategies include employee development through the Employee University (EU), organizational performance analysis, strategic planning, and conducting surveys to establish baseline customer service data and measure progress over time.

Please note that the recommended budget transfers 2.0 existing positions from Fund Center 112 - Human Resources to this budget for a total staffing level of 3.0 FTE. The two existing positions were previously approved by the Board in support of the Employee University program. The new position represents the reinstatement of a position that was eliminated from the Administrative Office several years ago due to budget constraints. General Fund support for the OD budget is proposed to increase by $250,000. However, there is a corresponding reduction in the amount of General Fund money needed for Fund Center 112 - Human Resources as a result of the transfer of the two aforementioned positions as well as funding for tuition reimbursement. OD staff will take responsibility for administration of the tuition reimbursement program in an effort to free up staff time in Human Resources for other duties.

Employee University

The EU has continued to offer a wide variety of courses to County employees including: project management, continuous process improvement, stress management, problem solving, communication and conflict resolution, writing skills, public presentation skills, and the FranklinCovey "7 Habits of Highly Effective People" and "4 Roles of Leadership" programs. Several "brown bag" lunch sessions were also held to cover topics including nutrition, health and wellness and personal financial success. As of mid April 2006, we have delivered 20 classes to 450 participants in FY 2005-06.

Another critical effort underway is the delivery of the High Performance Management (HPM) training program. The HPM program is a customized course developed in response to feedback received and lessons learned from the pilot "Supervisor Academy" held in FY 2003-04. HPM is designed to strengthen the performance management/evaluation system by:

- Clarifying the mission, goals and objectives of each department,
- Communicating clear performance expectations to staff and identifying how each employee contributes to the department's overall goals (in objective and measurable terms),

- Providing meaningful, constructive performance feedback, and
- Holding employees accountable.

All department heads were encouraged to participate in the development of the HPM process and the feedback they provided was very valuable. Departments will be required to utilize the HPM process after completing the training sessions conducted by OD staff. Our objective is to train all County departments by the end of 2007.

Succession Planning

In FY 2006-07, staff in the Organizational Development unit will research best practices in succession planning and develop a program to ensure the County is prepared for the anticipated retirement of many long-term experienced employees. Given the high cost of housing in our County, we expect it will be a challenge to replace these experienced staff. Succession planning efforts will focus on building the skills of current employees so that they are able to step in as others retire and ensure a smooth transition. Effective implementation of the HPM program described above will also assist with these efforts.

Organizational Effectiveness Assessment

In FY 2005-06, all departments were asked to analyze their performance in terms of planning for and meeting stakeholders' wants, needs and expectations. Each department produced a report – called a Department Performance Profile - that answers the following questions:

- How do we know that we are delivering services in the most *effective* manner?
- What are we doing to ensure that services are provided at the *least cost* possible?
- What are we doing to ensure that we continue to meet the changing needs of the customers we serve?
- What are we doing to ensure that employees are as well-trained, motivated and accountable as possible?

This analysis depicts current department performance in four key areas: customer service, cost-effectiveness, internal business processes, and learning and growth. By going through this exercise, departments were able to identify areas of strength as well as opportunities for addressing gaps that may exist in terms of preparing for – and meeting – customer expectations.

Beginning in FY 2006-07, departments will schedule time on the Board's agenda to "showcase" their Department Performance Profiles and discuss their plans for improving services.

Internal and External Stakeholder Surveys

In FY 2006-07 we will again survey all County employees to gauge our progress, as an employer, in creating a work environment that supports employees as they strive to deliver the results our customers want. The first Employee Opinion survey was conducted in August of 2004 and several corrective action plans were implemented by departments to address perceived deficiencies. The 2004 survey provided baseline data with which we will compare the results of the 2006 Employee Opinion survey to indicate our progress and identify areas that need further work.

We will also participate in the National Citizens Opinion survey project again in 2006. Through this effort, we will be sending approximately 3,000 county residents a survey to ask a variety of questions regarding the quality of service the County provides. We participated in this project for the first time in 2003. Since then, more governmental organizations have joined and conducted surveys of the citizens they serve. We will be able to use our County's 2003 baseline data – and hopefully data from other counties - to compare our performance in providing valued services to the public. The 2006 survey results will be used to identify areas where we may want to focus organizational development efforts in the future.

BOARD ADOPTED CHANGES

None.

GOALS AND PERFORMANCE MEASURES

Department Goal: To ensure that training opportunities aimed at creating a competent, results-oriented workforce are made available to County employees. **Communitywide Result Link:** A well-governed community.
1. Performance Measure: Overall average participant satisfaction rating (on a 5 point scale) of training programs offered by the Employee University.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Actual Results	06-07 Target
New Measure	New Measure	New Measure	4.4	4.5	4.5	4.5

What: Provides data on participant overall satisfaction with Employee University training courses (on a scale of 1-5 with 1 = "poor" and 5 = "outstanding"). This is the first level of program evaluation. We evaluate 100% of the training courses offered by the Employee University at this level

Why: This data provides information on how satisfied participants are with the training programs offered by the Employee University.

How are we doing? The average overall participant satisfaction rating for all classes delivered by the Employee University in of FY 2005/06 was 4.48. This indicates that, overall, County employees who participated in these classes are highly satisfied with the class(es) they attended. The Employee University will strive to retain this high level of participant satisfaction in FY 2006/07.

2. Performance Measure: Percent gain in knowledge as a result of attending Employee University training courses.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Actual Results	06-07 Target
New Measure	New Measure	New Measure	26%	25%	27%	30%

What: Provides data on the percent of knowledge gained, on average, by the training program participants (based on a comparison of pre and post test scores). This is the second level of program impact evaluation. At this time we intend to evaluate 100% of the training courses offered by the Employee University at this level.

Why: This data provides additional information on the value of the training programs offered by the Employee University (in terms of knowledge gain). This data will be used by course facilitators and EU staff to determine how well participants are learning the concepts, skills and tools being taught, and make adjustments accordingly to improve the overall results.

How are we doing? The average gain in knowledge for the 12 classes delivered by the Employee University in the first half of FY 2005/06 was 27%. The data for courses held from January – June 2006 has not yet been compiled due to an extended medical leave for a key EU staff position. Courses showing the greatest gain in knowledge included: Problem Solving, Presentation Advantage, and Conflict Resolution. Courses showing the least gain in knowledge included: Continuous Process Improvement and an alternative Conflict Resolution course. EU staff will continue to evaluate the assessment tools and approach used, the material taught, and training methods used to optimize learning of new information and building new skills.

3. Performance Measure: Percent increase in skill/knowledge level following application of concepts and tools taught in EU courses, on the job.

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Actual Results	06-07 Target
New Measure	New Measure	New Measure	45%	25%	Data Not Available	25%

What: Provides data on the increase in skill level based on application of new concepts, knowledge and tools gained in the training. This is the third level of program impact evaluation. At this time we intend to evaluate new or significantly re-designed training courses offered by the Employee University at this level, as appropriate.

Why: This data provides additional information on the value of the training programs offered by the Employee University (in terms of behavior change on the job). The County will realize desired benefits from offering these training courses when participants apply and practice the concepts, skills and tools back on the job. The purpose of this measure is to gauge the actual impact this application has on improving participants' skill level in their work.

How are we doing? EU staff has developed new data collection tools for courses being delivered by the Employee University in the second half of FY 2005/06. However, the data has not yet been compiled due to an extended medical leave for a key EU staff position. This data will be compiled once the EU is again fully staffed (October 2006).

4. Performance Measure: Return on investment (ROI) projected from Employee University Training

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Actual Results	06-07 Target
New Measure	New Measure	New Measure	39.75% (average)	50%	-32.49%	25%

What: Provides information on the projected return the County will receive for its investment in Employee University Training programs. Participants of selected training programs implement an action plan to apply new skills, tools and knowledge learned in the course. They then report the expected results their action plan will have on their organization's performance (in terms of improved timeliness in delivering service, improved quality of service, improved customer satisfaction, and/or improved cost-efficiency). Tangible benefits that have been converted to annual dollar benefits are included in the calculation, and intangible benefits that are difficult to quantify are reported separately. It is important to note that conducting impact evaluations to this level is labor intensive and will be done only on training programs implemented by the Employee University that are highly visible and/or of relatively significant cost. We plan to evaluate all other

EU training course to Level 3 (i.e. application of concepts and tools taught in the class, on the job).

Why: This data provides additional information on the value of the training programs offered by the Employee University (in terms of financial benefit). The County's intent for providing training programs through the Employee University is to enhance employee skills and knowledge so that they are able to improve their overall performance in terms of improved quality and timeliness of service, improved customer satisfaction, and/or improved cost-efficiency. The purpose of this measure is to report the actual or expected organizational benefits that result from participants applying and practicing the concepts, skills and tools taught in the training program, on the job. This measure captures benefits that are tangible and quantifiable. Other important but intangible benefits such as improved communication, reduced personal stress, etc. are also often realized but are not included in the calculation for return on investment

How are we doing? In FY 2005-06 the EU planned to conduct a full return on investment analysis of three courses offered over the past year: Continuous Process Improvement (CPI), Managing Projects Effectively (MPE) and High Performance Management (HPM). To date only one CPI course has been delivered and the program benefits will not be reported by participants until at least December 2006. The first HPM course was delivered in January 2006 and results will not be measured for at least another 6 months or so. There have been two MPE courses offered on which we conducted a return on investment analysis. The first, held in December 2004, produced a negative return on investment of -55.84%. Only two of the four teams were able to report tangible benefits that could be used in the ROI calculation. The other two teams either reported only intangible benefits (such as clarification of roles and responsibilities, enhanced focus on project completion due to mapping out the project steps and timelines, and increasing the understanding of parties affected by the outcomes of the project) or have yet to complete the project. The second MPE class, held in March 2005, produced a negative return on investment of -5.73%. While this is an improved result, collecting the data on benefits resulting from our training programs continues to be a challenge. There were nine "teams" that participated in this class and only three submitted reports identifying tangible benefits gained from taking the class. EU staff is developing strategies to improve data collection for the ROI analysis effort. These will be implemented once the EU is fully staffed. Our target has been reduced to reflect a more realistic return on investment based on information received from experts in the field.

5. Performance Measure: Average return on investment (ROI) projected from Departments that have utilized the Organizational Effectiveness cycle process to improve performance

01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Adopted	05-06 Actual Results	06-07 Target
New Measure	New Measure	New Measure	50.65%	100%	64.94%	70%

What: Provides information on the projected return the County will receive for its investment in the Organizational Effectiveness (OE) Cycle process, after two years of action plan implementation. Participating department design and implement action plans to address performance improvement opportunities identified in the OE cycle process. Often, tangible results are not realized until 18-24 months after the action plans have been initiated. Departments identify the expected results their action plans will have on their organization's performance (in terms of improved timeliness in delivering service, improved quality of service, improved customer satisfaction, and/or improved cost-efficiency). Tangible benefits that have been converted to annual dollar benefits are included in the calculation, and intangible benefits that are difficult to quantify are reported separately.

Why: The County's intent for utilizing the OE Cycle process is to help departments overcome barriers to continuous improvement and enhance their overall performance in terms of improved quality and timeliness of service, improved customer satisfaction, and/or improved cost-efficiency. The purpose of this measure is to report the actual or expected organizational benefits that result for the OE cycle process.

How are we doing? As of the end of the fiscal year, six departments have used the OE cycle process in the past couple of years: Drug and Alcohol Services was the pilot department who began this process in November 2001, Planning and Building, the Clerk Recorder, the Assessor, the Administrative Office and the Department of Social Services. The total cost for these OE projects is approximately $154,400. Annual benefits reported to date are estimated at $254,310. In addition to the $213,000 reported for Drug and Alcohol Services and $13,000 reported by Planning the Services in the FY 2005/06 budget, the following additional tangible results have been reported to date:

- The Assessor estimates a total "savings" of $10,000 by re-allocating staff resources and changing the process for parceling/indexing recorded documents. They have also increased productivity by processing 4,200 more documents as compared to this same time last year.
- The Clerk-Recorder achieved a savings of $7,000 in overtime costs associated with the special election due to cross training of staff and other changes made following the OE cycle.
- The Planning Department continues to streamline and improve processes and expects an annual "savings" of about $4,760 due to posting more information on the web for clients (and thus reducing staff time required to provide this information by phone or in person) and improving available information to Planners in order to better manage and processes their cases.

This provides a positive return on investment of 64.94%. It is important to note that staff savings do not always equate to a reduction in staff or expenses for the department. Process improvements that reduce the amount of staff resources allow the department to shift these freed resources to improve service quality and timeliness and overall customer satisfaction.

The Administrative Office focused its OE cycle corrective action plans on establishing new systems to improve clarity of roles and responsibilities, priorities, accountability and project management/tracking. A recent revision of the budget preparation process is expected to yield staff savings, which will be reported next year. In addition, the Department of Social Services is also not able to report tangible benefits at this time. However the departments' corrective action teams continue to work on improving communication, decision making, leadership and structure, expect to yield tangible results to be reported in future years.

Many of the benefits that typically derive from the OE cycle effort are intangible in nature; particularly in the first few years after the OE cycle is conducted. These benefits are expected to translate into more cost effective use of resources, higher productivity and improved customer service in the long run.