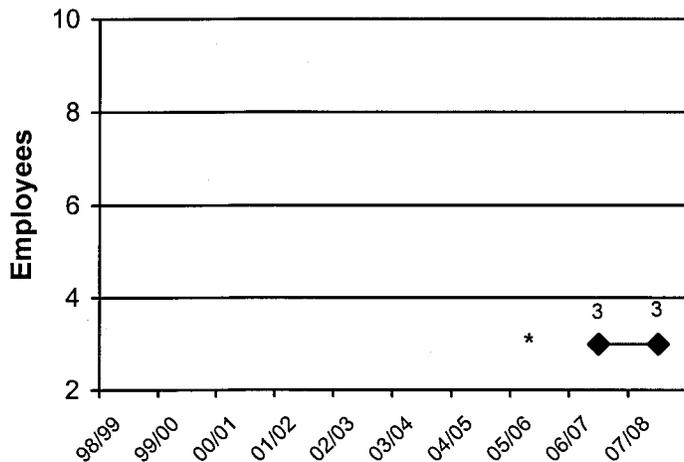


**PURPOSE**

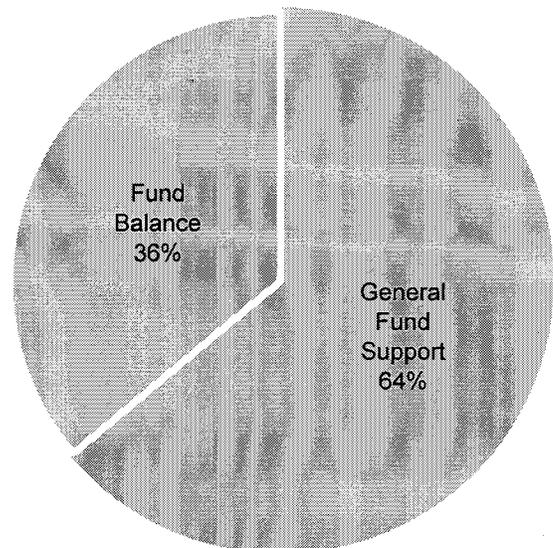
To continuously improve the quality and effectiveness of services provided to the public through strategic planning, organizational reviews, leadership development and staff training.

	2006-07 Budget	2006-07 Projected	2007-08 Requested	2007-08 Recommended	Change from 2006-07
<u>Financial Summary</u>					
Revenues	\$ 450,000	\$ 569,866	\$ 525,000	\$ 525,000	\$ 75,000
Fund Balance Available	\$ 419,135	\$ 419,135	\$ 297,408	\$ 297,408	\$ (121,727)
Cancelled Reserves	0	0	0	0	0
Total Financing Sources	<u>\$ 869,135</u>	<u>\$ 989,001</u>	<u>\$ 822,408</u>	<u>\$ 822,408</u>	<u>\$ (46,727)</u>
Salary and Benefits	\$ 298,601	\$ 174,152	\$ 288,977	\$ 288,977	\$ (9,624)
Services and Supplies	331,258	301,947	481,591	481,591	150,333
Other Charges	0	0	0	0	0
Fixed Assets	0	0	0	0	0
Gross Expenditures	\$ 629,859	\$ 476,099	\$ 770,568	\$ 770,568	\$ 140,709
Contingencies	51,840	0	51,840	51,840	0
New Reserves	187,436	187,436	0	0	(187,436)
Total Financing Requirements	\$ 869,135	\$ 663,535	\$ 822,408	\$ 822,408	\$ (46,727)

**Number of Employees**  
(Full Time Equivalent)

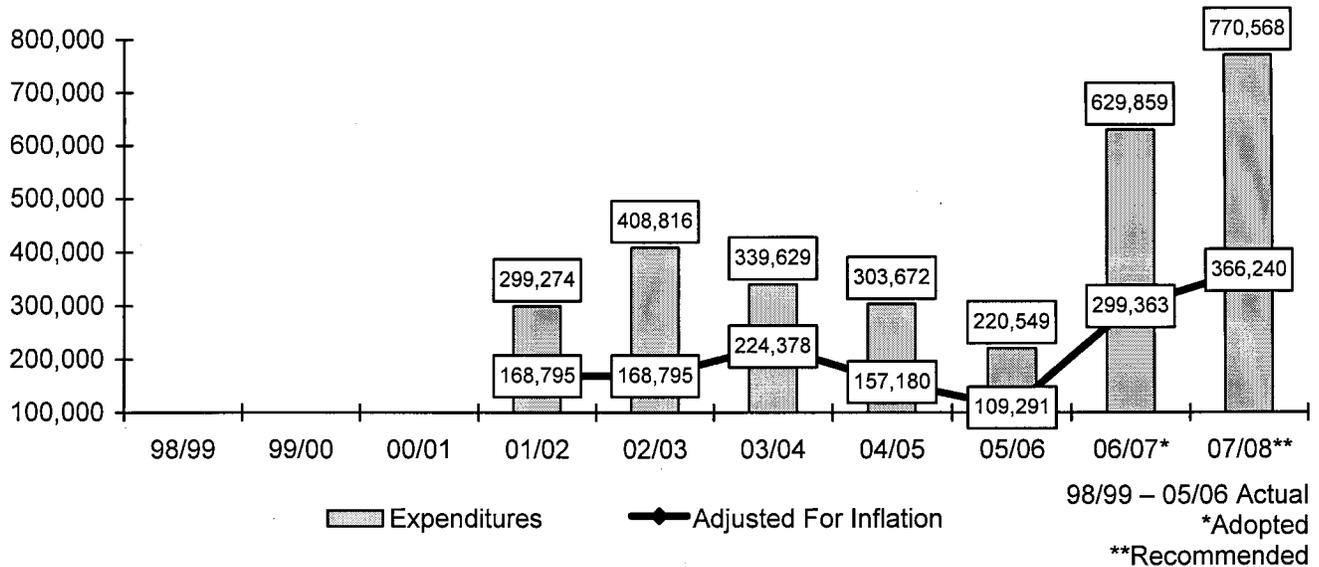


**Source of Funds**



\*Staff previously included in Fund Center 112 – Human Resources

**10 Year Expenditures Adjusted For Inflation**



**SERVICE PROGRAMS**

**Organizational Development**

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

Total Expenditures: \$770,568 Total Staffing (FTE): 3.0

**COUNTY ADMINISTRATOR’S COMMENTS AND RECOMMENDATIONS**

The Organizational Development (OD) program was established in FY 2001-2002 and was previously referred to as “Organizational Effectiveness.” The title was changed to reflect the terminology used industry wide for comprehensive programs designed to enhance efficiency and effectiveness in organizations. The OD program focuses on developing and implementing strategies or services in support of a high performance organization that delivers meaningful, measurable results to our customers. Initiatives include: Planning for the Next Generation (or succession planning), employee development through the Employee University (EU), strategic planning, and stakeholder surveys (both internal and external) to gather data on constituent satisfaction. The recommended budget reflects a status quo funding level with the same amount of General Fund support as compared to FY 2006-2007. Specific accomplishments for FY 2006-2007 and future plans for each of the major strategies/services are as follows:

**Planning for the Next Generation**

In August 2006 a “Planning for the Next Generation” committee was formed to help the County prepare for the anticipated retirement of many long-term experienced employees. This committee was comprised of members of the Board of Supervisors and the Civil Service Commission, various department heads (including elected officials), representatives of labor groups and staff from the Administrative Office. The committee was asked to identify the magnitude of the problem, research best practices in employee recruitment and retention, and recommend viable solutions for further development and implementation. The committee has formulated several recommendations and will present their report to the Board in the summer of 2007. It is anticipated that OD staff will continue to work on further development and implementation of the strategies approved by the Board in the coming year.

**Employee University**

The EU has continued to offer a wide variety of courses to County employees including: project management, stress management, creative 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. As of mid April 2007, we have delivered 27 classes to 507 participants in FY 2006-07.

The Employee University Advisory Board recently completed a strategic planning effort and identified key strategic initiatives to enhance the value of the Employee University to the organization. The highest priority initiatives that will be the focus in FY 2007-2008 include:

1. Designing and implementing a Supervisory and Leadership Academy (which will support the County's succession planning efforts). The curriculum is expected to include required courses for all new supervisors, refresher courses for existing supervisors and various electives available to all current and aspiring supervisors. The High Performance Management curriculum originally planned to be rolled out in FY 2006-2007 will be melded into the curriculum for this academy. In addition, EU staff will research the possibility of obtaining continuing education credits for participants that complete all requirements of the academy.
2. Expanding the EU website to become a robust resource for employees and departments (that includes tutorials and various articles, links to other training resources including on-line training, information on best practices in employee development for use by departments, etc.)

### Department Performance Profiles

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 (DPP) - 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 well-trained, motivated and accountable?

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.

Since February 2007, various departments have presented an overview of their most current DPP to the Board. Our plan is to schedule all County departments to publicly present these profiles to the Board over the next 10-12 months. On an annual basis, departments will update their DPP to reflect progress made on continuous improvement efforts and identify new challenges they face. This analysis will be completed prior to developing the annual budget so that the department's budget request reflects a focus on sustaining or improving on good results and overcoming challenges.

### Internal and External Stakeholder Surveys

In December 2006 the County surveyed all 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 action plans were implemented by departments to address perceived deficiencies. The 2004 survey provided baseline data with which we were able to compare the results of the 2006 Employee Opinion survey to measure progress and identify areas that need further work. Departments are currently developing plans to address issues raised in the 2006 survey. We plan to conduct the employee opinion survey every 2-3 years.

We also conducted the Citizen's Opinion survey in late Winter 2007 as part of the National Citizens Opinion survey project. Through this effort, we sent 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 to establish base-line data. Since then, more county government organizations have joined this national survey project. We will be able to use our County's 2003 baseline data – as well as data from other counties - to compare our performance in providing valued services to the public. The preliminary results have been received, and we plan to provide a complete analysis of the results to the Board in the summer, 2007. OD staff will work with departments to develop and implement corrective action strategies to address issues raised in the 2007 Citizens Opinion survey. At this time we expect to participate in the National Citizens Opinion survey project again in 2010.

**GOALS AND PERFORMANCE MEASURES**

<p><b>Department Goal:</b> To ensure that training opportunities aimed at creating a competent, results-oriented workforce are made available to County employees.</p> <p><b>Communitywide Result Link:</b> A well-governed community.</p>						
<p><b>1. Performance Measure: Overall average participant satisfaction rating (on a 5 point scale) of training programs offered by the Employee University.</b></p>						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
New Measure	New Measure	4.4	4.5	4.5	4.5	4.5
<p><b>What:</b> 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</p> <p><b>Why:</b> This data provides information on how satisfied participants are with the training programs offered by the Employee University.</p> <p><b>How are we doing?</b> The average overall participant satisfaction rating for all classes delivered by the Employee University in the first half of FY 2006/07 was 4.54. 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 2007/08.</p>						
<p><b>2. Performance Measure: Percent gain in knowledge as a result of attending Employee University training courses.</b></p>						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
New Measure	New Measure	26%	27%	30%	37%	35%
<p><b>What:</b> 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.</p> <p><b>Why:</b> 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.</p> <p><b>How are we doing?</b> The average gain in knowledge for the 12 classes delivered by the Employee University in the first half of FY 2006/07 was 37%, a 10% increase as compared to the prior year. Courses showing the greatest gain in knowledge included: Presentation Advantage, Writing Advantage and "Get Happy, Get Healthy, Be Wealthy."</p>						
<p><b>3. Performance Measure: Percent increase in skill/knowledge level following application of concepts and tools taught in EU courses, on the job.</b></p>						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
New Measure	New Measure	45%	Data Not Available	25%	26.6%	30%
<p><b>What:</b> 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 100% of the training courses offered by the Employee University at this level.</p> <p><b>Why:</b> 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.</p> <p><b>How are we doing?</b> Data for 7 courses offered between July and September 2006 show that the average percent gain in skills and knowledge was 26.6%. This data was gathered from follow-up surveys sent to each class participant asking them to rate their skills and knowledge in key learning areas, before the training was held and then at least 90 days after the class. To augment (and verify) this self reporting, we plan to send the same survey to each participant's supervisor as well, beginning in 2007, asking them to rate the increase gain in skills and knowledge based on their observations of their employee's performance. This strategy is also expected to enhance the likelihood that the course participant will apply and practice the skills and knowledge they learned in the class and thus improve the results they are achieving on the job.</p>						

4. Performance Measure: Return on investment (ROI) projected from Employee University Training						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
New Measure	New Measure	39.75% (average)	-32.49%	25%	N/A	Delete
<p><b>What:</b> 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).</p> <p><b>Why:</b> 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</p> <p><b>How are we doing?</b> In FY 2006-07 the EU has not conducted a full return on investment analysis for any courses offered during the first half of FY 2006/07. At this time there is only one class, "Continuous Process Improvement (CPI)" that lends itself to calculating a return on investment. The CPI course originally scheduled for October 2006 was cancelled due to lack of registrants. Other courses do provide intangible benefits such as improved communication, teamwork, employee morale, etc. Over the next Fiscal Year the EU will re-examine the training evaluation program and develop a more meaningful measure to identify the benefits gained from the County's training investment.</p>						
5. Performance Measure: Average return on investment (ROI) projected from Departments that have utilized the Organizational Effectiveness cycle process to improve performance						
02-03 Actual Results	03-04 Actual Results	04-05 Actual Results	05-06 Actual Results	06-07 Adopted	06-07 Projected Results	07-08 Target
New Measure	New Measure	50.65%	64.94%	70%	65%	Delete
<p><b>What:</b> 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.</p> <p><b>Why:</b> 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.</p> <p><b>How are we doing?</b> As of the end of calendar year 2006, six departments have used the OE cycle process to enhance their overall performance: Drug and Alcohol Services, 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, as reported to your Board in the FY 2006/07 budget. There have been no additional OE Cycle exercises in the past year.</p> <p>In addition to results already reported to your Board, the Planning Department has recently identified results from their "Housing and Resource Management OE Cycle", held in July 2005. A team was formed to assess their internal permit and project review process. Redesign and streamlining of these processes have resulted in accelerating the time required to review affordable housing project by one month. By reducing the time required to process the permit applicants save money in their carrying costs (interest payments on a loan, overhead costs, design services, etc.) Planning and Building estimates that such carrying costs can total \$10,000 per month for a large project.</p> <p>Given the recent lack of utilization of the formal OE Cycle and the challenge of quantifying many of the benefits that result from an OE cycle exercise, staff proposes to delete this measure and work to develop new measures over the next year that effectively capture the cost/benefit of organizational change initiatives.</p>						