DIVISION & PROGRAM REVIEW PROCESS SUBCOMMITTEE

REPORT-OUT

Budget, Finance, and Economic Development Committee
November 30th, 2021

Scope of Work

- **Established:** December 3, 2019

- **Purpose:** To consider a review process of LFUCG's divisions and or programs that will take place within the Budget, Finance, and Economic Development Committee and to propose a pilot project for FY2021

- **Scope of Work:** The subcommittee will select a division(s) and or program(s) for a pilot project of the review process; outline the goals of the financially focused division-level evaluation; and explore and define what the process and evaluation would consist of for the pilot project including what would be asked of the division(s).

- **Statement of Problem:** The Urban County Council's budget link review process does not allow the council time to thoroughly understand and assess the functions and services of the divisions and programs within LFUCG, which are driven by budgetary decisions. There is currently no process for an in-depth analysis of a division/program that takes into consideration the original purpose, the current public need, and the funds allocated to services to address those needs.

Subcommittee members

Amanda Mays Bledsoe, 10th District, Chair

Steve Kay, Vice Mayor, At-Large

James Brown, 1st District

Susan Lamb, 4th District

Served on Subcommittee in 2020:

Bill Farmer, 5th District

Angela Evans, 6th District

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Timeline of Work

2019
- **October 24** (Special COW, pilot introduction)

2020
- **January 14** (research and examples)
- **February 11** (exploration of a pilot evaluation)
- **March 10** (approved draft evaluation identified Streets & Roads for pilot project)

2021
- **April-June** (pilot evaluation)
- **September** (approved proposal for pilot evaluation to report out to BFED Committee)

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Cities Researched

- Bowling Green, KY – 2019-2020 operating budget

- Colorado, State Government – sunset process for agencies

- Durham, NC – continuous improvement model

- Fort Collins – essential program components, program/project evaluation plan

- Lincoln, NE – 2018-2020 budget

- Phoenix, AZ – early General Fund budget status report, Citywide Inventory of Programs

*Additional information about the cities researched is included in the packet

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Pilot Project: Streets & Roads

- Goals:
  - Show all that a division does, the good work being done, and identify how to help/improve it
  - Focus on budget, data, and info that is available
  - Provide information and understanding to inform the council (that could help them better establish priorities)
- Phase 1: complete the main form of the evaluation, which covers general information
  - This includes listing all programs under the division
- Phase 2: complete a program summary report form for each program identified in the main form
- Result: a completed evaluation packet of information (48 pages)

*A memo summarizing of the pilot evaluation is included in the packet

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Pilot Project: Evaluation Outline

Main Form: 25 fields

- Idea Generation

- General Information

- Financial

- Personnel & Operations

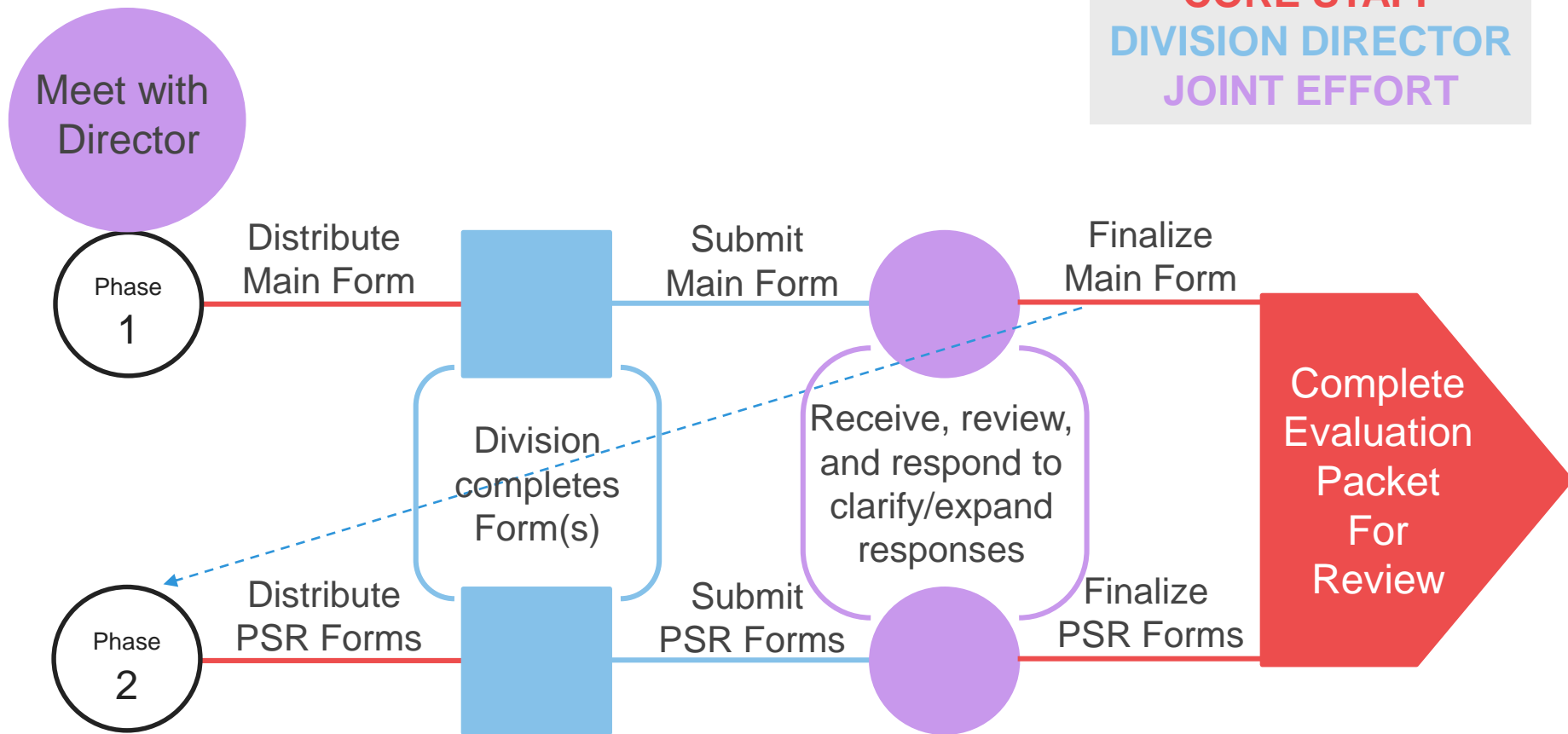- Planning

- Programs & Services

- Comments

Program Summary

Report Form: 17 fields

- Program description, historical documentation, rethink the program, objectives and deliverables, metrics and management reporting, staff, source of funds, budget and financial data, grant funds, stakeholders, customer service approach, and communications/outreach plan

*13 program summary reports submitted, 1 for each program

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Pilot Project: Evaluation Process

Color Key

CORE STAFF
DIVISION DIRECTOR
JOINT EFFORT

Meet with Director

Phase 1

Distribute Main Form

Division completes Form(s)

Submit Main Form

Receive, review, and respond to clarify/expand responses

Finalize Main Form

Complete Evaluation Packet For Review

Phase 2

Distribute PSR Forms

Submit PSR Forms

Finalize PSR Forms

*Program Summary Report: PSR

Process Takeaways from Pilot

- Determining how often this evaluation will take place should have a significant impact on the information that is requested.

- The positions report was not entirely applicable to LFUCG because of the nature of our data for positions. This might not be the best venue to evaluate positions.

- The pilot evaluation was labor intensive.

- A *Phase 3*, to review the information collected in the evaluation, is necessary to make this work useful.

- This process could begin a library of detailed information about divisions and programs that could be a helpful resource in the future.

- Information collected is far more extensive than the information the council receives in the budgeting process and therefore provides more context when making policy recommendations.

- It could present an opportunity to implement improvement strategies.

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Takeaways from Streets & Roads

Input from the Director:

- The process needs adequate time to be thoroughly completed. Subsequent reviews will take a lot less time and brainpower.

- I feel that the document generated will be a useful reference for internal and external users.
  - The depth of the study will be a good reference for Links, Council Members or anyone seeking better understanding of a particular service.
  - It provides a unique summary of division programs and services along with some history that had never been previously compiled.
  - It will help explain the "why" with the "what" for programs and services.

- The study will provide a macro view of the division for policy creators and administrators. The study can be a useful planning tool for budgeting and programming.

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Original Intent vs. Reality

| ORIGINAL IDEA | • IMPLEMENT IN EXTENDED PILOT |

| Review every division & office every few years | • Try to complete 8 evaluations in one year |

| Conduct financially focused evaluations | • Conduct overall evaluation and select components of the evaluation (e.g. a specific program) for a financial analysis |

| Evaluations take place in the BFED Committee | • Evaluations take place in all four standing committees |

Proposal for Implementation

- **Revised Purpose:** Establish an evaluation process to review divisions and programs on a rotating schedule within the Urban County Council's standing committees to provide the council the opportunity to assess the programs and services LFUCG provides the community.

- Each standing committee conduct 2 evaluations each calendar year

  - Try this for 2022 (complete evaluations by September)

- Evaluations executed by core staff and participating divisions

- Goal: evaluate all divisions and offices overtime

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Proposal for Process

- **Step 1:** Determine which divisions will participate in the 2022 evaluations (done by the end of February)

- **Step 2:** Core staff survey the council for specific questions they want addressed about chosen divisions

- **Step 3:** Core staff develop evaluation schedule in coordination with divisions

- **Step 4:** Core staff and divisions conduct evaluation and compile evaluation packet

- **Step 5:** Initial review with Chair, Vice-Chair and Administration and finalize evaluation packet

- **Step 6:** Submit to committee; committee reviews and determines if a financial analysis of specific components should be completed

*The Subcommittee should review progress made in the fall of 2022 to make a recommendation for going forward

Proposal for the Evaluation

- Phase 1: Main Form
  - Divisions identify their programs and label them as a core function or support function

- Phase 2: Program Summary Report
  - Core function program – full form
    - Each core function has its own completed form
  - Support function – short form
    - Each support function has its own completed form

  *Division determines which form to use

- Phase 3: Review Evaluation in Standing Committee
  - Committee determines what components of evaluation/division, if any, need a financial analysis done by the Department of Finance

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Proposal for the Forms

Main Form: <u>17 fields</u>

- Idea Generation

- General Information

- ~~Financial~~

- Personnel & Operations

- Planning

- Programs & Services

- ~~Comments~~ Appendix

  - 3 items

Program Summary Report:

- Core Function Form: <u>14 fields</u>

  - Program description, historical documentation, rethink the program, objectives and deliverables, metrics and management reporting, staff, ~~source of funds, budget and financial data, grant funds,~~ stakeholders, customer service approach, communications/ outreach plan, and additional information

- Support Function Form: <u>6 fields</u>

  - Program description, historical documentation, rethink the program, objectives and deliverables, and additional information

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Strategies for Success

- Council members committed to reviewing the completed evaluations

- Divisions committed to participating and completing the evaluation

- Maintain focus on need to know/of interest information
  - Council member's initial questions should be outlined at the start of each evaluation

- Use forms as a guide but readily available information should be the starting point

Additional Subcommittee materials can be found at:
https://www.lexingtonky.gov/division-program-review-process-subcommittee

Questions?

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