

SUBSTITUTE ORDINANCE AMENDMENT FOR FILE 15-0703
FINANCE COMMITTEE MEETING FEBRUARY 10, 2015

Sponsored by:

JOHN A. FRITCHEY, County Commissioner and TONI PRECKWINKLE, President

BE IT ORDAINED, by the Cook County Board of Commissioners, that Chapter 2 Administration, Article X, Performance Based Management and Budgeting, Sections 2-930 through 2-937 is hereby enacted and amends Chapter 34, Finance, Article I, Generally, Section 34-5 Quarterly Budget Review as follows:

Sec. 2-930: Legislative Findings and Purpose.

(a) Cook County has an interest in ensuring that every department and agency, including agencies operated by the eleven separately elected officials, and the Cook County Health and Hospitals System operate in an efficient and fiscally responsible manner.

(b) Cook County has an interest in improving the delivery of public services through the use of strategic planning, business planning, a sound resource allocation process encompassing the traditional budget process and a framework for managerial accountability to ensure that the County's goals, mission and objectives focus on countywide results and that the results produced reflect the goals of statutory programs and responsibilities.

(c) The use of performance measures and standards in the planning and resource allocation processes, as well as the public reporting of performance information, will result in a more efficient and effective utilization of County resources and improved results for the public and will ensure that the County as a whole is addressing its core functions and mission.

(d) The purpose of this article is to:

1. Improve public service delivery through deliberate planning and an emphasis on accountability and results;
2. Improve managerial and legislative decision-making by promoting the gathering of meaningful and objective performance information;
3. Ensure that all departments and agencies are fiscally accountable and are primarily addressing statutory operations and functions; and
4. Improve public trust in County government by holding the County and its departments accountable for achieving results.

Sec. 2-931. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

"Board" for the purposes of this article, means the Cook County Board of Commissioners.

~~“Budget Resource Allocation Plan” for the purposes of this article, means the budget resource allocation plans described in Section 2-934(a).~~

“County” for the purposes of this article, means Cook County.

“County Departments or Agencies” or “County Department or Agency” for the purposes of this article, means all County departments and agencies, including, but not limited to offices, departments and agencies of or lead by the following elected officials:

1. The President of the Board of Commissions of Cook County;
2. The Cook County Assessor;
3. The Commissioners of the Cook County Board of Review;
4. The Cook County Clerk;
5. The Clerk of the Circuit Court of Cook County;
6. The Cook County Recorder of Deeds;
7. The Cook County Sheriff;
8. The Cook County State’s Attorney;
9. The Office of the Chief Judge; and
10. The Cook County Treasurer.

“President” for the purposes of this article, means the President of the Cook County Board of Commissioners.

“Quarterly Record” for the purposes of this article, means the quarterly records described in Sections 2-932(a) and 2-932(b).

Sec. 2-932. Quarterly Submissions to President and Board.

(a) Each County Department and Agency shall prepare a Quarterly Record wherein it shall define its mission and establish measurable goals for achieving desirable results for those who received its services and the taxpayers who pay for those services. Each County Department and Agency shall also develop clear strategies and timelines to achieve its goals. In addition, the Quarterly Record shall provide year to date budget information on expenses and revenues and analysis of any significant variances and impact on performance goals, as well as corrective measures to eliminate any budgetary shortfall by year end if applicable.

(b) The Quarterly Record submission shall include, but not be limited to, specific and measurable performance indicators, with corresponding performance objectives and targets, for each departmental or agency activity that are impartial, quantifiable and that demonstrate progress to date. The President and/or his or her designee, prior to the submission of the first Quarterly Record by any County Department or Agency, shall meet with each County Department or Agency to determine the appropriate performance indicators and corresponding performance objectives and targets for such County Department or Agency. Notwithstanding anything to the contrary in this Section 2-932, the County Departments and Agencies shall prepare its Quarterly Records in accordance with the performance indicators and performance objectives determined in these meetings and as otherwise established by the President and/or his or her designee.

(c) The Quarterly Record submission shall also include a statement of purpose for the County Department or Agency, services and programs provided that are required by law, including the mandating law, statute or ordinance, and services and programs provided that are not required by law but that enhance County services.

(d) The Quarterly Record submission shall clearly show the relationship between resources, County Departmental or Agency activities and the expected level of performance to ensure performance based management and budgeting.

(e) The Quarterly Record submission shall also include, but not be limited to, the following components:

1. Staffing levels;

2. Personnel expenditures, including employee overtime expenditures;

3. Employee lost labor hours, including sick time usage and FMLA usage;

4. Descriptions of proposed adjustments to existing service levels tied to reported performance indicators;

~~(f)~~ Each County Department and Agency shall submit its Quarterly Record to the President and his or her designee no later than March ~~4015~~, June ~~4015~~, September ~~4015~~ and December ~~4015~~ each year.

~~(g)~~ The President or his or her designee shall transmit each Quarterly Record submission received from County Departments and Agencies to the Board for Board review by April 1, July 1, October 1 and January 1 of each year.

(h) The President or his or her designee, the Chief Performance Officer and the Budget Director, shall review the Quarterly Record submissions and analyze performance data with a consideration of the Annual Executive Budget Recommendation to determine the effectiveness of strategies, program performance, and justification for continued, increased, or decreased funding.

(i) All offices and agencies of Cook County government, including but not limited to the Cook County Board of Commissioners, Cook County Health and Hospital System and the offices of the Cook County Sheriff, Cook County Treasurer, Cook county Board of Review, Cook County Assessor, Cook County State's Attorney, Cook County Clerk, Clerk of the Circuit Court of Cook County, the Chief Judge of Cook County and the Cook County Recorder of Deeds shall work with the Chief Performance Officer and Budget Director as requested in order to meet the timelines addressed herein. Each agency shall include a proposed Quarterly Submission format for the ensuing fiscal year along with their budget submission to the Department of Budget and Management Services, and be prepared to discuss this report to the Board of Commissioners during their annual budget hearing.

Sec. 2-933. Quarterly Meetings.

The President or his or her designee shall, on a quarterly basis, meet with County Departments and Agencies to discuss the Quarterly Record as well as the County Department or Agency's progress with respect to the chosen performance indicators and corresponding performance targets for priority outcomes.

Sec. 2-934. Budget Review and Allocation.

(a) ~~(a) Each County Department and Agency shall prepare a proposed Budget Resource Allocation Plan~~ preliminary budget forecast estimates for review by the President and the Board or his designee on or before March 30, March 15, June 30, and September 15, September 30 and December 30 of each year that will include analysis on expenditure and revenue variances in a form prescribed by the Budget Director. The

Budget Director may provide guidance on the format of the reports and specify the due date. The proposed Budget Resource Allocation Plan shall identify the resources required to execute departmental or agency priority outcomes, as outlined in the Quarterly Record submissions.

- (b) All offices and agencies of Cook County government, including but not limited to the Cook County Board of Commissioners, Cook County Health and Hospital System and the offices of the Cook County Sheriff, Cook County Treasurer, Cook county Board of Review, Cook County Assessor, Cook County State's Attorney, Cook County Clerk, Clerk of the Circuit Court of Cook County, the Chief Judge of Cook County and the Cook County Recorder of Deeds shall meet the timeline established by the Budget Director as requested. If any office or agency fails to comply, the Department of Budget and Management Services is authorized to estimate the preliminary forecast for any office or agency of Cook County government, and to notify the Board of Commissioners of such failure to comply.

(b) ~~County Department and Agency Budget Resource Allocation Plans shall include, but not be limited to, the following components:~~

- ~~1. Proposed staffing levels, FTE and personnel costs;~~
- ~~2. Fringe benefits;~~
- ~~3. Proposed revenues and appropriations, including litigation and contractual service costs;~~
- ~~4. Grants that support or enhance services and programs and a listing of business units associated with such programs or service;~~
- ~~5. Length of grant funding commitment;~~
- ~~6. Proposed adjustments to existing service levels;~~
- ~~7. Proposed new or increased fees;~~
- ~~8. Transfers~~
- ~~9. Depreciation, amortizations and depletion;~~
- ~~10. Capital Costs;~~
- ~~11. Grants to outside organizations;~~
- ~~12. Additional grants anticipated to be included to be received in the upcoming Fiscal Year.~~

~~(c) The proposed Budget Resource Allocation Plan shall clearly show the relationship between resources, County Departmental or Agency activities and the expected level of performance to ensure performance based management and budgeting. The Budget Resource Allocation Plan shall clearly indicate which services are statutorily mandated and to what extent services are required. If the Budget Resource Allocation Plan requests funding for services or programs not mandated by law, justification shall be presented to show how such services or programs enhance County services.~~

~~(c) The President shall issue a preliminary budget forecast which shall be published on or before June 30th of each year and presented to the Cook County Board of Commissioners thereafter. This report shall issue an assessment of the fiscal condition of the County prior to the next year's budget cycle. The preliminary forecast shall provide a six month assessment of expenditures by fund, including the appropriation for the current calendar year and a revised estimate of revenues for the current fiscal year. The preliminary forecast shall provide an initial projection for the next year's expenditures and revenues. The President shall present the proposed Budget Resource Allocation Plan of each County Department and Agency to the Board for review.~~

(d) The executive budget recommendation shall be presented to the Cook County Board of Commissioners no later than October 31st of each year. ~~(e) The President or his or her designee, the Chief Financial Officer and the Chief Administrative Officer shall review the Quarterly Record submissions and analyze performance data with a consideration of proposed Budget Resource Allocation Plans to determine the effectiveness of strategies, program performance, and justification for continued, increased, or decreased funding.~~

(e) The president's executive budget recommendation shall be based on various budgeting approaches. These approaches shall include, but not be limited to, zero-based and performance-based budgeting concepts as outlined below.

Performance-Based Budgeting Concepts:

- Determination of the total available resources
- Prioritization of desired outcomes
- Allocation of resources based on priorities and analysis
- Set measures of annual progress, monitor and review
- Communication of performance results

Zero-Based Budgeting Concepts:

- Breakdown expense activities into meaningfully identifiable unit costs
- Identification of objectives or requirements of each program
- Determination of the fundamental level of service and allocate resources based on that level of service
- Examination of how an incremental level of funding can contribute to increase in production and services provided, with at least one alternative funding level, which shall be lower than the current fiscal year's appropriation
- Assessment of the costs and benefits of each incremental level of funding accompanied by a detailed justification of said costs
- Identification of budget priorities and aligning resource allocation to these objectives
- Monitor and evaluate objectives in the budget

At the direction of the Budget Director, information generated from performance- based or zero-based budgeting approaches, shall be summarized in the departmental narrative, as part of the executive recommendation, outlining the departmental and program purpose, program efficiency, program effectiveness, program outcomes, cost benefit analysis, target population, and service-level alternatives. In addition, any analysis conducted using the performance report in the Quarterly Record that has an impact on proposed funding allocation shall be summarized in the executive recommendation. Said summary shall also provide an explanation as to how the above stated Zero-Based Budgeting concepts were considered and incorporated into the executive budget recommendation for those departments identified and subject to Zero-Based budgeting. All offices and agencies of Cook County government, including but not limited to the Cook County Board of Commissioners, Cook County Health and Hospital System and the offices of the Cook County Sheriff, Cook County Treasurer, Cook county Board of Review, Cook County Assessor, Cook County State's Attorney, Cook County Clerk, Clerk of the Circuit Court of Cook County, the Chief Judge of Cook County and the Cook County Recorder of Deeds shall provide information requested in the budget process.

Sec. 2-935.

Performance Based Program Review.

~~County Department and Agency Budget Resource Allocation Plans~~The Quarterly Record submission shall serve as the basis for performance based program reviews. Such reviews ~~may~~ shall include the following:

1. A review as to whether the program is in conformance with the mission of the Department and Agency, its statutory authority and adopted budgetary priorities;
2. Zero-based budgeting concepts as set forth in Sec. 2-934 (e);
3. Application of program workload measures, program efficiency measures, program effectiveness measures, program outcome measures and cost-benefit analysis; and
4. An analysis of the customer or client base served by the program and delivery of service alternatives.

Sec. 2-936. Accountability and Performance

(a) Departments and Agencies shall be held accountable for the achievement of performance objectives, as outlined in the Quarterly Record and Department heads and managers may be further accountable for the achievement of performance objectives through performance evaluation and other appropriate managerial tools.

(b) Management and staff shall employ progressive techniques to ensure continuous efficiency and effectiveness in County operations.

(c) Managers and staff shall not allow the expenditures for any line item for their department or agency to exceed the total amount appropriated for such line item by the approved budgets without express approval of the Board.

~~Sec. 2-937. Effective Date.~~

~~This article shall become effective 30 days after passage by the Cook County Board of Commissioners.~~

Effective date: This ordinance shall be in effect 30 days after adoption.