



Board of Commissioners of Cook County

118 North Clark Street
Chicago, IL

Legislation Details

File #:	20-1076	Version:	1	Name:	PERFORMANCE BASED MANAGEMENT AND BUDGETING
Type:	Ordinance Amendment	Status:		Approved:	Approved
File created:	1/7/2020	In control:		Finance Committee:	Finance Committee
On agenda:	1/16/2020	Final action:		2/27/2020:	2/27/2020
Title:	PROPOSED ORDINANCE AMENDMENT				

ARTICLE X. - PERFORMANCE BASED MANAGEMENT AND BUDGETING

Sec. 2-930. - Legislative findings and purpose.

(a) Cook County has an interest in ensuring that every County Department and Agency, including Agencies operated by the separately elected and appointed officials, and the Cook County Health and Hospitals System operates in an efficient and fiscally responsible manner.

(b) Cook County has an interest in improving the delivery of public services and internal management through the use of strategic planning, business planning, a sound resource allocation process encompassing the traditional budget process, a multi-year approach for capital budgeting, 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 establishment of the annual budget, in the planning and resource allocation processes, and the public reporting of performance information, will result in a more efficient and effective utilization of County resources and improved results in an effort to ensure that the County as a whole is addressing its core functions and mission.

(d) Implementing requirements to prepare Preliminary Budget Forecasts and other various forms and reports will bring added transparency to the County's annual budgetary process and highlight positives as well as challenges faced by the County in the upcoming fiscal year.

(e) The purpose of this article is to:

(1) Improve public service delivery through deliberate planning and an emphasis on accountability and results;

(2) Improve the budget process by analyzing and reporting various metrics to better determine the relationship between program funding levels and expected results;

(3) Improve managerial and legislative decision-making by promoting the gathering of meaningful and objective performance information;

(4) Ensure that all Departments and Agencies are fiscally accountable and are primarily addressing statutory operations and functions;

(5) Utilize Program Inventory to provide greater detail on County services and programs to County residents, employees and Departments and Agencies; and

(6) Improve public trust in County government by holding the County and its Departments/Agencies 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:

Agency or Agencies means all Elected Officials, Departments, Offices, Institutions or Agencies of the County, including but not limited to the offices and departments under the jurisdiction of the County Board President, the Board of Commissioners, the Cook County Health and Hospitals System, Cook County State's Attorney, Cook County Sheriff, Cook County Public Defender, Clerk of the Circuit Court of Cook County, Cook County Treasurer, Cook County Clerk, Cook County Recorder of Deeds, Cook County Assessor, Chief Judge of the Circuit Court of Cook County, Board of Review, the Office of the Independent Inspector General, the Cook County Land Bank Authority, and the Public Administrator. Annual Report means the Annual Report described in Section 2-936.

Annual Physical Inventory means an annual process by which a County Agency or Department reviews the Capital Equipment items under its purview and physically verifies a count of said items for the purpose of documenting the possession of said items and that the inventory records reflect actual quantities on hand.

Asset Management Bureau Chief means the Chief of the Cook County Bureau of Asset Management.
Board means the Cook County Board of Commissioners.

Budget Director means the Director of the Cook County Department of Budget and Management Services.

Budget Request means the annual request for budgetary funding for the forthcoming fiscal year submitted by County Departments and Agencies in the form and manner required by the Budget Director.

Capital Equipment means tangible depreciable property (other than land or buildings) necessary to run the day-to-day operations of an organization; such as, technology systems, technology hardware, power-driven machines, industrial tools, furniture, vehicles, medical or laboratory equipment used to provide patient care, but does not include office supplies or items of annually expensed inventories.

Chief Financial Officer means the Chief Financial Officer in the Cook County Bureau of Finance.

Chief Information Officer means the Chief Information Officer in the Cook County Bureau of Information Technology.

Chief Performance Officer means the Chief Performance Officer in the Cook County Department of Budget and Management Services.

County means Cook County.

County Departments or Agencies or County Department or Agency means all County departments and agencies, including, but not limited to offices, departments and agencies of or lead by the following elected and/or appointed 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;
- (10) The Cook County Treasurer;
- (11) The Cook County Health and Hospitals System;
- (12) The Veteran's Assistance Commission;
- (13) The Office of the Independent Inspector General;
- (14) The Cook County Land Bank Authority; and
- (15) The Public Administrator.

Director of Research, Operations, and Innovation means the Director of Research, Operations, and Innovation in the Cook County Bureau of Administration Office of Research, Operations, and Innovation.

Efficiency Metric means a performance indicator and target measuring the relationship between work performed and resources required.

Inventory means an inventory of Capital Equipment, Software Assets and/or Technology Hardware Assets with a value over \$5,000.00 and an estimated useful life of at least five years, which shall include the approximate date of purchase (if known), estimated useful life, estimated replacement cost, and anticipated requested replacement date.

Outcome Metric means the performance indicator and target measuring the results of an operation or program.

Output Metric means a performance indicator measuring the number of items processed within a period of time.

Performance-Based Budgeting means budgeting concepts that take into consideration a 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 and communication of performance results.

President means the President of the Cook County Board of Commissioners.

Preliminary Budget Forecast means a form completed by County Departments and Agencies as directed by the Budget Director which shall include:

- (1) Analyses on expenditure and revenue variances;
- (2) Such additional information as is provided in Section 2-933; and
- (3) Such additional information as is requested by the Budget Director.

Preliminary Budget Forecast Report means a report of the preliminary budget forecast for the forthcoming fiscal year.

Program Based Budgeting means a vehicle for reorganizing administrative units into more coherent structures focused on particular objectives, and that emphasizes the objectives and outputs of government spending, and presents information in ways that make it easier to relate allocations to the goals of spending, such as improved service delivery, while grouping budgetary inputs around objectives.

Program Inventory or Program Inventories means a comprehensive listing of services organized into administrative units focused on particular objectives, and a comprehensive listing of all services offered for each Cook County Agency or Department to both external and internal users and that will help provide a better understanding of Cook County governmental services to Cook County citizens/residents, employees and elected officials.

Program means an administrative unit contained in a Program Inventory or Program Inventories offered by each County Department or Agency that are further delineated with employee and cost data.

Persons Served means a measured number and target of persons served in a defined annual time period for a given County operation or program.

Software Asset means all types of software, including custom, commercial off-the-shelf, and remotely hosted software, as well as software license agreements and consumption information related to the number of software instances installed or in use.

Technology Hardware Asset means all types of computer hardware or systems, to include servers, switches, desktop personal computers, laptops and other similar computer technology, peripherals or equipment.

Zero-Based Budgeting means budgeting concepts that breakdown expense activities into meaningfully identifiable unit costs; identify objectives or requirements of each program; provide a determination of the fundamental level of service and allocate resources based on that level of service; examine how an incremental level of funding can contribute to an increase in production and services provided, with at least one alternative funding level, which shall be lower than the current fiscal year's appropriation; provide an assessment of the costs and benefits of each incremental level of funding accompanied by a detailed justification of said costs; identify budget priorities and aligning resource allocation to these objectives; and monitor and evaluate objectives in the budget.

Sec. 2-932. - Capital equipment budget review.

(a) Each County Department and Agency shall prepare a Capital Equipment Request for review by the Chief Financial Officer and Budget Director to facilitate the development of a multi-year capital budget and plan that identifies and prioritizes projected needs in a strategic fashion, in such time and format as provided for by the Budget Director. The Capital Equipment Request shall include project scope, detailed costs and project timeline; cash flow projections associated with the amount and timing of capital projects; equipment inventory; and replacement cycle schedules. Each County Department and Agency shall re-evaluate capital projects approved in previous capital plans and anticipate the projects' impact on the operating budget, including operating and maintenance costs. Multi-year project funding requests should clearly identify and request the cash flow expected for the upcoming year as well as notate the entire project cost in later years.

(b) All approved Capital Equipment Requests should be procured within the year (unless otherwise provided) they are appropriated for and any unanticipated delays on multi-year projects may be carried over to the following year subject to approval from the Budget Director for items that are procured and expensed over an extended period of time. Purchases of Capital Equipment items that would be expensed via a singular, discrete purchase and that are not purchased during the year they are appropriated for will not be carried over to the following year.

(c) Each County Department and Agency shall submit its Capital Equipment Request on or before April 1 each year and shall do so in the form and manner established by the Budget Director. A copy of the Department/Agency's Inventory for Capital Equipment, Software Assets and Technology Hardware Assets shall also be included with the Capital Equipment Request. Any items for which the Agency or Department will be requesting funding from County Capital Equipment funding accounts must then be included in the Department/Agency's annual Capital Equipment Request.

(1) Components of the Capital Equipment Inventory shall include a Software Asset Inventory and

Technology Hardware Asset Inventory. The Inventory for these two technology categories shall include All Software Assets and Technology Hardware Assets along with a description of each inventory item. Software Asset and Technology Hardware Asset Inventories will include its version, dependencies, hosting location, annual maintenance cost, and Department or Agency's opinion of the reliability and necessity of each inventory item. The Department or Agency shall also supply its future plans or policy for the life cycle of each Inventory item.

(2) The Budget Director and Chief Information Officer jointly shall review each Software Asset and Technology Hardware Asset Inventory submission and requests and prepare a consolidated report to be submitted to the Board by the Budget Director with the annual executive budget recommendation. The consolidated report shall summarize Software Asset and Technology Hardware Asset Inventory submissions and be accompanied by a proposed strategic technology policy document as prepared by the Chief Information Officer, and where applicable include the Chief Information Officer's opinion as to whether Inventory items are cost-effective, up-to-date, and secure, and whether the asset complies with a strategic technology policy document and objectives for the County.

(3) The Budget Director and Asset Management Bureau Chief jointly shall review non-technology related Capital Equipment Inventory submissions and requests and prepare a consolidated report to be submitted to the Board by the Budget Director with the annual executive budget recommendation. The consolidated report shall summarize Capital Equipment Inventory submissions and include the Asset Management Bureau Chief's opinion as to whether the requests are appropriate and meet the objectives of the County.

(4) The Budget Director shall review vehicle related Capital Equipment requests in cooperation with the Vehicle Steering Committee and prepare a consolidated report to be submitted to the Board with the annual executive budget recommendation. The consolidated report shall summarize vehicle requests and include the Vehicle Steering Committee's approval recommendation as per the objectives of the County.

(d) Each County Department and Agency shall complete and document an Annual Physical Inventory of the items of Capital Equipment in its possession, and such review will be certified by the senior management of said Department or Agency. The Annual Physical Inventory shall be entered into a form and manner as established by the County Comptroller, and may include entry into the County's accounting system of record. The Annual Physical Inventory may be included in the Annual Report at the discretion of the Budget Director.

Sec. 2-933. - Preliminary Budget Forecast.

(a) In order for the President to prepare the annual budget recommendation, each County Department and Agency shall prepare and submit to the Budget Director a Preliminary Budget Forecast on or before June 1, of each year or other date established by the Budget Director, whichever is earlier.

(b) Each County Department and Agency shall comply with the deadline established under this Section, and in the event a Department or Agency fails to do so, the Budget Director shall produce the relevant Preliminary Budget Forecast, and notify the President and the Board of Commissioners of the Department or Agency's failure to comply with this section.

(c) The President shall publish and submit to the Board, no later than June 30 of each year, a Preliminary Budget Forecast Report for the forthcoming fiscal year, which shall include:

- (1) Data received from Preliminary Budget Forecasts;
- (2) 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;
- (3) An initial projection for the next year's expenditures and revenues; and
- (4) Such additional information as the President so desires.

Sec. 2-934. - Annual Budget Request Preparation and Submissions.

(a) Each County Department and Agency shall submit to the President and Budget Director on or before August 15, of each year or at an earlier date as determined by the Budget Director, a Budget Request in such form and manner established by the Budget Director. In preparing the Budget Request form, the Budget Director shall take into account Performance-Based, Program-Based and Zero-Based Budgeting concepts.

(b) With its Budget Request, each County Department and Agency shall provide the following information in such format as is required by the Budget Director:

- (1) An organizational chart wherein all employment positions requested are accounted for;
- (2) A Program Inventory of the Department or Agency, which includes an allocation of all requested budgetary costs and all requested employment positions among their relevant functions of the

Department;

(3) Data associated with specific metrics for each program set forth in the Department's Program Inventory, including Outcome Metrics, Output Metrics and Efficiency Metrics;

(4) The number of Persons projected to be served for each relevant program in Departments or Agencies that directly serve Persons external to County Government;

(54) Estimated data relative to performance metrics applicable to the current budget year as of a date no greater than 30 days prior to the date of the submission of the Budget Request;

(65) Estimated data for year-end in the current fiscal year;

(76) Target data for the fiscal year for which the Budget Request is made; and

(87) Such other data as is prescribed by the Budget Director to support the Budget Request and its final or modified inclusion in the President's proposed executive budget recommendation and appropriation bill.

(c) At the first Board meeting following the due date of Budget Requests, the Budget Director shall report to the Board the Agencies or Departments that have complied with the requirements set forth in this article and those Agencies or Departments that have not so complied.

(d) In the event a County Department or Agency fails to comply with the provisions of this Section, the Budget Director shall recommend to the President expenditures by fund for the forthcoming fiscal year, and provide an estimate of revenues for the forthcoming fiscal year, for such Department or Agency.

Sec. 2-935. - Budget review, recommendation and allocation.

(a) Following review of the Budget Requests, the executive budget recommendation and proposed appropriation bill shall be presented by the President to the Cook County Board of Commissioners no later than October 31st of each year.

(b) The President's executive budget recommendation and proposed appropriation bill shall be based on various budgeting approaches, including, but not limited to, Program-Based, Performance-Based and Zero-Based Budgeting Concepts.

(c) Information derived from Program Inventories, program metrics, and performance-based, zero-based and program-based budgeting concepts shall be included and summarized in the executive budget recommendation. Program Inventories, outlining the departmental and program purpose, program efficiency, program effectiveness, program outcomes, cost benefit analysis, target population, and service-level alternatives shall be included in the executive budget recommendation. Said summary shall also provide an explanation as to how the various budgeting concepts were considered and incorporated into the executive budget recommendation. In addition, any analysis conducted using the performance data in the Annual Report that has an impact on proposed funding allocation may also be summarized in the executive budget recommendation. Each County Department and Agency shall be prepared to provide additional detail during the annual budget hearing process.

Sec. 2-936. - Annual Report and Performance-Based Program Review.

(a) Within 45 days of Fiscal Year end, each County Department and Agency shall prepare an Annual Report in a form and manner as described by the Budget Director of Research, Operations, and Innovation wherein the Department or Agency shall provide year-end values for their key performance indicators (KPIs) related to their mission, goals, and operation data for its performance metrics included as part of its annual Budget Request as described in Section 2-933. The Annual Report shall be sent to the President or his or her designee, and the Budget Director, and the Director of Research, Operations, and Innovation, who shall prepare a summary report of these values to be presented submitted to the Board at a Board meeting to occur no later than the Month of March.

(b) The Annual Report submission shall serve as the basis for performance based program reviews that shall be conducted by the Chief Performance Officer/Director of Research, Operations, and Innovation and Budget Director. Such reviews 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, Program-Based and Performance-Based budgeting concepts;

(32) Application of program workload measures, program efficiency measures, program effectiveness measures, program outcome measures and cost-benefit analysis; and

(43) An analysis of the customer or client base served by the program and delivery of service alternatives.

(c) The President or his or her designee, the Chief Performance Officer/Director of Research,

Operations, and Innovation and the Budget Director, shall review the Annual Report submissions and the Budget Director and Chief Performance Officer Director of Research, Operations, and Innovation shall be charged with analyzing performance data to determine the effectiveness of strategies, program performance, and justification for continued, increased, or decreased funding in the forthcoming budget year.

(d) Each County Department and Agency shall work with the Chief Performance Officer Director of Research, Operations, and Innovation and Budget Director to meet the timelines and substantive requirements provided for herein.

Sec. 2-937. - Accountability and performance.

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

(b) Managements 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.

Effective date: This ordinance shall be in effect immediately upon adoption.

Sponsors:

Indexes: (Inactive) AMMAR RIZKI, Chief Financial Officer, Bureau of Finance

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
2/27/2020	1	Board of Commissioners	approve	Pass
2/26/2020	1	Finance Committee	recommend for approval	Pass
1/16/2020	1	Board of Commissioners	refer as amended in the errata	Pass