



# BELTRAMI COUNTY

## Strategy Aligned Management

### TALKING POINTS

#### The Traditional Role of Counties

- Counties, as creations of the state, carry out state mandated activities.
- Counties are an administrative arm of state government.
- Counties serve as an access point for many state or federal programs.
- Counties provide a limited menu of locally determined services and programs.

*For counties, the management focus has always been on the provision of services with a focus on compliance with state rules/mandates, not the results of those services.*

#### Characteristics of a Service Delivery Management Orientation

- Prescriptive: In most cases, services and programs provided by counties are mandated and must comply with strict expectations set by the state. State funding is typically tied directly to rule compliance factors.
- Inputs: The focus of a traditional service delivery management orientation is almost exclusively toward mandated spending levels and expectations to increase program participation levels.
- Uniformity: State agency rule-making forces one-size-fits-all service delivery expectations. Any deviation from the established rule is punished severely.
- Status Quo: It is often very difficult to reform an existing service/program. Agency leadership, service providers and advocacy groups form a powerful alliance to protect the status quo. Innovation is suppressed.
- Add on Effect: It seems to be a Minnesota tradition, we have yet to receive a federal mandate that we can't improve upon. Each level of government feels compelled to expand the service/program being offered.
- Duplication and Overlap: State funding to provide services/programs can make providers competitors for funding, not cooperators. Example: how many government entities have "clean water" as the purpose for the services/programs they provide?

*The historic conflict between counties and the state over "mandates" and "unfunded mandates" is a product of the traditional service delivery management focus. Our focus is on the programs, and who pays for the programs, not on the results (outcomes) of the programs.*

#### County Government's "Identity" can become linked to the Services/Programs Provided

- Structure Follows Services: County government organizational structures are organized to accommodate service/program delivery. Rigid department/division "silos" are created in the interest of service/program delivery, funding and compliance efficiency.
- Advocacy: County government believes in the importance of the services/programs they provide. Alliances are often created with those who can help advocate for on-going or increased funding for those services.
- Entitlement: County government can develop an entitlement attitude. As long as we are providing the service we are "entitled" to the funding and the more services we provide the more funds we should get.
- Identity Crisis: If funding for a specific service or program is cut or eliminated – county government can face an identity crisis!

*Counties demand continued funding for mandated programs/services, even if we can't demonstrate that the services are delivering acceptable results.*

### **Is the Service Delivery Management Orientation Sustainable for Counties?**

- Structural Deficit. The simple definition of a structural deficit is that the current revenue structure (i.e. taxes, fees) is not sufficient to maintain services at the current levels. Once the current structural budget deficit is addressed, a return to business as usual is not likely.
- Economic Recovery. Long-term economic forecasts do not support a conclusion that future economic growth will allow us to return to business as usual in the foreseeable future.
- Changing Demographics. Changing demographics will require government to reevaluate the objectives, costs and results of many traditional services/programs.
- Hard to Serve Population. Existing programs/services often work well for the majority of clients. However, there is a small “hard to serve” client base that consumes a very high percentage of costs. Traditional service delivery approaches do not produce desired results for that client base.
- Do More With Less. In the short term, government efficiency measures might solve part of the service delivery funding challenge faced by counties, but significant redesign will be needed for long-term financial health.
- Public Expectations. Especially in recessionary times, citizens are more forceful in their expectations for government to become more efficient and more effective.

*Beltrami County has very low property tax capacity, very high property tax effort and a seemingly insatiable demand for public services – primarily due to poverty factors. In early 2007, Beltrami County officials looked to the future and determined that the service delivery management approach was not sustainable. A decision was made in 2007 to initiate a move toward the implementation of an outcome-based government philosophy.*

### **Outcome-based County Government**

Call it what you want: government redesign, outcome-based government, results-oriented government, strategy aligned management, performance management, etc. Beltrami County’s literature review and research of current management theory revealed five basic principles common to outcome-based management philosophies:

- A determination to understand what outcomes the public values the most and a commitment to put the public priorities first.
- A strategic orientation toward the establishment of “performance targets” and the allocation of resources to reach the targets.
- A constant focus on key performance indicators (outcome measures) that chart progress toward the defined targets.
- A sustained effort to spur innovation by removing turf barriers, eliminating obsolete rules/practices and eagerly embracing new partners.
- A willingness to be held accountable for and to reward the accomplishment of outcomes.

### **Benefits of an Outcome-based Approach to County Government:**

- Provides a framework to “prioritize” limited county resources. Prioritizing services/programs doesn’t work; the advocacy forces are too strong. A focus on outcomes changes the debate on how priorities are established. With outcomes clearly defined, the debate focuses on how we prioritize limited resources based on the highest objectives.
- Provides an opportunity to consider new ideas and new approaches to old problems. With the service delivery management model there is only one allowed way to climb the mountain. If you start from a position of first defining the desired outcome, then there may be 101 ways to reach the top of the mountain. An outcome-based approach supports innovation.

- Provides a measurable basis to evaluate county operations and to hold staff accountable for performance. Minnesota counties are willing, eager, to be held accountable for performance – if counties can have a voice in determining the objectives and if they are given considerable flexibility in how they pursue results.
- Provides a consistent message for communications with constituents, the media and community service delivery partners. An emphasis on outcomes changes the way county government involves the public in setting and implementing public policy. An outcome-based approach gives the public a greater voice in determining priorities and the public is in a better position to evaluate the return on their investment. A focus on outcomes improves transparency.
- Provides a platform to redefine partnerships to accomplish priorities. Traditionally, counties contract with a number of vendors to provide specific services. Rather than contract for services, contract for results! Also, the pursuit of outcomes crosses traditional service delivery boundaries. Breaking down the silos of government is long overdue.
- Provides an opportunity for a new dialogue with state officials. State and county officials serve the same constituents. There is an expectation that we work together to deliver those results most valued by the public. The state/county dialogue should focus on defining the priorities most valued by the public, determining outcome measures that will serve as indicators of success and then the removal of barriers to success and innovation.
- Provides a thoughtful transition to a “new normal.” The government management models that led to the structural budget deficit will not provide the answers for future financial health. We need to adopt a new model. Outcome-based government can provide a roadmap to the future – “the new normal.”

#### **Challenges of an Outcome-based Approach to County Government:**

- Requires policy makers and the public to be more open to long-term investments in long-term outcomes. (There are few quick fixes)
- Requires a shift of resources from high-cost, deep-end, services to prevention and early intervention efforts. (Measurable outcomes are usually greater with most prevention and early intervention activities.)
- Requires partnerships to be strengthened. (Public policy becomes more of a dialogue of equals. The traditional boundaries and silos must be challenged.)
- Requires a certain willingness to take calculated, measured, risk to innovate. (Minnesota counties have an opportunity to be recognized as government innovation leaders.)
- Requires a few bold county governments to blaze the trail and to challenge the status quo. (There are exciting examples of outcome-based government already being demonstrated in several Minnesota counties. These pioneering efforts must be supported and shared with others.)
- Requires determined, sustained and innovative county leadership!

#### **If Outcome-based Government is our Future - How Might State Government Help?**

- Outcomes – those priorities most valued by the citizens – are not partisan. A focus on outcomes is a focus on shared values. Don’t make outcome-based government a partisan political issue.
- State government can only be successful if counties are successful. There needs to be a mutual commitment from state and county leadership to engage in the business of government as indispensable, trusted, strategic partners.
- Drastic reform of state agency rule-making processes. The protectors of the status quo must not be allowed to write the rules for “the new normal.” The state rule-making process must be radically redesigned.
- Establish pathways to county innovation. There needs to be an effective process that allows for expeditious approvals of county initiated waivers or exemptions from onerous rules. Similarly, a mechanism is needed to authorize pilot projects or demonstration projects to spur innovation.

### **Just a Few Examples of Beltrami County Redesign for Outcomes:**

- Students First Initiative! A community effort to ensure that all secondary students have a caring adult in their life and a success plan to guide their decision making.
- Two Year Education Plans. Provide two year education plans for welfare recipients who are likely to leave poverty when they obtain a degree.
- Beltrami SWCD/Beltrami Environmental Services Cooperative Agreement. A functional consolidation of staff and objectives to pursue shared resource excellence outcomes.
- Outcome-Based Contracts for Social Services. Rather than contract with providers for a service, outcomes are negotiated with providers and future payments are based on results.
- Beltrami Works! Alternative programming for selected MFIP clients utilizing Ruby Payne philosophies, strength-based assessments, life coaching, and similar activities to move clients from poverty.
- Radio Interoperability. Regional deployment of cost effective digital narrow-band communications system in compliance with federal rules. Rejection of the cost prohibitive state-sponsored ARMER system.
- Annual Citizen Perception Survey. Statistically valid annual survey of county residents to better align county government efforts with citizen priorities and to be accountable to citizen for results.
- Contract Technology Services. The City of Bemidji, Bi-County CAP, Lake of the Woods County, and Mahnommen County contracts part or all of their technology services from Beltrami County.
- Many additional strategic initiatives underway.

For more information related to Beltrami County's outcome-based government effort, please contact:

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