



King County

Policy Paper:

Best-Run Government

IN BRIEF

- ❖ Every day, King County works to become the best-run government in the United States – a government that earns public trust through effective stewardship of resources, improved performance and processes, and results that have a positive impact on the lives of all King County residents.
- ❖ King County’s success depends on the strength of its workforce. We are creating an equitable workplace that provides competitive pay and benefits, treats employees with respect, promotes racial diversity and cultural responsiveness, and gives all employees opportunities for advancement and the tools and resources they need to succeed. Additional investments are needed to strengthen and continue this work.
- ❖ The 2017-2018 Proposed Budget includes investments in programs that increase employee engagement, build IT infrastructure and systems capacity for improving performance, and reinforce King County’s position as an employer of choice.

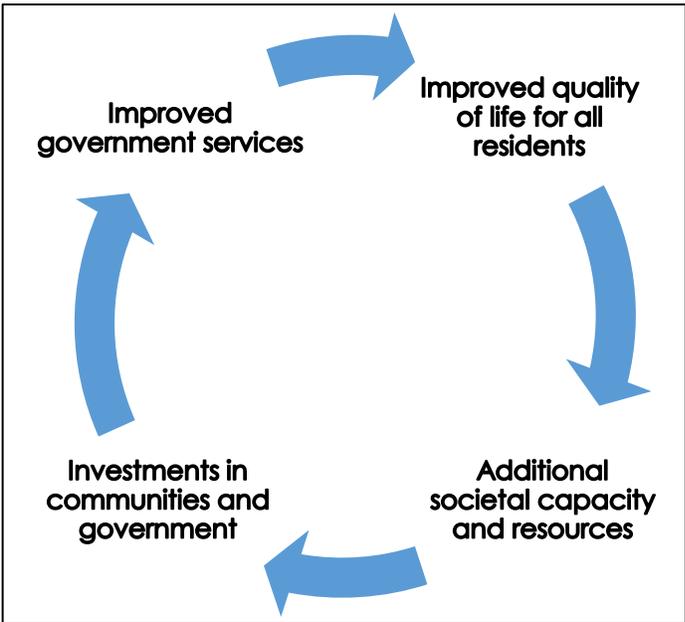
OVERVIEW

King County is committed to being the best-run government in the United States – a government that earns public trust through effective stewardship of resources, improved performance, and processes and results that create positive outcomes for all King County residents. During his first term, the County Executive implemented the Reform Agenda and the County began to embrace Lean principles to achieve greater efficiency, provide higher-quality service, and improve the customer experience. Action on the reform agenda has led to substantive improvements in service delivery, increased efficiency, and improved customer experience. While these traditional ways of improving operations are important, they are not sufficient to solve all of today’s challenges for the region.

Further advancement toward the best run government requires a strong focus on measurable results; collaboration with communities, customers, and partners; engaged and innovative employees; and continuous improvement of operations. The County is committed to advancing Equity and Social Justice in the organization and its communities since many in the region, including people of color, low-income residents, and immigrants and refugees, persistently face inequities. The County also needs to operate and deliver services in ways that are equitable, inclusive, and just in order to be more effective in meeting the needs of the community.

A GOVERNMENT THAT RUNS WELL HELPS BUILD SHARED AND SUSTAINABLE PROSPERITY IN KING COUNTY

Government plays a unique role in society – a well-functioning public sector creates the stability for all people to live healthy, prosperous lives and for businesses and the economy to grow. King County’s goal to be the best-run government is tied to the opportunity that government provides for people to invest in their communities so everyone can be better off.



The public sees that government actions complement those of other sectors, are reliably maintained at a reasonable cost, and result in improvements in the quality of life for all residents. The cycle is completed as those improvements in quality of life generate more capacity for communities to further invest in their well-being.

King County works to achieve the vision, mission, and goals identified in the King County Strategic Plan. For each of the strategic goals, King County is setting specific objectives and measures that will be used to track progress. These objectives

and measures form the foundation for more detailed strategy development and deployment.

THE URGENCY OF REFORM

Striving to become the nation's best-run government is an ambitious goal, but the current landscape means King County cannot continue to operate in traditional ways.

❖ **Financial constraints imposed on King County**

government. While many County funds are healthy, the General Fund has faced ongoing structural deficits for the last 15 years due to limits on revenue sources, especially the 1 percent annual growth limit on property tax revenue. Other funds have been adversely affected by federal and state budget cuts with substantive impacts to the regional road infrastructure and public health services. It is crucial that the County spends each dollar on services that provide value for residents and promote health, safety, and prosperity, while acknowledging that the County cannot provide all the services that are currently wanted or needed.

What Is a Best-Run Government?

A best-run government continuously improves operations and delivers services equitably, with the resources we have, and ensures a workplace where employees can do their best work, solve problems and fulfill their potential so we can deliver the most value for all King County residents.

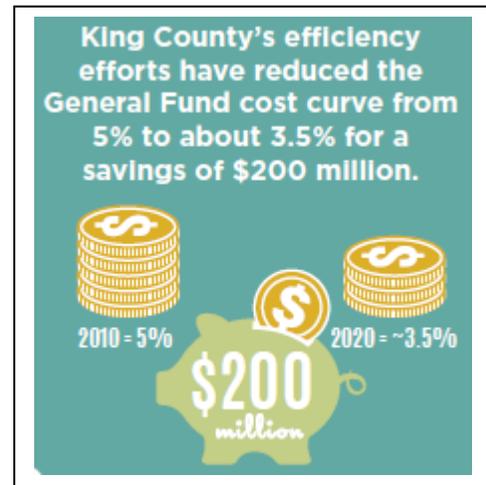
- ❖ **A changing community and a changing workforce.** King County's success in providing culturally responsive, equitable and quality government services to communities depends on how well the County recruits, hires, promotes and retains the talent already present within its diverse communities and in its workforce. Better knowledge of its communities improves problem solving and leads to more innovations – the measurable benefits of a racially diverse workforce at all levels. As the residents of King County change so must the services that are delivered.
- ❖ **Ongoing need to build the public's trust in government.** Having local and regional governments that run efficiently and effectively for all residents is more important than ever given the national political environment, which has led many people to lose trust in government, causing further separation and disengagement between people and their community.

EXAMPLES OF PROGRESS

County employees have a shared commitment to public service, the community, and the environment, and desire to provide critical government services, effectively, efficiently, and equitably. Over the last six years, the County has implemented many improvements to help develop the characteristics of a best-run government.

IMPROVING FINANCIAL STEWARDSHIP AND OPERATIONS

- ❖ **Improved financial and risk monitoring.** By standardizing financial practices, the County has created shared language and easier-to-understand financial information, which identifies risks and issues, and provides a more accurate picture of finances. Through this process, resources have been redeployed to deliver services more cost effectively.
- ❖ **Improving business and budget planning.** The County is developing a better understanding of operations through Line of Business planning, including understanding of the strategic context, products and services, capacity, costs, and current or emerging problems in the Line of Business. In the current biennium, plans have been developed for 30 Lines of Business, covering about 35 percent of the County's divisions. These plans are typically the basis for budget proposals and strengthen the strategic and operational basis for County investments.
- ❖ **Using Lean to improve performance.** The County is also managing and improving performance through Lean process improvement. In 2015, the Continuous Improvement Team delivered 71 trainings for more than 1,200 employees in 14 different departments.
 - The Wastewater Treatment Division reduced the time it takes to complete capital project construction, saving thousands of hours of time for employees and partners. With an average delivery time of eight to 10 years and hundreds of new projects on the horizon, the division realized it could use Lean principles to free staff capacity and shorten delivery times. Seven individual process improvement events have taken place involving over 150 employees. The results have been astounding. Project initiation and chartering were streamlined from three to six months down to one month. Property acquisition was streamlined from 24 months to 12 months. Alternative development and selection created a new standardized process to move from 24 months to 11 months. Overall the division is poised to save 30 months of time on the capital delivery process.
 - The Solid Waste Division (SWD) will build on 2015-2016 Lean successes in decreasing travel time for delivery of environmental samples by 45 percent, using Lean principles to reorganize inventory and create needed floor space at the Cedar Hills Landfill Reserve stores, and revising processes to increase truck driver productivity by 33 percent at the Shoreline Recycling and Transfer Station. Activities planned for 2017-2018 include building continuous improvement capacity by providing trainings to SWD leadership and internal Lean practitioners, and completing additional process improvements.
 - Metro Transit has increased efficiency and eliminated waste in its parts supply process by moving from "just-in-case" to "just-in-time" inventory management. The value of inventory at Ryerson base, where the approach was piloted, has been reduced by \$417,000 since efforts started in 2014. The Lean inventory processes have recently been expanded to four more bases, with two more bases planned by the end of 2016.



PARTNERSHIPS TO LEVERAGE RESOURCES, IMPROVE SERVICES

- ❖ Public Health - Seattle & King County and Harborview Medical Center developed an agreement that will strengthen their partnership so that the continuum of care covers someone regardless of the setting, whether it is a community-based clinic, urgent care center, or hospital. It will advance the work King County is doing to transform health and human services to focus on prevention and early intervention, and will also provide \$5 million in funding for critical public health programs and services.
- ❖ Through community partnerships, King County has been able to implement the ORCA LIFT program to make sure there is an affordable way for residents to get to work, school, daycare, medical appointments, or anywhere else they need to go.
- ❖ The County is working with communities and service providers to better understand communities' needs, such as through Communities of Opportunity (COO), a groundbreaking partnership between the community, the Seattle Foundation, and King County to address inequities in health, social, racial, and economic outcomes and the first homeless prevention strategy within Best Starts for Kids.
- ❖ King County continues to be a resource for all the cities of King County through the provision of contracted local law enforcement, district court, and elections services.

"I want all my staff to want to come and enjoy their work and do their very best each day, and feel they make a difference each day."
Martha Driver, Public Health – Seattle & King County manager

STRONGER, MORE EQUITABLE WORKPLACE AND WORKFORCE

King County has undertaken considerable efforts to create a workplace culture that allows current employees to develop and thrive, and helps attract and retain dedicated and racially diverse employees. These efforts are having an impact, with the County making Forbes magazine's list of [America's 500 Best Employers in 2016](#).

- ❖ **Improved employee engagement.** Through survey tools and focus groups, the County has learned more about employees' experience and has followed up with action plans at all levels of the organization. Employees have been included in problem-solving and are working toward local and enterprise-wide solutions.
- ❖ **Increased access to training and development.** The County has rebuilt its learning and development program. In 2015, classroom and online training was provided for more than 5,000 employees, and two intensive Bridge Academies were conducted for 21 emerging leaders. The County also opened an Employee Resource Center, a one-stop hub of information and resources.
- ❖ **More standard and inclusive promotional and hiring practices to increase racial and gender diversity.** The County has increased access to jobs and recruitment processes by "screening in" candidates and eliminating barriers, such as removing unnecessary minimum qualifications like education from job announcements that could be barriers to employment for otherwise qualified individuals. The County has also worked to expand access to Special Duty assignments by having more transparent and competitive hiring processes.

- ❖ **Continued to offer competitive total compensation that supports employees and their families.** In 2016, the County implemented a paid parental leave pilot program to help ensure more babies in King County get a strong, healthy start in life.

WHERE WE ARE GOING: INVESTMENTS TO STRENGTHEN KING COUNTY FOR THE FUTURE

King County will continue to focus in 2017 and beyond to support the best run government vision. In particular, new investments are proposed in labor force support and in technology that supports the ability to manage data, make better decisions, and ultimately deliver higher value to King County residents. In addition, the County is proposing to manage risk through the establishment of new reserve policies in three of the most economically sensitive funds.

STRENGTHENING FINANCIAL MANAGEMENT

As guided by countywide financial policies, reserve policies are being implemented that take advantage of the current economy and position us to be sustainable for the future. The County has focused on policies for funds that are particularly sensitive to the economy because of their reliance on sales tax.

Sustain the County's AAA Bond Rating. This high credit rating ensures low interest rates on County borrowing, savings millions of dollars annually for County taxpayers and ratepayers. The proposed budget includes an increase in the undesignated fund balance target for the General Fund to 8.0%, which is the high end of the range allowed by County policy. In concert, the General Fund will begin to build a Credit Enhancement Reserve, which is funded through charges to other county agencies that issue debt backed by the full faith and credit of the General Fund. Lastly, the General Fund will continue to maintain a Risk Reserve for known and unknown financial risks. These three actions are consistent with the policy of building reserves in times of economic prosperity to offset times of declining revenues. This three-pronged approach will ensure that the County's credit remains high and the cost of borrowing stays low.

Build reserves for the next recession. King County's economy is currently enjoying the best of times so it is prudent to set aside funds in anticipation of the next recession.

- ❖ Transit's new financial policies call for it to have a reserve sufficient to maintain services through a moderate recession similar to that experienced in the Puget Sound area starting in 2001. This reserve is fully funded in the 2017-2018 Proposed Budget in the amount of approximately \$230 million.
- ❖ A similar approach was taken to size the rainy day reserve for the Mental Illness and Drug Dependency Fund, which likewise is dependent on the sales tax. This reserve is set at \$11.2 million, which covers 60 days of operations.

MODERNIZING ANTIQUATED SYSTEMS AND TECHNOLOGY

By 2010, most of the County's critical information technology systems were decades old. In the last six years the County has deployed new central financial management, human resources, and budgeting systems to replace multiple systems that could not be integrated and produced limited information. The 2017-2018 Proposed Budget continues this trend and includes funding for a new jail management system and the first steps toward development of a new property tax assessment and collections system. These are the last legacy General Fund systems that need to be replaced and will enable significant process improvements and enhanced integration of information.

ENGAGING EMPLOYEES AND LEADERS TO BUILD AN EQUITABLE AND RACIALLY JUST WORKPLACE CULTURE OF INCLUSION, RESPECT, LEARNING, AND HIGH PERFORMANCE

King County's Human Resources Division, the Office of Equity and Social Justice, and agencies Countywide are investing \$2.1 million, 4 FTEs, and 2 TLTs to strengthen workplace and workforce in the following three areas. These investments are necessary to implement the Workplace and Workforce Equity goals of the King County Equity and Social Justice (ESJ) Strategic Plan.

❖ **Development of a workplace culture in which every employee is engaged and experiences trust and respect, is treated with dignity, and feels confident to perform at their best.** Currently, levels of employee engagement vary by race, position, and gender. The connection between high engagement and high-performing organizations is well-known. When employees are highly engaged, they deliver better service to customers. They want to find new, more efficient ways of doing things. They want to deliver more with fewer resources.

As King County promotes and recruits a more racially diverse workforce, it must ensure that the workplace invests in, welcomes, and supports employees of all backgrounds so everyone can do their best work. Studies "have shown that organizations with diverse and inclusive cultures are 45% more likely to have improved their market share in the last 12 months, and have employees who not only give greater discretionary effort but are also less likely to leave"(Forbes Magazine).

2017-2018 investments will:

- Continue comprehensive strategies to engage all employees, informed by an annual engagement survey; and
- Expand leadership training for managers and supervisors to build their capability for coaching and developing employees, fostering continuous improvement, and modeling racially just leadership.

A HIGHLY ENGAGED, DIVERSE, AND CULTURALLY RESPONSIVE WORKFORCE IS CRITICAL TO SERVING THE PEOPLE OF KING COUNTY WELL.

AN ENGAGED WORKFORCE MEANS:



- ❖ Investments in employees’ professional growth through training, development, coaching, and mentoring so they can lead, innovate, and meet expectations of the County’s customers. Employees have said they do not have equitable access to training and development opportunities, often because of their workplace location, resource constraints, lack of supervisor support, or because of their background or networks. Results varied based on an employee’s race, gender, and place in the organization. Black/African American employees, for example, were more optimistic than white employees about professional opportunities at work, yet they indicated they were less likely to have had an opportunity to learn and grow in the last year.

2017-2018 investments will allow the County to:

- Create career pathways that better support employees’ growth and development. Deliverables will include the creation of easy-to-understand career families that clearly show the path to positions and careers of interests.
 - Give more employees opportunities to access training and development programs, particularly employees who historically have had limited access to development opportunities, such as those in lower paid, hourly, and shift positions. This includes increasing King County eLearning that increases access to training at less expense and with fewer limitations than classroom training.
 - Put in place more development plans with employees, with the minimum goal of all employees earning in the bottom 20 percent of the salary range having a development plan by 2022.
 - Continue mentorship programs and programs to support emerging leaders.
- ❖ **Build a more culturally responsive workforce, at all levels that reflect the diversity of the people and communities of King County.** The County’s overall workforce is more racially diverse than the communities we serve yet persistently is less diverse in higher pay ranges. Research shows that, “more racially diverse companies ... are better able to win top talent and improve their customer orientation, employee satisfaction, and decision-making, and all that leads to... increasing returns. When companies commit themselves to racially diverse leadership, they are more successful” (McKinsey and Company). King County is evolving recruitment and hiring processes so that the highest levels of its workforce reflect the region’s changing demographics.

2017-2018 investments will:

- Improve recruitment and hiring practices to increase racial diversity of employees in the highest salary ranges, with the goal that all new hires and promotions in the highest salary range reflect the region's projected workforce demographics for 2030.
- Provide implicit bias training for all commissioned officers in the King County Sheriff's Office.

IMPACT ON KING COUNTY OPERATIONS

Over the last two years the County has implemented many tools and approaches to help develop the characteristics of a best-run government. While all the tools have not been fully implemented, integrated, or matured, the approach to date has included a focus in the following areas:

- ❖ Creating a better understanding of operations through line of business planning, including understanding of the strategic context, products and services, capacity, costs, and current or emerging problems in the Line of Business. In the current biennium, plans have been developed for 30 Lines of Business, covering more than a third of the County's divisions. These plans are typically the basis for budget proposals and strengthen the strategic and operational basis for County investments. In the next biennium, all Executive agencies will be using Line of Business planning.
- ❖ Developing innovative plans and policies such as Strategic Climate Action Plan, Health and Human Services Transformation Plan, and Best Starts for Kids that work upstream to tackle the region's toughest challenges.
- ❖ Managing and improving lines of business performance through Lean process improvement. In 2015, the Continuous Improvement Team delivered 71 trainings and trained over 1,200 employees in 14 different departments. Over the same period, 22 projects were completed, of which 55 percent clearly achieved results.
- ❖ Implementing enhanced financial monitoring procedures through quarterly meetings. These monitoring meetings have allowed for the Office of Performance, Strategy and Budget (PSB) and departments to develop a common understanding of the financial position of each of the largest and most complex funds. It has also uncovered additional funds that have been reprogrammed to deliver valuable services.
- ❖ Establishing over 120 Tier Boards across 10 different agencies. Tier Boards allow for managers and staff to visualize complex issues and work together to drive results or tackle complex problems.
- ❖ Working with stakeholders from PSB, Council, and departments to update the countywide Comprehensive Financial Management Policies and develop new Transit Financial Management policies. These policies help drive financial planning and management practices and help to elevate significant financial issues to the executive and legislative decision makers.

The 2017-2018 Proposed Budget continues this focus by strengthening financial positions in the largest County funds, continuing to modernize technology, and investing in employee development and employee engagement. These investments allow King County to be an employer of choice within the region, gives employees the tools to do their jobs effectively, and allows King County to truly be the best run government for its residents.