CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Policy Session Worksheet

Presentation Date: 12/6/16   **Approx Start Time:** 2:00 PM   **Approx Length:** 30 Minutes

Presentation Title: Technology, Employee Services & Finance Budget Change Proposal

Department: Technology Services, Employee Services, Finance, County Administration

Presenters: Dave Cummings, Krista Weatherford, Christa Wolfe, Laurel Butman

Other Invitees: Evelyn Minor-Lawrence, Marc Gonzales, Dave Devore, Diane Padilla

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Staff from three departments are requesting an increase in a Board-approved Policy Level Proposal (PLP) for FY 2016 and ongoing to provide adequate staff support to move forward as desired and respond to the Board's expectations of the PLP. This multi-departmental PLP puts in place the staffing infrastructure needed to begin to address how the County will move forward toward true program-based budgeting for performance, a key component of the Performance Clackamas Managing for Results (MFR) effort. In addition, this investment will help prepare the County for inevitable changes to our countywide Enterprise Resource Planning system (Peoplesoft) which manages our financial and human resources data and processes.

EXECUTIVE SUMMARY:

In June 2016, the Board adopted the FY 2016-17 budget which included the allocation of $204,000 in General Fund and other funding to add a Financial System Support Analyst and an Human Resources Information Specialist (HRIS) along with a modest amount for internal training. These FTE were funded to allow Finance and Employee Services to update ERP technology, provide training, and ensure on-going maintenance without causing delays in other projects and requests. It was assumed that having these FTE would help the County achieve its Performance Clackamas goal of full performance budget implementation. Additionally, the County's PeopleSoft financial and human resources ERP systems are maintained by 1-1.5 FTE each in Finance, Employee Services, and Technology Services. The County currently has no other staff available to back up the duties of these existing System Analysts. This leaves the County ERP system at risk of failure owing to insufficient coverage of duties, even as workload grows to meet the demands of MFR.

When staff began planning and reviewed the two original PLPs that each received partial funding through the hybrid PLP that the Board funded, it immediately became apparent that the loss of a Technology Services position would result in failure to accomplish what the Board expected of the funding. Technology Services had originally included a technical position in the MFR PLP, but felt the support was for the Workforce PLP that had been presented and pulled their position from the MFR PLP. Therefore, the three departments worked hard over the summer and fall to create an alternate proposal that would provide the minimum resources needed to move forward to meet the goal. What is proposed is the addition of a third FTE in Technology Services at a lesser classification than originally envisioned (and therefore less cost). Having all three FTE, instead of the two originally approved, will result in:

- Reengineered business processes that will streamline the conversion process;
- Expanded utility of the PeopleSoft ERP to handle conversion to performance budgeting;
- Increased Technology support to make MFR conversion feasible without deferring maintenance;

- The minimum degree of training needed for departments to continue using the ERP system as it changes; and
- An implementation plan for converting MFR departments into the financial and human resources systems with a goal of completing some small conversions in FY 2016-17 and continuing conversions into FY 2017-18.

Additional benefits of this funding include some capacity to begin implementing Manager Self Service in the ERP's Human Resources system to modernize recruiting, reduce paper processes, and develop a Competencies Model critical to workforce planning. These improvements must be in place either prior to or parallel to full MFR implementation to ensure these activities can operate smoothly during the conversion.

If not funded, MFR implementation in the ERP systems will be delayed until additional staff are added. In addition, the County's financial and human resources ERP systems will continue to be at risk of failure due to excessive demand and lack of adequate support.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget?   ☐ YES   ☒ NO

What is the cost?

New funding requested in this proposal: $39,000 (FY 2016-17) and then $127,500 ongoing

Total funding for revised PLP: $331.500 (General Fund through FY 17-18, Starting in FY 18-19, $214,000 cost allocation, $117,500 General Fund)

What is the funding source? General Fund & cost allocation

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
  - County budget linked to programs and measurable customer results through Performance Based Budgeting (joint goal of the three departments)
- How does this item align with the County's Performance Clackamas goals?
  - Build a strong infrastructure – having strong financial and human resources enterprise systems to support all County operations in fiscally responsible manner
  - Build Public Trust in Government – helps achieve Performance Clackamas goal of having 100% of the County Budget attached to measurable customer results

LEGAL/POLICY REQUIREMENTS: Approval of this proposal will help these departments continue to meet legal fiscal and human resources requirements.

PUBLIC/GOVERNMENTAL PARTICIPATION: Providing enhanced features to financial and human resource systems will meet identified customer demand for more modern, efficient systems to perform analysis and reporting, especially meeting reporting needs for Performance Clackamas.

OPTIONS:

1. Approve the proposed increase to the previously approved multidepartment PLP adopted in the FY 2016-17 budget.

2. Deny the proposed increase.

RECOMMENDATION:

Staff respectfully requests approval of the proposed funding increase of $39,000 in FY 2016-17 and $127,500 in future years.

ATTACHMENTS:

1. Revised Policy Level Proposal
2. PowerPoint Presentation

SUBMITTED BY:
Division Director/Head Approval ____CW, KW, DD__
Department Director/Head Approval _MG, EML, DC_
County Administrator Approval _____LB____

For information on this issue or copies of attachments, please contact Laurel Butman @ 503-655-8893

Attachment 1

POLICY LEVEL PROPOSAL

General Fund

Finance, Employee Services, Technology Services

ONGOING Policy Level Proposal

Proposed Change in Funding: $177,500

Summary of Policy Level Proposal:

Addition of 3 FTE & Training to Prepare for, Implement and Maintain MFR in Financial & HR Systems

Finance, Employee Services, and Technology Services need additional staff resources to provide ongoing financial and technology support to update business processes to allow full system implementation of MFR (Managing For Results) & Performance Clackamas. The three FTE requested will allow these departments to update ERP technology, provide training, and ensure on-going maintenance without causing delays in other projects and requests. This will help the County achieve its Performance Clackamas goal of full performance budget implementation. Additionally, the County's PeopleSoft ERP financial and human resources systems are maintained by 1-1.5 FTE each in Finance, Employee Services, and Technology Services. The County currently has no other staff available to back up the duties of these existing System Analysts. This leaves the County ERP system at risk of failure owing to insufficient coverage of duties, even as workload grows to meet the demands of MFR.

Having these three additional FTE and a small level of training dollars will result in:
· Reengineered business processes that will streamline the conversion process
· Expanded utility of the PeopleSoft ERP system to handle the conversion to performance budgeting
· Increased Technology support to make full MFR conversion feasible without deferring maintenance
· The minimum degree of training needed for departments to continue using the ERP system as it changes
· An implementation plan for converting MFR departments into the financial and human resources systems with a goal of completing some small conversions in FY 2016-17 and continuing conversions into FY 2017-18

Additional benefits of this funding include some capacity to begin implementing Manager Self Service in the ERP Human Resources system to modernize recruiting, reduce paper processes, and develop a Competencies Model critical to workforce planning. These improvements must be in place either prior to or parallel to MFR implementation to ensure these activities can operate smoothly during the conversion.

PRORATED PLP AMOUNT FOR CURRENT FISCAL YEAR (FY 2013-15)

FINANCE: Financial System Support Analyst [1]	Includes	$52,500	(General Fund)
EMPLOYEE SERVICES: HRIS Analyst [2]	Salary &	$81,750	(General Fund)
TECH SERVICES: System Project Analyst [3]	Fringe	$58,750	(General Fund)
Project Training DES/TS		$50,000	(one time General Fund)
	Total:	**$243,000**	
	Approved Amount:	**$204,000**	
Additional Funding Need for FY 2016-17:		**$39,000**	

Note: Salary figures are prorated; Q 1 is subtracted from HRIS Analyst & Qs 1-2 from the other two positions

If not funded, MFR implementation in PeopleSoft and WFS will be delayed until additional staff are added. In addition, the County's financial and human resources ERP systems will continue to be at risk of failure due to excessive demand and lack of adequate support.

NOTES:
1) Will provide backup, process reengineering, and preparation for MFR implementation
2) Will assist with technical review and provide backup, process improvement, and preparation for MFR implementation. If MFR workload allows, will begin business process and system recommendations to support workforce planning efforts; an additional position will be needed in FY 2017-18 to fully implement workforce planning.
3) Will provide backup process reengineering, and preparation for MFR implementation as well as training and administrator duties associated with MFR software product, Lumanas.

FULLY COSTED PLP AMOUNT WITH FUNDING SOURCES

FINANCE: Financial System Support Analyst	Includes	$105,000	(General Fund FY 17-18, then cost allocation)
EMPLOYEE SERVICES: HRIS Analyst	Salary &	$109,000	(General Fund FY 17-18, then cost allocation)
TECH SERVICES: System Project Analyst	Fringe	$117,500	(General Fund onging)
	Total:	**$331,500**	
	Approved Amount:	**$204,000**	
Additional Ongoing Funding Starting in FY 2017-18:		**$127,500**	

Policy Level Proposal (ongoing)

Update to MFR Support Proposal

from Finance, Human Resources, and Technology Services

Agenda

Discuss strategy for supporting MFR initiatives:

- SHORT-TERM: FY 2016-17 PLP

- LONG-TERM: Update Infrastructure

SHORT-TERM: The NEED

- Technology Services System Analyst (ADD) — $58,750 (General Fund)
- Financial Business Analyst versus an Accountant (Conversion) — $52,500 (GF/allocation)
- Training (ADD) — $50,000 (1-time GF)
- Human Resources Business Analyst (NO CHANGE) — $81,750 (General Fund)
- TOTAL NEW REQUEST — $243,000
- Original amount provided during budget process — - $204,000
- Total additional $ needed for rest of FY 2016-17 — **$39,000**

- Total revised Policy Level Proposal amount — $331,500
- Total additional ongoing need after FY 2016-17 — $127,500

- *Starting in FY 2018-19, funding will be split - $214,000 cost allocation; $117,500 General Fund*

What We Are Aiming For

- 100 % of the **budget** will be **tied to measurable results**.

- **Accurate information** on the costs of programs, and the results achieved.

- This will allow the Board and Budget Committee to **make choices between results** at the program level, and to know **what results are achieved** at **what costs**.

- Becoming a more **data-driven transparent organization**.

- We are making great progress on knowing and showing what our results are, but this alone creates **demands on support services**.

- **Accurate cost** and **accounting information** is much tougher.

LONG TERM STRATEGY:

- **Transparent** data for the public
  - Online dashboards that reflect the County's goals
- A **flexible financial account structure** to support departments' strategic goals
- Update and **transform our business processes**
- Performance based **program-level budgeting** (vs line-item)
- County culture shift from **transaction based** ➜ **data driven**
- **Integrate** our people, technology, and business processes

What It Takes to Get There

- It is **doable .... but .....**

- To provide accurate cost information at the program level **involves virtually every aspect of our finance and human resources systems**, along with robust support from technology services.

- We are working with **outdated systems** and **business practices**.

- The **next step** is to **work on our business practices and systems to create a better foundation** for the ultimate goal.
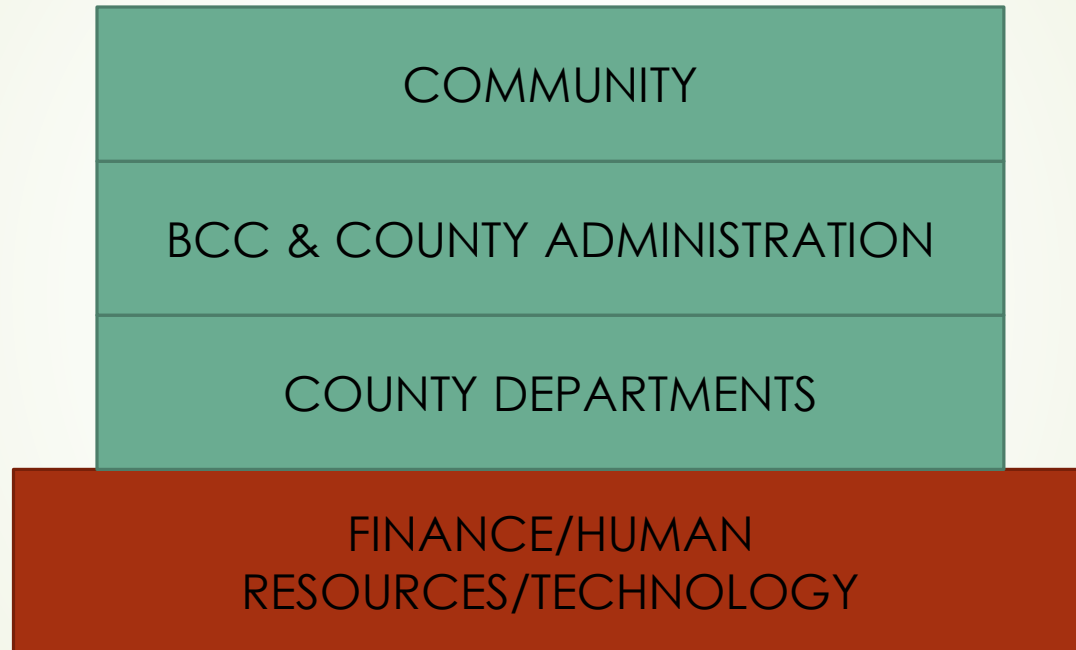
We need to invest in our foundation or…..

What happens to our County when we're suspended on a 1999 foundation?

COMMUNITY

BCC & COUNTY ADMINISTRATION

COUNTY DEPARTMENTS

FINANCE/HUMAN RESOURCES/TECHNOLOGY

MORE DISCUSSION to COME: Infrastructure Need

- Update Infrastructure
  - Re-implement PeopleSoft for both Finance and HR

  OR

  - Implement New Software System solution

- Either Way…requires a monetary investment

Without taking the time to understand our business outcomes, we cannot deliver the business process or the structure we need to meet our strategic plans or results.

QUESTIONS?