

CITY of GOODYEAR, ARIZONA RESOURCE ALLOCATION DIAGNOSTIC TOOL “FILTERING” GUIDANCE



Looking through a “New Lens”

Starting position for the “**Tool**” – all drop-down boxes set on:

- Program Type: “**Every City Program**”
- Prioritization Perspective: “**City-wide**”
- Chose Department: “**All Departments**”
- Use of Resources: “**Total Estimated Budget**”
- Filters Options (Tab 2): All filters switched to “**No**”

GENERAL RESOURCE ALLOCATION QUESTIONS:

- Does the City offer programs that, when relatively compared against all other programs, are of lesser relevance than other more highly relevant programs in terms of achieving identified **Results** and/or meeting the identified **Basic Program Attributes**?
 - Focus initial review on programs in **Quartile 3** and **Quartile 4**
 - Because of their low relevance to the Community’s Results, should the City consider whether it is “in business” to deliver these lower Quartile programs?
 - Compare “spending profile” at **Program Type** level (i.e. Community vs. Governance) *(first drop-down filter)*
 - What percentage of the City’s total budget is being allocated to fund Community programs as compared with the percentage of budget dollars being used to fund Governance programs?
 - Does that percentage distribution seem reasonable?

- Recognize that there are **high priority program (Quartiles 1 and 2)** offered by the organization's internal Governance functions which are highly relevant to the success of the organization (as opposed to being thought of merely as "Overhead").
- Compare "spending profile" at a **City-wide** level, an **Accounting Fund** level (*second drop-down filter*) or a **Department/ Division** level (*third drop-down filter*).
 - Does it appear that the City is allocating its resources to its more highly relevant programs at a City-wide level? At an Accounting Fund Level? At an individual Department, Division or Branch level?
 - Are there programs associated with a Special Revenue Fund or Enterprise Fund which are supported by a dedicated revenue stream or a user-fee structure that are still of low relevance (i.e. **Quartile 3** or **Quartile 4**)?
 - If so, should the City explore how to re-allocate the dedicated revenues to more highly relevant programs?
 - Should the City study the programs in **Quartile 3** and **Quartile 4** before automatically seeking a rate increase?
 - Do Departments/Divisions have opportunities to reallocate resources from **Quartile 3** and **Quartile 4** programs to help fund new programs and initiatives rather than continue to request an increase in their annual budget allocation?
- Compare "spending profile" at **Use of Resources** level (i.e. Portion Funded by "General Government" Revenues vs. Portion Funded by "Program Revenues") (*fourth drop-down filter*)
 - What portion of the City's budget is funded by "general government revenues", i.e. revenues collected from taxes or other revenue sources for which the City can decide what programs are to be funded?
 - Are there opportunities to explore charging a full or partial fee for those less relevant **Quartile 3** or **Quartile 4** programs?
 - What portion of the City's budget is funded by "program revenues", i.e. revenues collected from the end user or funding agency to offset the cost of offering the program?
 - Are **Quartile 3** or **Quartile 4** programs funded substantially, if not fully, by program revenues?
 - If not, should the City consider charging sufficient fees to recover the full cost for these programs where appropriate?

BASIC ATTRIBUTE FILTERS

Demonstrate the filtering capabilities of the model related to the “Basic Program Attributes” in order to identify areas to study and review.

- **MANDATED TO PROVIDE THE PROGRAM**

- Set Filter - **Equal to “4”**

- *What are the programs that the City is required to provide by a higher level of government (Federal, State, County)?*
 - *For **Quartile 1** and **Quartile 2** programs, would these be offered by the City regardless of the mandate because they are helping achieve the City’s stated Results?*
 - *For **Quartile 3** and **Quartile 4** programs, what does the mandate specifically require?*
 - *Is the City potentially “**over-delivering**” these programs based on what the statute or legislation actually states?*
 - *Could the city decrease the level of service for these programs?*
 - *What is the penalty for not complying with the mandate?*
 - *Set Use of Resources to “**Portion Funded by General Government Revenues**”) (fourth drop-down filter)*
 - *Of these mandates, what is the cost of “unfunded” mandates?*

- Set Filter - **Equal to “3”**

- *What are the programs that the City is required to provide by its own Charter or incorporation documents? **OR** to meet regulatory compliance requirements from another governmental agency because it has CHOSEN to offer a service?*
 - *For **Quartile 3** and **Quartile 4** programs required by its own Charter, should the City consider the level of difficulty required to change those requirements?*
 - *For **Quartile 3** and **Quartile 4** programs required by to meet regulatory compliance requirements, should the City consider the possibility of not provided the overall general service those compliance issues are associated with?*

- Set Filter - **Equal to “2”**

- *What programs are being offered because of “self-imposed” mandates (i.e. formally adopted City Ordinances, City Code, City Policies, City Procedures)*
 - *For **Quartile 3** and **Quartile 4** programs, should the City consider reviewing those ordinances, policies and procedures to see if the “mandated” programs are as relevant to the community as they were when adopted?*

- Set Filter - **Equal to “1”**
 - *What programs are being offered because they have been identified as an “industry standard” or “best practice”?*
 - *For **Quartile 3** and **Quartile 4** programs, should the City consider reviewing those industry standards to see if they are important or relevant to the organization?*
- Set Filter - **Equal to “0”**
 - *What programs does the City offer that are not mandated or required in any way?*
 - *For **Quartile 3** and **Quartile 4** programs, should the City discuss the reasons for continuing to allocate resources to these programs at all?*
- **PORITION OF COMMUNITY SERVED BY THE PROGRAM**
 - Set Filter - **Less than “2”**
 - *What programs are being offered that are not serving or benefiting a large portion of the community?*
 - Set Use of Resources to **“Portion Funded by General Government Revenues”** (*fourth drop-down filter*)
 - *For all **Quartiles** (but especially **Quartiles 3** and **4**), should the smaller constituency served by these programs be asked to share the cost burden through new or higher charges for services/user fees?*
- **RELIANCE ON THE CITY TO PROVIDE THE PROGRAM**
 - Set Filter - **Equal to “4”**
 - *What programs does the City offer for which there are no other service providers, either in the public sector or the private sector – i.e. those programs for which the residents, businesses and visitors has no other choices or options to receive the service?*
 - *For **Quartile 3** and **Quartile 4**, should the City consider providing a lower or minimal level of service for those programs that are not highly relevant to the City’s results?*
 - *Should the City consider charging a fee for these lower relevance programs if appropriate?*
 - Set Filter - **Equal to “3”**
 - *Are there other public sector (governmental organizations/agencies; civic groups; non-profit organizations, etc.) that offer programs that are similar to those offered by the City?*
 - *For all **Quartiles** (but especially **Quartiles 3** and **4**), should the City consider partnering with these agencies or transferring service delivery to these agencies?*

- *Should the City consider who might be the “best” service provider and allow that agency to be the primary source for the community?*
- *Where those partnership opportunities make sense, should the City consider subsidizing these public sector agencies to ensure accessibility for vulnerable segments of the community?*
- **Set Filter - Less than “3”**
 - *Are there other private businesses that offer programs that are similar to those offered by the City?*
 - *For all **Quartiles** (but especially **Quartiles 3** and **4**), should the City:*
 - *consider charging a fee to the end user for these programs, especially when considering that private businesses do not offer their services for free?*
 - *consider “getting out” of or “privatizing” those programs that potentially are in direct competition with private business?*
 - *consider outsourcing these services where it is more cost effective for a private business to provide the program on behalf of the City?*
- **CHANGE IN DEMAND FOR THE PROGRAM**
 - **Set Filter - Greater than “2”**
 - *What programs does the City offer for which there is an increasing level of demand from the community?*
 - *For **Quartile 1** and **Quartile 2**, should the City consider increasing funding to meet this additional demand by either allocating more General Government Revenues or increasing or assessing fees for service?*
 - *For **Quartile 3** and **Quartile 4**, should the City question why there is an increase in demand when the program is not helping the City achieve its Results? Are there other options for the community to obtain this service and/or should the City consider recouping the full cost of offering this service from the end users?*
 - **Set Filter - Less than “0”**
 - *What programs does the City offer for which there is a decreasing level of demand from the community?*
 - *For all **Quartiles** (but especially **Quartiles 3** and **4**), should the City consider reducing the current funding level for these programs if there is a correlation between the lessened demand and the number of financial and/or staff resources needed to meet this lessened demand?*

- **LOW MANDATED PROGRAMS FOR WHICH THERE IS LOW RELIANCE (Filter Combinations)**
 - Set Mandated Filter - **Less than “3”**
 - Set Reliance Filter - **Less than “3”**
 - Set Use of Resources to **“Portion Funded by General Government Revenues”**) (*fourth drop-down filter*)
 - Are there programs offered by the City that are not highly mandated (at best there is a “self-imposed” mandate) **AND** there are private businesses that offer a similar program **AND** for which the City is not collecting a fee?
 - For all **Quartiles** (but especially **Quartiles 3** and **4**), should the City continue to offer those programs at all, especially those of low importance and relevance to the community, **regardless of its fiscal condition?**
 - Should these resources be reallocated to allow the City of provide new programs or enhance existing programs that are of higher importance?

RESULT FILTERS

Demonstrate the filtering capabilities of the model related to the Community and Governance “Results” in order to identify areas to study and review.

- **ALL COMMUNITY and GOVERNANCE RESULTS COMBINED**
 - Set Filter - **Less than “2”** (for every Result)
 - *Does the City offer any programs that do not contribute to achieving ANY of its identified Results?*
 - *If so, should the City consider other alternatives such as charging fees, partnering with another service provider or eliminating these programs altogether?*
- **ANY SINGLE COMMUNITY or GOVERNANCE RESULT**
 - Set Filter - **Greater than “2”** (for each Result)
 - *What programs offered by the City are highly contributing to the successful achievement of the identified Result?*
 - *What is the amount of financial and staff resources being dedicated to ensuring the Result is being achieved?*
 - *Should the City allocate more resources to existing programs or consider funding new programs that would contribute to being even more successful in accomplishing the Result?*

DETAILED PROGRAM INFORMATION

For any of the “views” offered by the Tool, click on the “**Generate List of Programs**” button located below the quartile distribution graph to see a detailed list of all the programs contained within that view. A list of all programs that meet the selected criteria will be generated in Quartile order alphabetical by Department / Division. Included in these detailed information will be:

- *Department / Division offering the program*
- *Program Name*
- *Program Number (for reference purposes) – Governance programs are 4-digit numbers beginning with “9”*
- *Quartile designation for the program*
- *Dollar amount appearing for the program in the “view” being graphed (this will vary depending on what filters are being applied)*
- *Accounting Fund to which the program is charged*
- *Number of FTE associated with the program*

In the graph to the right of this program listing is a chart identifying how that program is funded – through General Revenues, Program Revenues or a combination of the two.

- *For programs funded entirely by “General Government” revenues, should the City explore other options to partially or fully fund that program with “Program” revenues, if appropriate?*
- *For programs funded entirely by “Program” revenues, are those revenues sufficient to cover both direct, indirect and overhead costs associated with offering the program?*
- *For programs funded by a combination of “General Government” and “Program” revenues, should the City explore increasing the level of funding from “Program” revenues to substantially cover all of those costs?*
 - *Should the City establish fee recoupment expectations by policy and then ensure fees are adjusted regularly to meet these recoupment levels?*
 - *Does the City need to conduct a review of its fees to ensure they are adequate to recoup the level of cost recovery desired?*

The last column in this revenue distribution chart identifies programs for which the “Program” revenues generated actually exceed the cost of offering the program. For these programs, should the City:

- *Document that these “excess” revenues are helping to cover the indirect and overhead costs associated with the program?*
- *Identify which other programs this “excess” revenue is being used to fund in the interest of full transparency?*
- *Determine whether fees being charged are higher than is needed to recover the appropriate level of costs?*
- *Where only partial fee recovery is indicated, should the City determine if the identified program is made up of more than one “stand-alone” program and break out that portion of the program for which cost recovery is achieved?*

BASIC ATTRIBUTES SCORING CRITERIA

- **Mandated to Provide Program** — Programs that are mandated by another level of government (*i.e. federal or state*) will receive a higher score for this attribute compared to programs that are mandated solely by the County or have no mandate whatsoever. The grading criterion established to score programs, on a **0 to 4** scale is as follows:
 - **4** = Program is required in writing by Federal or State legislation.
 - **3** = Program is required by Charter or other incorporation documents **OR** is required in order to comply with regulatory agency standards
 - **2** = Program is required by a Code, ordinance, resolution or policy **OR** is required to fulfill an executed franchise or contractual agreement.
 - **1** = Program is recommended by a national professional organization to meet published standards or as a best practice.
 - **0** = No requirement or mandate exists.
- **Reliance on County to Provide Program** — Programs for which residents, businesses and visitors can look only to the County to obtain the service will receive a higher score for this attribute compared to programs that may be similarly obtained from another intergovernmental agency or a private business. The grading criterion established to score programs, on a **0 to 4** scale is as follows:
 - **4** = County is the sole provider of the program and there are **no** other public or private entities that provide a similar service
 - **3** = County is currently the sole provider of the program but there are other public or private entities that could be contracted to provide a similar service
 - **2** = Program is only offered by another governmental, non-profit or civic agency
 - **1** = Program is offered by other private businesses but none are located within the County limits
 - **0** = Program is offered by other private businesses located within the County limits
- **Change in Demand for Program** — Programs demonstrating an increase in demand or utilization will receive a higher score for this attribute compared to programs that show no growth in demand or utilization for the program or service. Programs demonstrating a decrease in demand or utilization will actually receive a negative score for this attribute. The grading criterion established to score programs, on a **-4 to 4** scale is as follows:
 - **4** = Program experiencing a **SUBSTANTIAL** increase in demand of 25% or more
 - **3** = Program experiencing a **SIGNIFICANT** increase in demand of 15% to 24%
 - **2** = Program experiencing a **MODEST** increase in demand of 5% to 14%
 - **1** = Program experiencing a **MINIMAL** increase in demand of 1% to 4%
 - **0** = Program experiencing **NO** change in demand
 - **-1** = Program experiencing a **MINIMAL** decrease in demand of 1% to 4%
 - **-2** = Program experiencing a **MODEST** decrease in demand of 5% to 14%
 - **-3** = Program experiencing a **SIGNIFICANT** decrease in demand of 15% to 24%

- **-4** = Program experiencing a ***SUBSTANTIAL*** decrease in demand of 25% or more

- **Portion of Community Served by Program** — Programs that benefit or serve a larger segment of the County’s residents, businesses and/or visitors will receive a higher score for this attribute compared to programs that benefit or serve only a small segment of these populations. The grading criterion established to score programs, on a 0 to 4 scale is as follows:
 - **4** = Program benefits/serves the **ENTIRE** community (100%)
 - **3** = Program benefits/serves a **SUBSTANTIAL** portion of the community (at least 75%)
 - **2** = Program benefits/serves a **SIGNIFICANT** portion of the community (at least 50%)
 - **1** = Program benefits/serves **SOME** portion of the community (at least 10%)
 - **0** = Program benefits/serves only a **SMALL** portion of the community (less than 10%)

- **Cost Recovery of Program** — Programs that demonstrate the ability “*pay for themselves*” through user fees, intergovernmental grants or other specifically dedicated revenues will receive a higher score for this attribute than programs that generate limited or no funding to cover their cost. The grading criterion established to score programs, on a **0 to 4** scale is as follows:
 - **4** = Fees generated cover 75% to 100% of the cost to provide the program
 - **3** = Fees generated cover 50% to 74% of the cost to provide the program
 - **2** = Fees generated cover 25% to 49% of the cost to provide the program
 - **1** = Fees generated cover 1% to 24% of the cost to provide the program
 - **0** = No fees are generated that cover the cost to provide the program

- **Cost Avoidance and/or Efficiency Resulting from Program**— Programs that help save money or “avoid” incurring additional costs in the future will receive a higher score for this attribute compared to programs that do not provide for cost savings or “cost avoidance” opportunities. Similarly, programs that help achieve cost or operational efficiencies will also be scored higher than programs that don’t contribute to cost efficiencies or cost avoidance. The grading criterion established to score programs, on a **0 to 4** scale is as follows:
 - **4** = Program ***SUBSTANTIALLY*** generates cost savings **AND** avoids incurring a significant amount of additional costs
 - **3** = Program ***SIGNIFICANTLY*** generates cost savings **AND/OR** avoids incurring a significant amount of additional costs
 - **2** = Program generates ***SOME*** cost savings **AND/OR** avoids incurring some amount of additional costs
 - **1** = Program generates ***MINIMAL*** cost savings **AND/OR** avoids incurring a minimal amount of additional costs
 - **0** = Program generates ***NO*** cost savings **OR** any amount of cost avoidance