



“Overcoming Budget Constraints”

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Financial Situation

- **Didn't happen overnight**
- **Spending levels were based upon increasing property values and stable or increasing shared revenues**
- **Spending levels were becoming unsustainable as early as 1998**



Explore Options

- **Who can we let go should not be the first question asked**
- **Look at your institutional culture and systems**
- **Look for options that may not be traditional**



Explore Options

Remember

Wisconsin counties operate under Administrative Home Rule. In many cases, if it's not prohibited by Statute, you can do it. You can be innovative



Is it Mandated?

- **Local governments frequently do things because “it’s a good idea” or “that’s how we’ve always done it”**
- **Neither is a valid reason to expend resources**



Is it Mandated?

- Don't look at departments for “mandated” vs. “not mandated”
- Look at programs **within** departments
- Not uncommon for programs and projects within departments to be outside those functions mandated by statute



Sample Questions

- **Is what we're doing actually required or mandated, or is some of what we are doing just what someone thought was a good idea at one time?**
- **How much of what we're doing is being done "because that's the way we've always done it" (a likely sign of inefficiency)?**



Sample Questions

- **Have you asked your staff what can be done to improve efficiency?**
- **Is the board asking the staff for things they don't need?**
- **Does it have to be on paper or will an electronic format do just as well?**



Understand Unintended Consequences

Think through both the potential positives and negatives that may occur as a result of an action to improve efficiency.



Understand Unintended Consequences

- **Will any action you take in efficiency's name adversely affect another department?**
- **How will you respond if the idea or initiative results in a negative outcome?**



Understand Unintended Consequences

- **What are the political implications of the action your considering?**
- **Will the action you take seeking efficiency result in degraded services to your constituents?**



Understand Unintended Consequences

- **If you decide to let someone go, can you easily replace them with someone equally qualified if it proves necessary?**



Common Efficiency Approaches

- **Performance Measurement & Performance-Based Budgeting**
- **Lean Six Sigma**
- **Lean Government**
- **Value Stream Mapping**
- **Total Quality Management**



Efficiency Approaches

Performance measurement tracks and compiles performance data over time to help make management & budgetary decisions.

Performance-based budgeting uses a Program Budget and makes budgetary decisions based on compiled performance measurement data



Performance Approaches

Lean Six Sigma or just Six Sigma seeks to improve the quality of process outputs by identifying and removing the causes of defects (errors) and minimizing variability in manufacturing and business processes

Based on repeatability and very difficult to apply to government



Efficiency Approaches

Lean Government is fundamentally a philosophy about creating value for the customer/client while using the fewest resources possible. It's about getting the right service in the right amount to the right person at the right time, while minimizing waste and being flexible and open to change and improvement.



Efficiency Approaches

Value Stream Mapping is manufacturing technique used to analyze the flow of materials and information required to bring a product or service to a customer

Seeks to eliminate roadblocks and unnecessary step in service provision



Efficiency Approaches

Total Quality Management is a set of management practices and principles employed throughout the organization, intended to ensure the organization consistently meets or exceeds customer requirements. TQM emphasizes process measurement and controls as a means of continuous improvement.



Summary

- **There are no magic wands or silver bullets**
- **Quick fixes all too often make matters worse**
- **Getting rid of people isn't the answer unless they are genuinely excess**
- **Tough and, sometimes, unpopular decisions are unavoidable**