

DATE ISSUED: May 31, 2000

REPORT NO. 00-113

ATTENTION: Honorable Mayor and City Council

SUBJECT: City Receives National "Best Practice"
Recognition for Financial Management

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE CITY COUNCIL.

BACKGROUND

The Financial Management Department is pleased to inform the Mayor and City Council that the City has been recognized by the Government Finance Officers Association (GFOA) as one of four "Best Practice" governments nationally for its benchmarking process to monitor department and program effectiveness.

The recognition was announced in a special issue of the association's Government Finance Review magazine on the overall theme, "Best Practices in Financial Management." San Diego was among only four governments in the United States cited for programs in the budget process category.

The new recognition follows closely an announcement by Governing magazine that San Diego ranked near the top nationally in the magazine's study of various areas of financial management in 35 cities, with only one city rated higher in the category of "Managing for Results."

Governing magazine said:

"San Diego is now near the head of the class in Managing for Results. Performance measures and goals can be found for every program within each department, with citizen feedback included. The budget makes outstanding efforts to tie its spending figures to performance measures."

DISCUSSION

In the new recognition, GFOA defines "Best Practices" in public finance as innovative programs that warrant review and consideration for implementation by other governments.

"Best Practices" that establish a track record of success in various jurisdictions may then be considered for designation as "Recommended Practices" for governments under guidelines established by the National Advisory Council on State and Local Budgeting.

The GFOA's magazine article stresses the importance of comparing, or "benchmarking," the performance of programs and services with those in other jurisdictions and private industry to enable governments to monitor their accomplishments more effectively.

In San Diego, the process was implemented as part of the overall "Performance Management" program in the mid-1990s, with significant ongoing refinements up to the present. In recent years, City staff has been invited to national and international conferences and training symposia to present details of the City's Performance Management Program. There is substantial interest by other jurisdictions to implement similar programs.

According to Government Finance Review:

"Evaluating organizational and program performance seems to be straightforward, but few governments do it well.....The City of San Diego, California, is one jurisdiction that follows best practices in bench marking its municipal operations on an ongoing basis."

The magazine also reports that San Diego and the other three jurisdictions cited provide an illustration of how innovative "best practices" are being used to improve financial management and government operations, and urges other governments to review the detailed case studies provided in the article.

The City's Performance Management Program is a direct result of Mayor Golding's *Change*² effort in 1994. The national recognition of this program the City has received in recent months is a result of ongoing support from the Mayor and City Council and the volunteers who have shared their private sector expertise through the Select Committee on Government Efficiency and Fiscal Reform.

Respectfully submitted,

Ernie Anderson..... Approved: Patricia T. Frazier
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