



**BOARD OF SUPERVISORS
AGENDA LETTER**

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: County Executive Office
Department No.:
For Agenda Of: May 18, 2010
Placement: Set Hearing for May 25, 2010
Estimated Time: 30 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Michael F. Brown, County Executive Officer
Director(s) 568-3400

Contact Info: Jason Stilwell, Assistant County Executive Officer/Budget Director
568-3413

SUBJECT: Information Technology Department Reorganization Options

County Counsel Concurrence

As to form: NA

Auditor-Controller Concurrence

As to form: NA

Other Concurrence: N/A

Recommended Actions:

That the Board of Supervisors (Board) set a hearing for May 25, 2010 to consider a policy report on reorganization options for the Information Technology Department, and give direction as the Board determines appropriate.

Summary Text:

On March 16, 2010, as part of the preliminary Fiscal Year (FY) 2010-11 Budget Workshops, the Santa Barbara County (County) Board of Supervisors (Board) directed the County Executive Office (CEO) to study the feasibility and cost-savings associated with reintegrating the Information Technology Department (ITD) with the General Services Department (GSD).

In response to the Board's direction, a policy report is being prepared for the hearing of May 25, 2010 to assist the Board in its deliberations. This report will include:

- The background and context under which ITD was formed.
- The organizational structure currently used to deliver services to the public.

- Reorganization options for the Board's consideration, including the pros and cons associated with each option.

Background/Discussion:

Prior to becoming a stand-alone department, information technology and communication services were managed by GSD in the Information Technology Services (ITS) division. The ITS division was responsible for many day-to-day functions, including telephone, radio, networking and Windows infrastructures services for customer departments. GSD also managed the County's Internet and Intranet sites, and oversaw the Help Desk for departmental technology staff.

As part of an ongoing effort to improve the County's budget process and fiscal outcomes, on June 9, 2006, the Board received a report from the Blue Ribbon Budget Task Force (Task Force). Given the importance of technology to the efficient and effective operation of the County, the Task Force made a series of recommendations to improve services and realize long-term cost-savings. To summarize, these recommendations included:

- Implementing an overall information technology management strategy and organizational structure reporting to the CEO.
- Strengthening the CEO's oversight of countywide information technology projects and systems.
- Clarifying and strengthening the County's information technology governance structure to allow projects and processes to be implemented in a coordinated fashion.
- Identifying the County's overall technology investment, since aggregate information technology (IT) costs were largely unknown at the time.

In response to these recommendations, on February 12, 2008, the Board adopted the FY 2008-11 Information Technology Strategic Plan (Strategic Plan). The Strategic Plan set the course for a focused approach to countywide IT services, and was subsequently followed by the formation of ITD on July 1, 2008.

Since becoming a department, ITD has concentrated on carrying out the Task Force recommendations to optimize and coordinate technology across the County. This has included internal process assessments to identify business strengths and weaknesses, as well as an effort to quantify total IT costs through the 2009 Information Technology Profile (Profile). The Profile identified approximately 156 IT employees, 71% (110 FTE) of which were in County departments other than ITD. Total spending for IT was estimated at \$35 million, 65% of which (\$24 million) was attributable to departments other than ITD. This analysis confirmed the degree to which IT services had been decentralized throughout the County, illuminating the difficulty associated with transparently reporting on and managing the County's investment in IT systems and personnel.

Given the results of these analyses, ITD has implemented improvements to address the needs of its customers, increase the transparency related to the costs of technology, and improve the County's technology management and governance structures. In fact, since becoming a department in FY 2008-09, numerous new services have been added, without increasing costs or overall charges to departments. This is notable, given that ITD's and the County's average cost per employee has risen significantly over the past ten years.

Without question, efficient and effective County operations require a flexible technology infrastructure to support operational business needs and communicate with the public, particularly in an environment of constant technological innovation. The policy report presented to the Board on May 25, 2010 will weigh the primary options available to the County to manage technology services and the County's overall investment in technology.

Fiscal Analysis:

None with this set hearing; fiscal analyses of the various reorganization options will be presented with the May 25, 2010 Board letter.

Staffing Impacts:

None with this set hearing; fiscal analyses of the various reorganization options will be presented with the May 25, 2010 Board letter.

Attachments:

None

Authored by:

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cc:

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Bob Nisbet, GSD Director

Sally Nagy, Chief Information Officer/ITD Director