Information Technology in Santa Barbara County

Organizational Restructuring Options and Impacts

Executive Summary

On March 16, 2010, the Board of Supervisors directed the County Executive Office to analyze the impacts associated with reintegrating the Information Technology Department with the General Services Department. Accordingly, this report summarizes current best-practices in technology management, revisits policy documents such as the 2005-06 Blue Ribbon Budget Task Force Report and Recommendations, and analyzes potential cost savings associated with four reorganization options.

This report concludes that countywide technology costs, services, projects, and processes are in need of increased transparency, coordination, and oversight. Moreover, the ability to effectively manage Santa Barbara County's overall investment in technology is best accomplished by a separate department led by experienced IT managers and professionals. Therefore, the CEO recommends retaining the Information Technology Department as a stand-alone department, capable of achieving both immediate and long term cost-savings, as well as long-term IT strategic goals.

I. Introduction

Between February and March 2010, the Board of Supervisors (Board) held a series of workshops to analyze fiscal challenges and establish priorities regarding potential impacts to public services, given the difficult economic climate. During these workshops, on March 16, 2010, the Board directed the County Executive Office (CEO) to analyze the feasibility, impacts, and potential cost-savings associated with reintegrating the Information Technology Department (ITD) with the General Services Department (GSD). If successful, this reorganization could produce resources necessary to maintain other County services.

To carry out this direction, the CEO worked with both ITD and GSD to review organizational options, and analyze impacts related to service delivery, cost-effectiveness, and operational strategy. This analysis involved revisiting several policy documents and studies addressing IT service delivery that have previously been provided to the Board, including:

1. The 2005-2006 Blue Ribbon Budget Task Force Report and Recommendations

2. The Fiscal Year (FY) 2008-2011 Information Technology Strategic Plan Summary

3. The 2009 Information Technology Profile

4. The Information Technology Strategic Plan Implementation Progress Report

To compliment these reports, a survey of other California counties was completed to illustrate current best-practices and the status of Information Technology in other jurisdictions. Together, this information was used to establish the framework for this report, which summarizes the background and sets the context for IT service delivery in

the County, evaluates reorganization options, and recommends an approach for Board consideration.

II. Information Technology Service Delivery: Background and Context

Prior to being organized into a separate department, countywide information technology services were managed within the General Services Department (GSD). GSD Information Technology Services (ITS) provided many day-to-day functions for departments including telephone, radio, networking and Windows infrastructure services. GSD ITS also managed the County's Internet and Intranet sites, and oversaw a Help Desk for departmental technology staff. At the time, GSD ITS provided minor application development and programming services for departments; but it did not provide desktop support, Geographic Information Services (GIS) services, or comprehensive project management for the implementation of new systems.

On May 3, 2005 the Board of Supervisors created the Blue Ribbon Budget Task Force (Task Force). The Task Force consisted of five community and business leaders charged with bringing their expertise to the County as public service. The broad goals of the Task Force were to identify budgeting best practices in both the public and private sectors that could be applied to County processes to increase transparency and promote participation from the public in the County's budget process.

On June 9, 2006, the Board of Supervisors received a report from the Task Force outlining recommendations for improving overall accountability, customer focus, and efficiencies throughout County government. A fundamental component of these recommendations involved improving information technology governance, transparency, structure, and services. The Task Force identified the important roll of technology in delivering services to the public, as well as the need for focused coordination of the County's investment in technology to ensure the maximum return. Specific recommendations included:

- Identifying the County's overall technology investment

- Implementing an overall information technology management strategy and organizational structure that reports to the County Executive Officer

- Enhancing the County Executive Officer's close oversight of all enterprise-wide 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

- Expanding the use of technology to provide improved services both within the organization and externally to customers and clients

- Developing strategic information technology plans for every County department

In response to these recommendations, on January 17, 2008, management oversight of technology functions in GSD was given to a newly hired Chief Information Officer (CIO).

Board adoption of the FY 2008-11 Information Technology Strategic Plan (Strategic Plan) followed soon thereafter, on February 12, 2008. This document formed the basis for a focused approach to countywide IT services, and was subsequently followed by the formal formation of the Information Technology Department (ITD) on July 1, 2008. As part of this reorganization, staff from GSD ITS and the CEO's Office were transitioned into the new ITD to implement the Strategic Plan.

The first year after formation of ITD was a time of analysis and internal assessment. Accordingly, reports by two commissioned consultants revealed a need for documented processes and procedures, clarification of roles and responsibilities, a streamlined security infrastructure, a need for application development resources, and room for growth in the project management discipline. In fact, departmental IT abilities had surpassed those of GSD ITS in some areas, including:

- Programming skills: GSD ITS did not have the programming capability necessary to properly support most applications used by departments.

- Server virtualization and storage area networks (SAN): Departments implemented these technologies independently in order to meet their business needs. As a result, departments diverted IT staff from application development to infrastructure, or hired additional IT staff.

Other areas where GSD ITS had fallen behind industry best practices included:

- Network: The County's network was designed and implemented many years ago with multiple single points of failure that could cause entire sites (Santa Maria, Lompoc, Calle Real, Santa Barbara Data Center) to lose connectivity and/or access to critical applications.

- Project management: The County did not have a unified Technology Project Management Office or approach to coordinate countywide IT projects, increasing the risk of delays and cost overruns.

In addition to these internal business process assessments, *The 2009 Information Technology Profile* (Profile) was released in November 2009. This study helped to implement the Task Force recommendation to identify the overall investment in IT throughout the County. The Profile confirmed the degree to which IT services are decentralized throughout County departments, illuminating the difficulty associated with transparently reporting on and managing the County's IT investment in systems and personnel. For example, departments have the ability to acquire complex systems without any feedback from or interaction with ITD, leading to redundant or sometimes unnecessary acquisitions. Moreover, employees in multiple departments perform IT functions or manage IT employees, without carrying formal IT positions titles. This increases the difficulty of understanding the total costs or needs of the organization.

In total, the Profile estimates that Santa Barbara County will spend approximately $35 million on information technology by the end of FY 2009-2010; 68% by County

departments ($24 million) and 32% ($11 million) by ITD.[1] Of the roughly 156 IT positions indentified, 71% (110 full-time equivalent employees (FTE)) reside in the departments and 29% (46 FTE) in ITD (See Figure 1). Significantly, the Profile highlighted that a greater portion of the County's technology investment is used to maintain status quo systems (desktop and help desk support) than on transformational and innovational activities to bring more government functions online (development of new applications; data integration).

**Figure 1: FY 09-10 IT Staffing, Santa Barbara County**

156 Total FTE
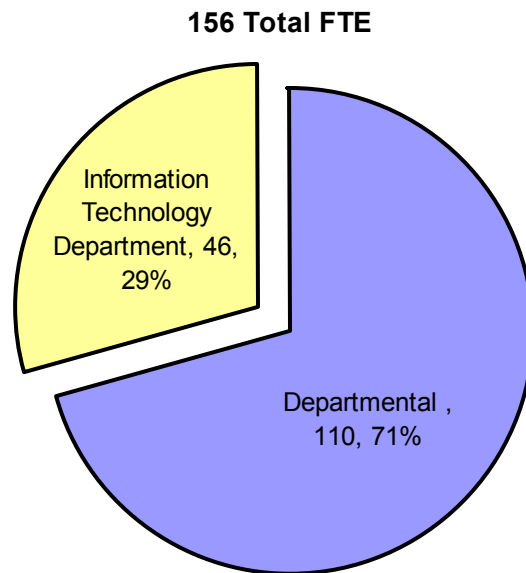
Of the $24 million in departmental technology expenditures that do not involve ITD, it is estimated that $6.4 million is supported through General Fund Contribution. In other words, departments spend a significant portion of the County's discretionary General Fund resources on IT programs, rather than using ITD to support a centralized service delivery approach.   Almost three-quarters of these expenditures are made by the County's Support Services and Public Safety functional areas (see Figure 2), and this trend is expected to continue with the FY 2010-11 Recommended Budget.

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[1] To ensure consistent comparisons between ITD and departmental technology expenditures, some budget components, such as expenditures for the County's cost allocation plan, were removed from ITD's FY 2009-10 Budget in the Profile.

**Figure 2: Estimated Technology Expenditures by Functional Area -
$6.4M General Fund Contribution, FY 2009-10**
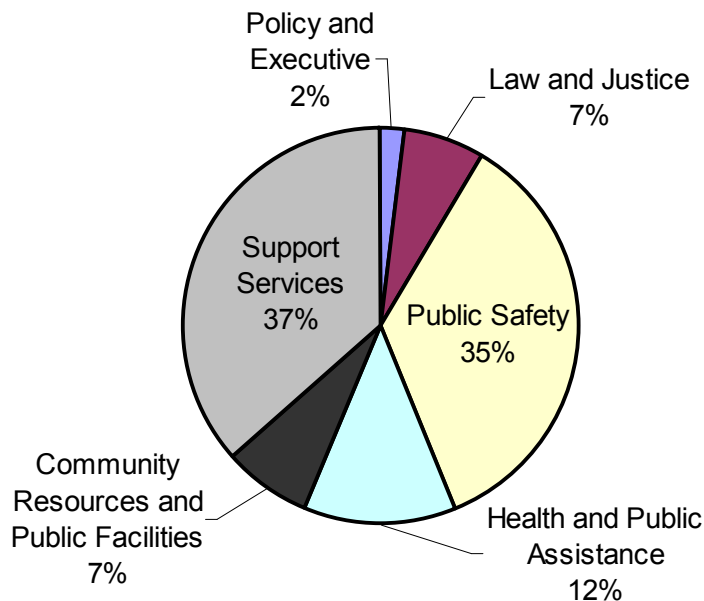
Given the results of internal assessments and the Profile, ITD has focused on implementing improvements to address the needs of its customers, increase the transparency related to the costs of technology, facilitate innovation, and maximize the return on the County's IT investment. At the same time, ITD has been able to manage new services, since becoming a department, without substantially increasing overall costs or charges to customer departments. This is significant, given that the average cost of all County employees has risen significantly over the past ten years. Specifically, five new functions are managed by ITD:

- An Enterprise Applications group responsible for new Internet and Intranet sites, Web broadcasts of Board of Supervisor meetings, and tools such as the ARRA website, online payments, RPM.net Performance Management system, Onshore Oil Management Reporting, and Emergency and Recovery Web Pages

- A GIS unit providing countywide coordination of GIS activities, GIS web application development, and general GIS support[2]

- Desktop Support for approximately 450 users

- OES Support (basic support was previously provided by Fire)

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[2] Both the Enterprise Applications and the GIS group were incubated in the County Executive Office, prior to being transitioned to ITD. Notably, these programs were originally funded with General Fund resources; however, these resources were significantly reduced – from approximately $1.5 million to $787,000 – when the services transitioned to ITD.

- A Project Management Office to ensure IT projects are coordinated, delivered on time and within budget, and are responsive to customers' needs

These functions have been folded into the current ITD organizational structure, which is explained in greater detail below.

III. ITD –Organizational Structure

As an entire business unit, ITD includes approximately 46 FTE and a total departmental budget of $14.46 million (all funds), including a General Fund Contribution (GFC) of $786,877 for FY 2009-10. A significant portion of ITD's budget is attributable to the cost of maintaining the existing business environment and upgrading technology, infrastructure, and fixed assets. Organizationally, ITD is comprised of 4 divisions; associated programs and costs include:

- Administration: $796,000 and 5 FTE (Chief Information Officer (CIO), Asst Director, Chief Financial Officer, Admin Office Pro, and a Finance Office Pro)

- Applications $1.38 million and 8 FTE

    - Project Management/Data for Decision Making: $555,000 and 2 FTE

    - GIS: $270,000 and 2 FTE

    - eGovernment: $552,000 and 4 FTE

- Network & Communications: $8.46 million and 18 FTE

    - Radio: $2.5 million and 8.25 FTE

    - Telephone: $2.3 million and 1.8 FTE

    - Network Design & Support: $3.7 million and 8 FTE

- Technical Support: $3.8 million and 15 FTE

Presently, the organizational structure of ITD is consistent with the majority of other counties in California, where IT is managed in a stand-alone department. Approximately 74% of other County's manage IT services in this manner (See Figure 2).

Notably, 2 of the 55 counties responding to the County's survey manage IT services as a division in the General Services department.[3]

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[3] Survey conducted by ITD staff during March 2010. Yuba County and Mendocino County are the two other counties with IT in the General Services Department. In San Luis Obispo County and Nevada County, the CIO oversees GSD, but also has responsibility for other unrelated services such as Public libraries, Parks, and Airports.

Figure 2: Information Technology Organizational Options, California Counties

Other
22%

IT in General
Services
4%

Stand-alone IT
Department
74%
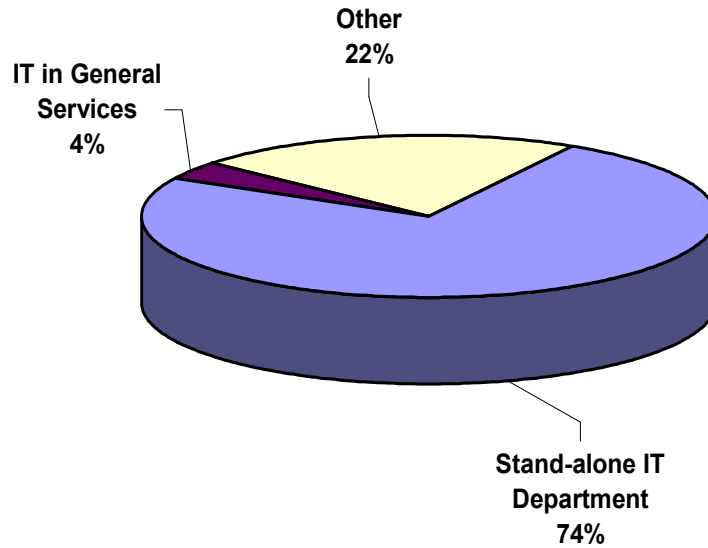
As part of its fiscal responsibilities, ITD manages two Internal Service Funds (ISFs), which support and provide resources for the majority of the department's activities. These include the IT ISF and the Communications ISF, both of which were managed by GSD prior to the formation of ITD. The ISFs issue rates or "charges" to other County departments to offset the costs of service.

As illustrated in Figure 3 below, ITD has managed ISFs so that total charges to County departments by these two funds have remained flat (FY 2008-2011), even though the cost of doing business, illustrated through the average cost per FTE countywide, has increased.
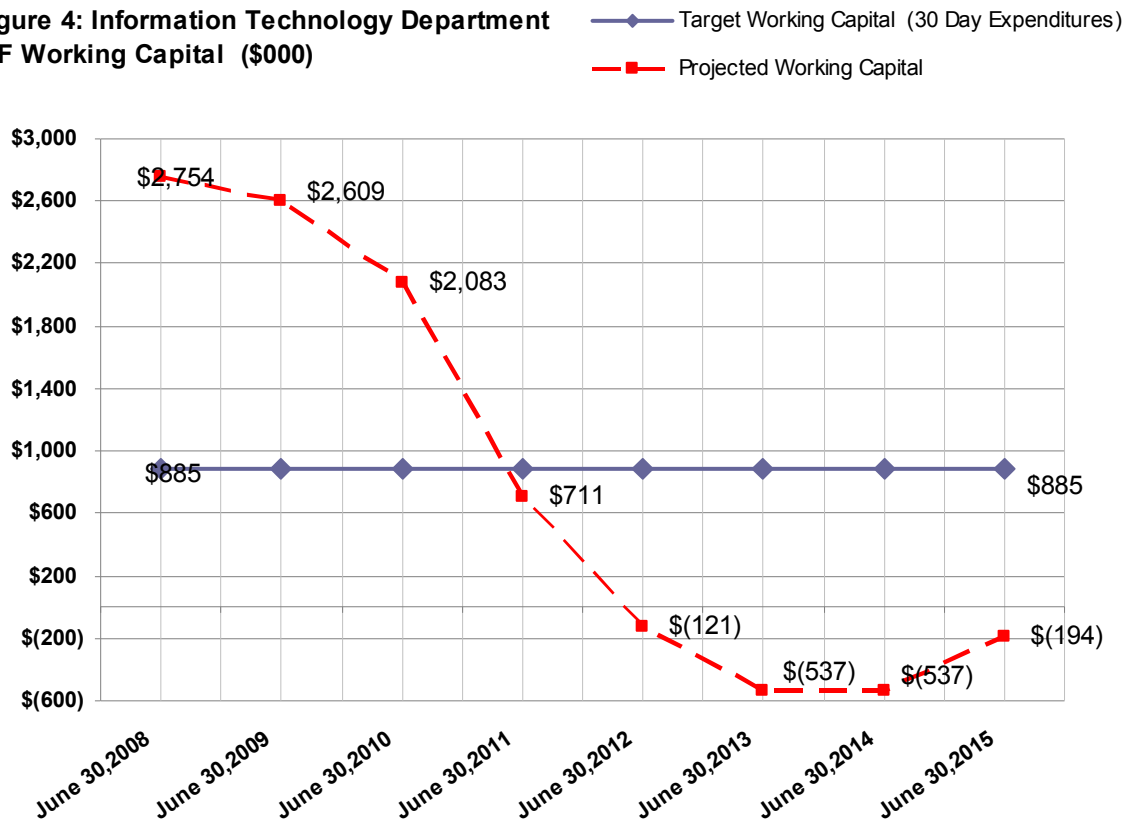
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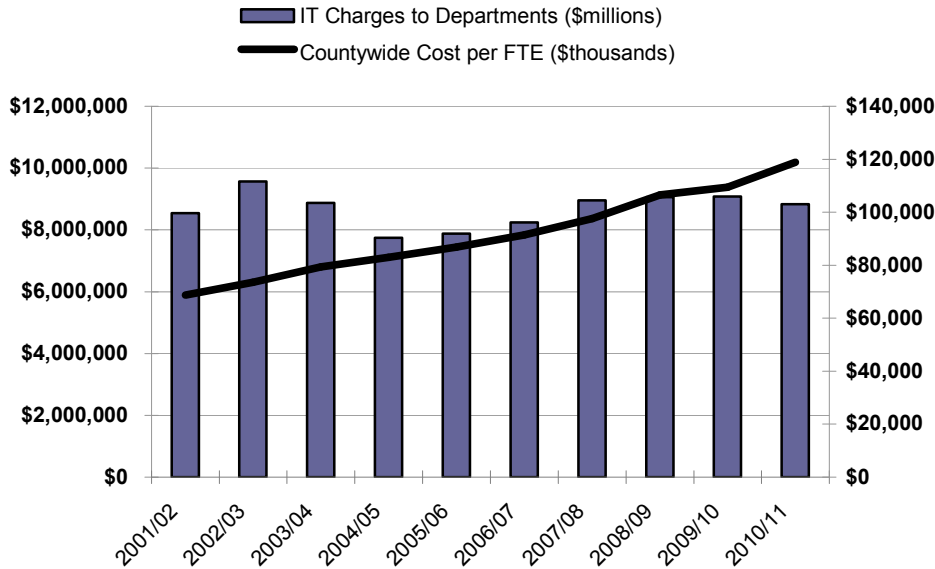
Holding rates flat for departments has also enabled ITD to reduce the level of reserves or "working capital" that had been established in prior years. As illustrated in Figure 4, the ISFs together had working capital in excess of $2.7 million as of June 2008, due to the rates charged to departments. Following its formation, ITD reviewed rates and was able to refund approximately $925,000 to County departments after implementation of new procedures giving these departments greater control over radio expenditures.

Figure 4: Information Technology Department ISF Working Capital ($000)

By continuing to hold rates steady, while maintaining consistent levels of service, Figure 4 shows that by the end of FY 2010-11, reserves will have been reduced to a target that is equal to 30 days of operating expenditures. As with other ISFs in the County, projected increases in the cost of doing business will put upward pressure on rates in future years. If rates to departments are not increased, and costs continue to rise, working capital or reserves are forecasted to be exhausted by June 2012.

In summary, these existing ITD organizational and fiscal structures help to establish a point of reference against which potential reorganization options can be evaluated for FY 2010-11. As discussed in detail below, reorganization of ITD will carry certain costs and benefits, when compared to the current FY 2009-10 scenario.

IV. Organizational Options

Four feasible reorganization options are available for the Board's consideration regarding the way in which IT services are delivered to County departments. Each of these options presents a unique set of benefits and costs, or pros and cons. Accordingly, each option is evaluated using three overarching criteria: 1) the ability to achieve long term cost-savings across the County organization, 2) the degree to which consistency with strategic plans or policy documents such as the Blue Ribbon Budget Task Force recommendations is maintained, and 3) the ability to generate short-term cost-savings, compared to FY 2009-

10.[4] Notably, staff has analyzed options that would maintain the current service delivery model, whereby IT service is performed by County staff. Specifically, large-scale outsourcing or other third-party vendor relationships have not been included in this analysis.

Reorganization Option #1 *(Recommended Option)*

Summary: Retain ITD as a separate department, with an Administration Division/Program and a Chief Information Officer. Lower ITD's General Fund Contribution to $0 for the FY 2010-11 Recommended Budget and direct the department to balance its budget, producing ongoing structural savings of $787,000. Given that ITD would require administrative oversight, reductions to existing IT programs would be needed to balance its budget. To date, ITD has indicated that unfunding a total of 5.4 FTE would best position the department to achieve a balanced budget, while minimizing service level impacts to customers. This would include reductions in each of ITD's divisions (unfunding 4 FTE), as well as management (unfunding 1.4 FTE).

Pros:

- Continue adding value, while achieving cost-savings: Since its formation in FY 2008-09, ITD has consistently added new services that have improved the ability of the County to conduct its business and connect with the public. Even though the ITD budget and charges to departments have remained flat (as illustrated in Figure 3), a representative listing of the new services ITD manages includes: a) a Webmaster; b) an application development group responsible for critical systems such as Granicus (web broadcasts and online availability of agendas, reports, minutes, and video), RPM.net (performance management system), and onshore oil management reporting; c) a GIS unit supporting 13 departments' day-to-day needs, including application development; d) Desktop support for nine departments, e) emergency operations and public safety support, and f) forensic investigations. This scenario enhances these value-added services by also achieving a high degree of immediate cost-savings through reduced General Fund support for the department.

- Continue the County's ability to strategically pursue information technology: In today's business environment, IT is a complicated and changing field that requires deliberate and active oversight and engagement, if investments are to yield maximum results. Singular leadership focus on the topic of information technology is required to carry out strategic planning, increase the overall transparency related to IT in the County, implement countywide IT education and training programs, and manage complex projects requiring a high degree of executive involvement. In short, County departments are currently enjoying the benefits of a departmental

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[4] From a fiscal perspective, the analysis has focused on the ability to achieve ongoing or structural savings as a result of personnel consolidation. Additional savings may be achieved by delaying projects (and lowering associated equipment depreciation) or by using accounting techniques such as charging costs to other funds; however, these activities do not create true ongoing savings. Therefore, these strategies were not included in this analysis.

administrative structure that is dedicated wholly to IT, rather than one that is responsible for multiple functions across diverse and/or unrelated service areas.

- Maintain the ability to consolidate countywide IT services: As indicated in the IT Profile, departments spend approximately $24 million on IT staff, equipment, software, licenses and consulting services, outside of the ITD.   Of these departmental costs, $12.8 million are attributable to the approximately 110 staff in these non-ITD departments that carryout IT duties. This presents a tremendous opportunity to deliver fiscal savings, given that an effective countywide ITD, and associated leadership, is available to offer cost-effective consolidated services to departments.   In fact, a moderate degree of consolidation has already been underway, as several departments including County Counsel and the Agriculture Commission have asked ITD to provide additional services as a cost-saving measure. In addition, ITD has consolidated countywide email systems from 4 systems to 2 systems. The Chief Information Officer estimates that strategic consolidation of certain IT services could deliver up to $2.4 million in annual cost-savings across county departments.

- Maintain parity with other local government agencies: As discussed previously, the majority of County's use a stand-alone IT department to deliver IT services (see Figure 2). Accordingly, the current organizational structure with ITD as a stand-alone department would maintain this best practice.

Cons:

- Uncertain timeframe for realizing significant countywide cost-savings: While opportunities exists to achieve countywide cost savings over the long term, the timeframe for the delivery of these savings is unclear. The CIO would be required to work with each department to migrate selected services over to ITD. Some departments may resist moving towards a consolidated approach, adding an element of delay and uncertainty to the process.

Reorganization Option #2

Summary: Shift ITD divisions and programs to GSD, making programmatic reductions similar to those discussed in Option 1 (unfunding 4 FTE). In addition to these program cuts, 2 administrative and management positions could be eliminated under this option, including the CIO and the Chief Financial Officer (CFO). This would produce a structural savings of approximately $968,000, compared to the FY 2009-2010 Budget.

Pros:

- Cost-savings: Compared to the baseline of the FY 09-10 Budget, this scenario produces short-term cost-savings, as IT administrative staffing levels would be reduced.   Accordingly, GSD administrative staff would assume increased managerial scope and responsibilities. This would include responsibility for the two ISFs currently managed by ITD, interfacing with customers, and overseeing day-to-day accounting, personnel, other administrative matters.

- Administrative expertise and ability: GSD Administration has experience managing technology services, as these services were previously overseen by the department. In addition, GSD administration has significant fiscal expertise. It currently oversees the following ISFs and related services: 1) Vehicles, 2) Medical Malpractice, 3) Workers Compensation, 4) County Liability Insurance, 5) Utilities, and 6) Reprographics. Adding two new ISFs will increase fiscal workload; however, the department is equipped with necessary skills, knowledge and abilities.

- Consistency with the GSD Director's management needs: The General Services Director has indicated that 3 of the existing 5 FTE in the ITD Administration Division would be necessary to maintain appropriate levels of service to customer departments. Notably, unrelated to this analysis, GSD has already recommended unfunding 3 of the 14 FTE currently in its Administration Program to balance the FY 10-11 Recommended Budget.

Cons:

- Lowered profile of IT policy, management, and services: Reorganizing IT services from a stand-alone department to a division within GSD – or any other department – will increase the difficulty of implementing countywide IT projects, strategies, and long-term cost-savings initiatives. This is primarily due to the fact that leadership with a singular and dedicated focus on achieving IT goals would be removed under this option. Moreover, shifting ITD to a division within GSD would result in GSD gaining over 40 additional employees and a variety of projects, without corresponding technical management oversight.

  Accordingly, strategic and complicated initiatives requiring a high degree of executive involvement would become increasingly difficult to implement, when coupled with preserving the current level of services to the extent feasible. This could impact the County's ability to connect with and serve an increasingly technology savvy public, placing it among just a handful of other agencies that do not have stand-alone IT departments. In fact, when ITD was formed several years ago, a commonly referenced anecdote was that very few counties managed the IT function in the General Services Department.

  From an accounting perspective, the rates currently charged to County departments by the technology ISFs include the costs of ITD administrative personnel. Accordingly, these rates help to pay for oversight that is solely dedicated to ensuring effective implementation of IT projects and management of the County's IT investments.

If ITD were moved to a division within GSD, a portion of the rates charged to County departments by the technology ISFs would pay for GSD administrative costs and services that are not dedicated just to IT. [5]   Given the breadth of other services overseen by GSD administration, it is unlikely that the existing level of support focused specifically towards IT would remain under this option. In other words, GSD administrators have other functions requiring attention, and it is unlikely that they would be able to match the attention and oversight to IT services and projects possible under a model where ITD is a stand-alone department.

- Upkeep of new services: Since becoming a separate department, ITD has established and manages new services that require frequent customer contact and interactions, and management focus. These include GIS, Enterprise Applications, Desktop Support and an IT-specific Project Management Office. Consequently, these have become services that County departments rely upon, requiring IT executive facilitation and oversight with specific technology expertise.   Under Option #2, the existing degree of this oversight and executive support provided to departments would be lowered.

- Costs of organizational change: Departmental reorganizations may impact existing projects and produce service delays, as is common with large-scale organizational changes. To the extent that employees will require relocation, tenant improvements and other onetime costs associated with the move may be required.

Reorganization Option #3

Summary: Move the Chief Information Officer to the County Executive Office, while moving all IT divisions and programs to General Services. Similar reductions would be made under this option as compared to Option 2 (4 Program FTE and 1 CFO); however, a CIO would remain in place to oversee all countywide IT operations and expenditures, and assist the General Services Director in implementing a consolidated IT approach.   This means that the cost-savings compared to the FY 2009-10 Budget would be approximately $693,000. Notably, the CEO's Office would require additional resources to fund the CIO under this Option, in comparison to Options 1 and 2.

Pros:

- Ability to attain benefits identified in Options 1 and 2 by strategically pursuing information technology: In addition to achieving moderate short-term cost-savings through staffing reductions, other benefits identified in Options 1 and 2 would be achievable through this option. This is possible because retention of a CIO in the County Executive Office would fill the need for centralized executive oversight of IT functions throughout the County, as identified in the 2006 Blue Ribbon Budget Task

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[5] GSD allocates administrative costs to each of its programs, based on the number of FTE in the program. The ISFs managed by ITD include programs with over 40 FTE; therefore, a significant portion of GSD's $2 million (FY 09-10, 14 FTE) in administrative costs would be allocated to the technology ISFs, if these funds and associated services were moved back to GSD. These costs would ultimately be included in the rates charged to County departments.

Force Report. In addition, this option recognizes the need for departments to maintain innovation through a moderate degree of decentralized IT services and applications. This is especially important in a business and operational environment where effective public service delivery increasingly relies on the implementation of forward-thinking and strategic technology.

Most importantly, this option would facilitate a countywide approach to IT services by retaining focused executive attention on IT thereby facilitating communication and the dissemination of information across the County, while placing accountability for transparency and outcomes on the County Executive Office.

Cons:

- <u>Lowered impact of cost-savings, additional resources needed:</u> Cost-savings would be the lowest under this option, when compared to the others, given that the CIO position transferred to the County Executive Office would cost approximately $275,000 in ongoing fully-loaded costs. Given that GSD is able to make all other reductions identified in Option 2, total savings under this option would be approximately $693,000. However, it is important to note that the CEO's Office is already expecting cost savings of $787,000 (Option 1) in the FY 2010-11 Recommended Budget. Therefore, this option would represent an enhancement, requiring an additional $94,000 to meet the CEO's goal. To address this need, additional General Fund resources would be required, or the rates charged to departments by the technology ISFs would need to change, as discussed in Option 2.

- <u>Greater disconnect between CIO and day-to-day technology functions</u>:   While maintaining a CIO in the County Executive Office would help retain a strategic focus for IT services, it would also create a greater disconnect between the executive function and the day-to-day work overseen by the GSD Director. This could present communication and accountability challenges, since the CIO would not have direct oversight of staff responsible for delivering services or projects to customer departments.

Reorganization Option #4

Summary: Wait for the arrival of a new CEO to make any final reorganization decisions.

Pros:

- <u>New executive direction:</u> The arrival of a new CEO on November 1, 2010 is likely to bring new perspectives, experience, and management direction to the County. Accordingly, the Board may wish to delay any final reorganization decision until a new CEO has arrived, fully assessed the County's operational strengths and weaknesses, and has made a recommendation, consistent with Board policy priorities, as to how the County can best manage the investment in information technology systems and personnel.

Cons:

- Delayed cost-savings: By delaying reorganization, cost-savings opportunities would be delayed, but could still be implemented, given the reorganization option selected by the Board.

V. Conclusions and Recommendations

Effective County operations require a reliable and flexible technology infrastructure to support operational business needs and communicate with the public, in an environment of constant technological innovation. As illustrated through the experience of other counties in California, as well as through the analysis provided in this report, these goals can be achieved by maintaining a stand-alone IT department. Moreover, as reported by Gartner, a leading IT research firm, effective IT organizations require experienced, focused IT management in order to balance departmental needs for new products and services with organizational priorities and cost constraints.[6] Transforming business requirements into sound and innovative IT strategies and solutions requires expertise and strategic vision that goes beyond day-to-day technical operations.

While the current fiscal environment is strained, most economists are forecasting improvements over the next several years. When these improvements come, the County must be positioned to respond strategically; otherwise the County's ability to connect with its stakeholders and the public in ways that are relevant and contextually appropriate could be at risk. *Accordingly, Option 1, maintaining ITD as a separate department, presents the best opportunity to realize short-term cost-savings across the County, while also retaining a strategic long-term focus on IT services.* For these reasons, this option has been included in the CEO's FY 2010-11 Recommended Budget. Through implementation of this option:

- ITD will remain as a separate County department, consistent with the majority of other counties in California.

- ITD's General Fund contribution will be eliminated, as reflected in the CEO's FY 2010-11 Recommended Budget, producing a direct cost-savings of $787,000.

- ITD and the CIO will continue to implement strategies to leverage resources across enterprise-wide disciplines such as desktop support, Help Desk and system administration to create a leaner, well-organized, properly tooled and trained organization with potential annual savings of up to $2.4 million.

Importantly, this option reduces administrative expenses, while also preserving IT programs and services. Additionally, as summarized by Table 1 below, this option best aligns with the evaluative criteria discussed previously in this report by: 1) maintaining the ability to achieve long term cost-savings (through opportunities to eliminate IT service

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[6] Kost, John. *The Model Government IT Organization*. Gartner Industry Research. June 28, 2006.

redundancies), 2) maintaining a strategic approach to IT, as recommended by the Task Force, and 3) achieving immediate short-term cost-savings (through the removed GFC).

Table 1: Summary of ITD Reorganization Options and Impacts

Factors	Option 1 (Recommended) Maintain IT as a high strategic priority, with ITD as a department. Unfund 5.4 FTE	Option 2 Shift IT to a lower priority, move IT into GSD. Unfund 6 FTE (including CIO)	Option 3 Maintain a moderate degree of IT priority; Move the CIO to the CEO; Move IT into GSD. Unfund 5 FTE	Option 4 Wait for the arrival of a new CEO
Ability to achieve long-term cost - savings identified in the IT Profile	**Moderate** (CIO and executive support is provided to achieve long-term cost-savings; but timeframe is uncertain	**Low** (No CIO support is provided to achieve long-term cost-savings)	**Moderate** (CIO and executive support is provided to achieve long-term cost-savings; but timeframe is uncertain)	**NA**
Ability to maintain consistency with strategic plans, including the Task Force Report	**High** (Strategic plans call for IT organizational structure , executive expertise, and governance in technology to ensure accountability)	**Low** (Strategic plans call for IT organizational structure , executive expertise, and governance in technology to ensure accountability)	**Moderate** (Strategic plans call for IT organizational structure , executive expertise, and governance in technology to ensure accountability)	**NA**
Short term cost-savings, compared to FY 09-10 (estimate for FY 10-11)	**($787,000)**	**($968,000)**	**($693,000)**	**NA**
Ability to achieve the short-term cost-savings noted above	**High**	**High**	**High**	**NA**

Without question, maintaining this approach will enable organizational consistency, amidst a changing IT landscape that will have a significant impact on how services are provided to the public and the cost and service delivery. For example, near-term future issues to be addressed include:

- Social Networking use in County government
- Expiration of cable franchise fiber agreements used for network transport

- Open government – how to use technology to increase government transparency, increase citizen participation and encourage collaboration across government agencies

- Sourcing strategy/Cloud computing – delivering IT capabilities (software, platforms, hardware) as an on-demand, scalable, elastic service much like a public utility

- Virtualization – execution of software in an environment separated from the underlying hardware resources to enhance flexibility and agility and decrease costs

- Enterprise mobility – delivering applications and services to mobile users; both staff and constituents

- New network capacity and reliability issues driven by applications such as Public Health's Electronic Medical Records system

- Integration of video-conferencing into day-to-day departmental activities

This new environment requires focused IT executive management, accountable to the County Executive Officer, to assess the applicability of these technologies for County services, to develop funding strategies, to develop policies and guidelines, and to educate both technical and non-technical staff on the opportunities and risks associated with these developments.