



**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 Officer
Department No.: 012
For Agenda Of: 06/02/2009
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Michael F. Brown, County Executive Officer
Director(s)
Contact Info: Jason Stilwell & Nicole Koon
568-3413 884-8083
SUBJECT: Cost Center Performance Plan

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors to receive and file the Santa Barbara County Cost Center Performance Plan for FY 2008-2009.

Summary Text:

The County uses cost center budgeting and this report graphically depicts the budget cost centers and their respective budget allocations, staffing levels, and performance measures. It demonstrates the link between County structure, staffing, funding and performance measures. In addition, it presents time series data on certain key performance measures for each department. This report is timely as a precursor to the budget hearings and displays departmental structures in an organizational chart format as requested by the Board. The attached book contains comprehensive organization charts of the County down four levels. The dollars for each unit and its budgeted FTEs are displayed. The generic performance measures for every program are displayed. By juxtaposing this tool with the recommended budget, the reader can assess the impacts of potential decisions on the structure relative to the other programs. This facilitates the ability to correctly assess the relative importance of programs and impacts. Accordingly, you may wish to utilize this during your budget analysis and during the hearings. To this end, the charts are covered with an acetate transparency to allow mark ups with erasable pens. Erasable pens have provided for your convenience. It is a bit bulky, but provides an invaluable tool for analyzing programmatic discussion and decision-making.

Background: *

In order to promote the County as a well run entity, (Strategic Goal #1, “An efficient and professionally managed government”) the Santa Barbara County Cost Center Performance Plan will define organization structure, purpose, and funding to achieve results and facilitate budget development to give a broader meaning to performance management for all departments. Performance management is an integrated County-wide leadership and management approach that fosters continuous improvement, demonstrates goal attainment while facilitating transparency and accountability in management. The County Board of Supervisors has adopted ACE values for the County organization; Accountability, Customer-focus, and Efficiency. Performance-based budgeting is a **budget** structured and presented by programmatic **Cost Centers** (rather than line items) that integrates **results-oriented strategic planning with measurable outcomes** – allowing for budget decisions that are informed by cost center information and drivers behind cost and performance. Performance budgeting ensures that the County has *organizational accountability*: focuses resources – personnel and funding on results; *transparency*: communicates the results and costs of programs provided to citizens; *performance management*: provides performance and expenditure information about department programs and activities to make management decisions; *continuous improvement to service delivery*: provides information to improve service delivery performance. The annual budget process includes performance measure review by the department, CEO, and Board of Supervisors. The Santa Barbara County Cost Center Performance Plan will be a tool for budget planning.

Fiscal and Facilities Impacts: None. However, this information can be used as part of the basis of analysis for cost savings opportunities and cost center consolidation within and between departments.

Attachments: None.

Authored by: Nicole Koon

cc: Each Department Head
Deputy/Assistant County Executive Officers and CEO Fiscal and Policy Analysts