RENEW '22

PROGRESS REPORT

February 26, 2019

Executive Summary

In 2017, the County of Santa Barbara embarked on a multi-year initiative to transform how County government does its work. This transformation is not simply limited to a re-evaluation and re-tooling of how and what we do; it seeks to empower change, improve our operations, develop sustainable revenue strategies, prepare the next generation of leaders, and refocus on customer service—all in alignment with the priorities set by the community and the Board of Supervisors.

Renew '22 charts the course for a stronger and more resilient County government. Recognizing that the pressures and challenges the County face are unlikely to abate in the near term, Renew '22 seeks to build the County's capacity for innovation and continuous improvement. Building on prior initiatives like the Budget Rebalancing Initiative and Organizational Strategic Plan, Renew '22 addresses five core areas:

- **Re-visioning** the organization

- **Re-balancing** our resources

- **Re-designing** how we do our work

- **Responding** to residents and customers with the highest quality of services within our means

- **Retaining** high-performing employees and preparing the next generation of leaders

These core areas serve as the framework for the supporting initiatives and strategies that departments and cross-cutting working groups developed in 2017 and continue to develop as Renew '22 approaches completion of its second year. As of the close of calendar year 2018, we have implemented over 100 supporting initiatives and strategies that span all County departments and seek to improve what we do and how we do it, ranging from document management to centralized service delivery. The majority of these initiatives and strategies are on track or have been completed. As we move forward, we will continue to set goals and develop strategies that position the County for success—not only in the short term but for years to come—and hold ourselves accountable for achieving them.

Progress since April 2018

| Measuring Progress and Creating Accountability

Tracking progress is critical to ensuring that the objectives of Renew '22 are realized. It helps planners, stakeholders, and decision makers understand where the initiative stands and what remains to be accomplished.

To systematically track progress, we implemented quarterly reporting on the supporting initiatives and strategies already underway or planned for implementation in FY 2018-19. Quarterly reporting is the first step in creating accountability and driving progress to the transformation envisioned. For the first half of the fiscal year, departments reported basic information on their goals and strategies, such as lead staff, status, and barriers to implementation, in a first effort to assess progress. With the intent of sharing this information across the organization and eventually with the public, we are using Cascade—strategic planning and tracking software—to create dashboards and reports to optimize data visualization and clearly communicate the initiative's progress and successes.

| Integration into County Operations

As Renew '22 continues to build momentum, we continue to create opportunities to incorporate its objectives into County planning and operations and build a culture that embraces innovation, effectiveness, and continuous improvement. These opportunities span formal structures and processes such as budget development to efforts to engage employees at all levels.

With the development of the FY 2019-20 budget, departments will highlight the Renew '22 goals and strategies they plan to implement in the immediate future in their Budget Workshop presentations and on departmental pages of the Recommended Budget. This reporting will provide the Board of Supervisors, employees, and stakeholders with tangible information on the path forward in order for departments to accomplish the targets they set. In addition, departments will report on the goals and strategies completed or already underway to help crystallize the results of the transformation envisioned through Renew '22. To further advance the objectives of Renew '22, department requests for budgetary expansions in FY 2019-20 that align with their Renew '22 plans and point to evidence-based findings demonstrating their effectiveness will receive priority consideration.

To sustain transformation, we encourage departments to continue putting forth new ideas and strategies that will help drive the County toward a more resilient future. Their departmental Renew '22 plans, originally developed in 2017, are not intended to be fixed but adaptable as technology continues to evolve and resources and external conditions change. Additionally, we continue to engage and empower employees at all levels to spur new ideas and propose new practices that optimize effectiveness and efficiency, emphasizing that seemingly small-scale solutions can often be as useful as groundbreaking ones.

| Employee Engagement

Over the past year, Renew '22 employee engagement efforts have focused on several areas in order to generate awareness about Renew '22 initiatives and to educate, engage and empower employees throughout

the organization to support, promote and integrate Renew '22 transformative thinking into their daily job function. More than 60 department staff were selected by their supervisors and department heads to serve as Ambassadors and liaisons, responsible for distributing information about their department's Renew '22 initiatives, progress and successes.

In October 2018, the Renew '22 Ambassador team hosted four offsite employee engagement events titled, "Decide-Change-Grow" to educate and engage mid-level managers about the Renew '22 program. Approximately 325 employees attended the three-hour event, in addition to Ambassadors, Department Heads, Steering Committee members, CEO Office and Board members. Overall feedback received from participants was very positive, with more than 70 percent responding that they have a better understanding of Renew '22; more than half of the attendees expressed that they were inspired to share the message with their colleagues.

The County Executive Team and the Renew '22 Steering Committee continue to meet on a regular basis to review initiatives and set the course for the Renew '22 project across the organization
Next Steps for continued employee engagement and communication include:

- Scheduling additional Renew '22 department presentations and events in coordination with the CEO's office, in order to reach all employees throughout the organization

- Adding the Ambassador directory, Renew '22 messaging toolkit, a link to the County Employee Facebook group, and quarterly initiative progress reports on the Renew '22 page on County Connect

- Creating networking opportunities for all employees, such as the recent holiday Dine Around

- Implementing an online dashboard tool that will track the progress of all Renew '22 initiatives and measure performance

Renew '22 Initiatives

As of December 31, 2018, departments have implemented or are in the process of implementing over 100 supporting initiatives and strategies, 65 percent of which are progressing as planned or with some modification, have been completed, or are ongoing. The majority of these initiatives and strategies involve the redesign of intradepartmental and cross-departmental processes in an effort to improve efficiency, reduce cost, or optimize service delivery.

A few of these initiatives and strategies are highlighted below.

| Re-vision: Emphasis on core organizational values

General Services Internal Strategic Plan – The Renew '22 Initiative promotes the Re-Vision component to further define and promote the County's Vision, Mission and Values. In support of this effort, the Department of General Services (GS) has not only structured its internal strategic plan to reflect the goals of Renew '22, but has also aligned internal projects to work in concert as well. GS has deployed a strategic planning application known as Cascade to visually align and track projects to defined goals and objectives within the GS Strategic Plan. The end result is a holistic view of how individual work efforts are strategically aligned, which in turn, has created the ability to make informed decisions regarding project value and priority.

| Re-balance: Services to increase revenue or savings

Pension Cost-Sharing – The County reached agreements with most labor groups for pension cost-sharing for employees in classic retirement plans. Greater pension cost sharing helps contain future pension cost increases by sharing risk with employees and provides a buffer from future pension cost increases caused by underperformance of the investment fund. Non-safety employees in classic retirement plans will pay 2.5 percent more of their pension costs annually by 2020 and safety employees will pay 6 percent more by 2021. Annually, pension cost-sharing is expected to save the County approximately $7 million annually.

Cannabis Operations Tax – On June 5, 2018, voters authorized the County to impose a general tax on cannabis operations, including the cultivation, sale, and distribution of cannabis and cannabis products, within the unincorporated area. The tax is projected to generate approximately $5.5 million in revenue in FY 2018-19.

Management and Operational Reviews – The County Executive Office is in the final selection process for a consultant to conduct management and operational reviews of County departments and anticipates entering into a contract with the selected consultant by April 2019. These reviews will be a multi-year effort with sets of departments reviewed each year. Currently, nine departments are slated for review through the end of FY 2019-20.

Voluntary Early Separation Incentive Program (VESIP) – On March 20, 2018, the Board approved a voluntary early separation incentive program that was offered to employees who met certain eligibility criteria, including hire prior to January 2013 and not in a hard-to-fill position as determined by the department head. The program incentivized employees to voluntarily resign from their positions in exchange for a one-time lump sum payment. The cost of the program was designed to be more than offset by the savings generated by keeping

the positions unfilled for at least one year and, if filled after that, through the appointment of an employee at a lower cost.

Payment Kiosks – The Department of Social Services (DSS) has implemented fully insured, vendor serviced payment kiosks, resulting in increased collections of $41,000 or 38 percent per month.

| Re-design: Improvements for greater productivity and efficiency

Paperless Workflow – As a broad goal to further digitize and reduce paper, the GS Finance Division implemented an improved paperless workflow for the receipt of digital invoices from vendors coupled with local scanning of some invoices into a central shared file. As a result, excessive printing activity and costs have declined, turnaround time on claim and payment processing has improved, the potential for lost invoices is less than it had been, and staff time spent on filing paper can be focused on other areas.

IT Governance Program – The County has created and adopted the IT Governance Program. The goal of the program is to ensure the effective and efficient use of IT to enable County departments to achieve their goals. IT Governance will allow for the evaluation, selection, prioritization, and funding of competing IT investments. IT initiatives will be evaluated from a countywide perspective by clearly understanding the issues and strategic importance of information technology, enabling the County to sustain its operations and implement the strategies required to extend its activities into the future. Through chartered multi-department committees, this program will provide direction, collaboration, and transparency of IT activities across County departments.

Telephonic Signature Feature – The Department of Social Services (DSS) implemented a new telephonic signature feature at its customer service call center, eliminating the need for handwritten ink signatures for some programs. Using telephonic signatures for client applications, periodic reports, and renewals will reduce mailing costs and time delays in benefit determinations. Staff went live with the feature October 29, 2018, and it quickly caught on. In December, telephonic signature was used on 48 percent of the total benefit renewal forms processed. Telephonic signature is one of several enhancements being rolled out for the call center's Integrated Voice Response system; others include call and screen recording for quality assurance, and client satisfaction survey capability.

Drug Medi-Cal Organized Delivery System (DMC-ODS) – The DMC-ODS went live on December 1, 2018, transforming the substance use disorder (SUD) system of care to a managed care model with expanded benefits. Staff have been re-assigned in order to address the high volume of calls and to ensure our electronic health records and other protocols are operating as efficiently as possible. This implementation has resulted in improved client screening and assessment accuracy.

On December 1, 2018 with the launch of the Alcohol and Drug Program Organized Delivery System (ADP ODS), the Access Line began taking ADP calls, causing a dramatic increase in call volume. Calls have more than doubled since November increasing from 113 per week to 288 per week. The Department is identifying service gaps and addressing them quickly and have successfully contracted with community based organizational providers and partner agencies in a collaborative effort. Behavioral Wellness Alcohol and Drug Services Division is working closely with the Quality Care Management Division, Crisis services teams and departmental Informational Technology division to address problem areas with the system. The Department

is confident that the implementation of ODS will result in higher quality services, with continuous improvements ongoing to further enhance services.

Digital Document Management – The Fire Department joined Planning and Development (P&D) in a digital cloud based storage system of archived land use and permit records. The cloud-based storage was expanded allowing Fire to share space in the database. The online portal provides public access to the records 24/7, and enables the inspectors out in the field to access the records from their mobile devices. Since June 2018, there have been 290 visits to the site. The Department has made 71,000 images and over 15,000 documents available to the public on the site to date. This project is a good example of two departments involved with development review and inspection collaborating to share resources, increase efficiency and provide public access for enhanced customer service.

Public Records Act Automation – In collaboration with GS and County Counsel, the County Executive Office is in the process of implementing public records request management software to streamline the intake, processing, and fulfillment of public records requests. The software is expected to go live in March 2019.

Electronic Filing – The Department of Child Support Services (DCSS) has implemented electronic filing for its volume of more than 1,000 monthly court documents. This project has reduced the amount of staff time spent processing each document in half, allowing staff to focus on other customer service activities.

Office Relocation – DCSS re-located its Santa Barbara office, using one time state funding, in order to improve client servicing. Staff estimates the move will result in ongoing operational savings of $200,000 annually.

| Respond: Enhanced customer service and communication to the public

Call Center – In March 2018, General Services launched a Call Center (ext. 2600) available to all County employees M-F 7:30 am to 5:00 pm, as a customer service initiative with the goal to provide departments one central phone number to call for assistance. Callers are now better able to reach a live person quickly to assist them with any service related need. To date the results and feedback have been positive with usage continuing to grow.

OCTOPUS Online Portal – OCTOPUS is a secure, mobile-friendly online portal for clients and applicants to submit messages and documents to DSS staff 24 hours a day, 7 days a week. By making it faster and easier to submit documents and messages, OCTOPUS helps increase access, improve service, reduce delays, and increase efficiency. Since implementation began in July 2018, the Department has received 6,544 online document submissions.

| Retain: Programs to retain and develop the next generation of leaders

Leadership Certificate Program and LEAN 6/Change Management/Project Management/New Hire Orientation – As part of the Renew '22 initiative, the County has developed the first structured Leadership Certificate Program (LCP) that aims to support retention and development of early tenure, high-performing and diverse next generation leaders. LCP is a six-month initiative designed to focus on employee engagement, mentorship, and leadership development. Twelve participants have been selected for the Pilot Program, which

kicks off at the end of February 2019. Additional training plans are also being created Countywide as a part of the Renew '22 initiative to develop and retain emerging leaders throughout the organization, including Change Management, LEAN 6, and Project Management training. New Hire Orientations delivered through HR to each new employee also include an introduction to Renew '22, with information on initiatives and what it means for them individually and for the County as a whole.

| Funds Allocated for Renew '22

The Board of Supervisors allocated $815,000 in FY 2018-19 to support the implementation of countywide and departmental initiatives under Renew '22. The majority of this funding was targeted for the departmental operational reviews, with a plan to conduct approximately four each year. Currently, we have spent or earmarked to spend $779,000 on several initiatives. These include conducting the first round of department audits, implementing paperless technology for contracts and Board Letters, establishing the Leadership Certificate Program, and procuring software to manage public records requests.

Looking Forward

| Enhance Measurement of Progress

As we continue to implement initiatives and strategies, we plan to enhance our performance framework to foster a shared understanding of what it means to transform and identify performance gaps and challenges that impede transformation. Critical to this framework are the development of key performance indicators specific to each of the core areas—re-visioning, re-balancing, re-designing, responding, and retaining—that will measure how each of the supporting initiatives and strategies are achieving the objectives of Renew '22. We anticipate the development of these key performance indicators by the end of FY 2018-19. With the availability of more and richer data, we intend to publish the dashboards and reports created with Cascade on our County website in FY 2019-20 to demonstrate our commitment to accountability, foster transparency, and keep residents and stakeholders apprised of this important County-wide initiative.

| Explore New Initiatives

We will continue to explore new initiatives that not only help the County transform into a stronger and more resilient organization and but ensure that this transformation is long-lasting. Initiatives such as a recognition program that rewards departments for their continued and exemplary efforts to fulfill the intent of Renew '22 is being planned for implementation in future years.