



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: CEO
Department No.: 012
For Agenda Of: January 10, 2023
Placement: Departmental
Estimated Time: 30 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Mona Miyasato, County Executive Officer
Jeff Frapwell, Assistant County Executive Officer
Chris Chirgwin, Chief Information Officer
Janette D. Pell, Director, General Services

SUBJECT: Update on Standalone IT Department. All Districts

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Other Concurrence: Human Resources

As to form: Yes

Recommended Actions:

It is recommended that the Board of Supervisors:

- a) Receive and file Gartner Hybrid IT Model Executive Summary;
- b) Receive and file Implementation Plan to create a standalone IT Department;
- c) Authorize the formation of a stand-alone IT department for incorporation in the FY 2023-24 County budget;
- d) Approve changes to the salary resolution which adds three new (3) full-time (3.0 FTE) Program Business Leader to the General Services Department, effective January 9, 2023; and
- e) Determine that the above action is not a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15378(b)(4) and 15378(b)(5) because it consists of government administrative or fiscal activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

On December 14, 2021, the Board approved the addition of a Chief Information Officer (CIO) and a contract to hire Gartner, Inc. (Gartner). Gartner was directed to use the implementation plan developed by

KPMG and create a roadmap and organizational risk and readiness assessment for a standalone IT department. The assessment identified two Phases, A and B. Today's action will accept the Phase A - Hybrid IT Model. Staff is recommending Phase B – Develop Cost Assessment and Implementation Budget, not be executed.

The Gartner Hybrid IT Model Executive Summary (Attachment 1) recommends a two-step, phased implementation approach to creating a standalone IT department to balance the organizational change and impact of the new Hybrid IT model. The organizational aspirations identified in the phases are: 1) Run Central IT with a holistic countywide focus, responsible for delivering key County IT processes that are standardized, efficient, and reliable to deliver high business value; and 2) Run Central IT “like a strategic business partner,” responsible for optimizing the internal and external “customer” experience, while explicitly focused on business service outcomes that achieve established service and quality levels.

While the Gartner Hybrid IT Model Executive Summary proposes implementation in Phase 1 being between 0 to 18 months and in Phase 2 being between 18 to 36 months, staff is recommending a revised implementation plan. In coordination with GS, CEO, and the CIO, an implementation plan to create a standalone IT Department is presented.

Background:

Studies

The County of Santa Barbara contracted with KPMG in May 2019 to conduct an operational and performance review of all County departments. In August 2019, the General Services departmental review recommended that the County establish Central IT as a stand-alone department to increase resiliency, enhance risk mitigation, reduce duplicative efforts, provide better performance and improve customer services.

KPMG was subsequently engaged to develop a business case for a stand-alone IT department. On April 20, 2021, the Board of Supervisors (Board) received and filed the KPMG Business Case for a Standalone Information Technology (IT) Department and endorsed the concept of a standalone IT Department. The Board directed the CEO and General Services (GS) to proceed with the prerequisite tasks as outlined in Phase 1 of the report, identified as the implementation plan.

Implementation Plan

After a nationwide recruiting search, Chris Chirgwin was hired as Chief Information Officer and came onboard in September 2022. Since then, Chris has been developing an implementation plan to create a standalone IT Department. The implementation plan is currently organized in phases, identifying key milestone dates. (See Attachment 2 for a more detailed plan)

Below is a summary of the Information Technology Department Implementation Plan:

- **Phase 1 – September 2022 to January 2023**
 - a. Define and communicate the importance, value, and strategic reasons for creating a standalone IT Department.
 - b. Define and communicate how a Hybrid Model of IT Service Delivery will improve productivity, cybersecurity, continuity, and efficiency throughout the County.
 - c. Assess the current IT landscape across the County.

- d. Begin assessing the critical gaps in current IT staffing levels and initiate filling positions needed to strategically develop the standalone department.
- **Phase 2 – January 2023 to July 2023**
 - a. The reporting relationship of the Assistant Director, Information and Communications Technology transitions from the General Services Director to the CIO. The Assistant Director becomes Deputy CIO.
 - b. Add three (3) new full-time (3.0 FTE) Program Business Leaders positions – HR Manager, Finance Manager and Network & Communications Manager. The addition of these positions are essential for Central IT to effectively function as a standalone department.
 - c. Build FY 2023-24 budget to prepare for the new IT Department formation.
 - **Phase 3 – July 2023 to July 2024**
 - a. Central IT is a standalone department with their own support structure. This includes transitioning existing financial staff from General Services to Central IT.
 - b. Further assess organizational wide IT services, staffing, processes, assets, applications, data, etc., to improve and streamline operational functions.
 - c. Update the County’s 5-year IT strategic plan to reflect the roles and responsibilities of a Central IT Department and the opportunities to consolidate core enterprise-wide functionality where appropriate.
 - d. Further strengthen the County’s cybersecurity preparedness and response capabilities, expand Central IT’s project management capacity to assist departments on the implementation of critical systems, and provide leadership and coordination of cross-departmental GIS applications.
 - e. Continue talent and service delivery assessment to determine placement of existing resources.
 - f. The funding model for the new department in FY 2023-24 is a hybrid approach, including General Fund contribution, and ISF billing from Fund 1915 and Fund 1919.
 - g. Continue working with the State Controller’s Office Cost Plans Unit, Auditor-Controller and CEO to enable the transition of Information Technology Services ISF to a Central Service Department.
 - h. With assistance from Central HR, RGS and Gartner, complete the comprehensive classification and compensation study to modernize IT positions throughout the County.
 - i. Establish relationships with regional colleges and universities for recruiting and internships.
 - **Phase 4 – July 2024 to July 2025**
 - a. Continue a phased implementation of the Hybrid IT Model with a countywide shift toward a cloud first model, digital transformation of processes, automation, risk mitigation, improved collaboration and other strategic initiatives to leverage technology more effectively resulting in a greater return on investment for all departments.
 - b. Work with CEO and Auditor’s office to transition from an ISF structure for IT services to being funded by the General Fund in FY 2024-25; Communication services will remain as an ISF.
 - c. Finalize plan to align current IT positions with the new compensation and classification model and reporting relationships throughout the County.

Position Additions

Approval of the recommended actions will allow the Department to add the following position:

1. Three (3) 3.0 FTE Program Business Leaders: Network and Communications Manager, HR Manager, and Finance Manager.

Fiscal and Facilities Impacts:

Budgeted: Yes.

Fiscal Analysis:

Funding Sources	Dept. 063 FY 2022-23 Cost (Jan 23-June 23)	Dept. 067 Annualized On-going Cost
IT Fund 1915		
Salaries & Benefits-2 Program Business Leaders	\$ 200,000.00	\$ -
Communications Fund 1919		
Salaries & Benefits-1 Program Business Leader	\$ 100,000.00	\$ 200,000.00
General Fund - Central IT Department		
Salaries & Benefits-2 Program Business Leaders	\$ -	\$ 400,000.00
Total	\$ 300,000.00	\$ 600,000.00

Narrative:

The three positions, once approved, are anticipated to be filled during the first quarter of calendar year 2023, after the recruitment process is completed. For the remainder of this fiscal year two of the positions will be funded within the IT Internal Service Fund (ISF) 1915, and one position will be funded within the Communications ISF 1919, department 063, using salary savings accumulated as a result of several vacant positions during the first quarter of the fiscal year that have since been filled. Beginning in FY 2023-24, the positions will be incorporated into the new Central IT Department 067 budget, which will be based on a hybrid funding model including ISF and General Fund components.

Staffing Impacts:

Legal Positions:

Add 3 new

FTEs:

Add 3.0

Special Instructions:

Please send one (1) copy of the minute order to Jason Womack, General Services at jwomack@countyofsb.org.

Please also email one (1) copy of the minute order and one (1) copy of the fully-executed resolution to Tracy Rogers, Workforce Planning Analyst, Human Resources Department at trogers@countyofsb.org

Attachments:

1. Gartner Hybrid IT Model Executive Summary
2. Implementation Plan to create a standalone IT Department
3. Salary Resolution

Authored by:

Chris Chirgwin, Chief Information Officer

Janette Pell, General Services Director