KPMG

Improving Performance to Better Serve Our County Residents

Countywide operational performance review - County Executive Office

October 2019

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Executive Summary

Scope and Methodology

The County of Santa Barbara contracted with KPMG in May 2019 to conduct operational and performance reviews across all 21 County departments. The purpose of the reviews is to provide a high-level assessment of the County departments, identify strengths and opportunities, benchmark financial and operational areas with similar jurisdictions with the focus to improve the overall operational efficiency, effectiveness, and service delivery provided by the County.

The first review commenced in May 2019 and was undertaken by the County Executive Office. Over an eight-week period the KPMG team conducted the following activities:

— **30+ interviews** with CEO leadership and staff to understand the organizational structure, roles and responsibilities, operations, and processes of the Office.
— **Analysis of data available, reports, and policy documents** to understand demands upon, and the operations of, the Office.
— A **customer survey** was also distributed to the Board of Supervisors, their Chiefs of Staff, Department Directors, and Assistant Department Directors to gather their opinions on the service provided by the County Executive Office.
— A **benchmarking and leading practice review** was conducted of the recommended eight benchmark counties; Marin, Monterey, Placer, San Luis Obispo, Santa Cruz, Solano, Sonoma, and Tulare.

This report outlines the findings of the operations and performance review and details recommendations for enterprise-wide management, County Executive Office management, and for each of the four program areas: Clerk of the Board, Budget and Research, Risk Management, and Office of Emergency Management.

Executive Summary

Department Orientation

Mission Statement:

Responsibilities:

1 Implement the policy directives of the Board of Supervisors as well as achieve the County's overall mission, goals, and objectives.

2 Work with all departments to create a County government that embodies trust, ethics, accountability, professionalism, innovation, and customer-focused quality public service.

3 Manage the day-to-day operations and functions of County government and prepares the organization to address future challenges.
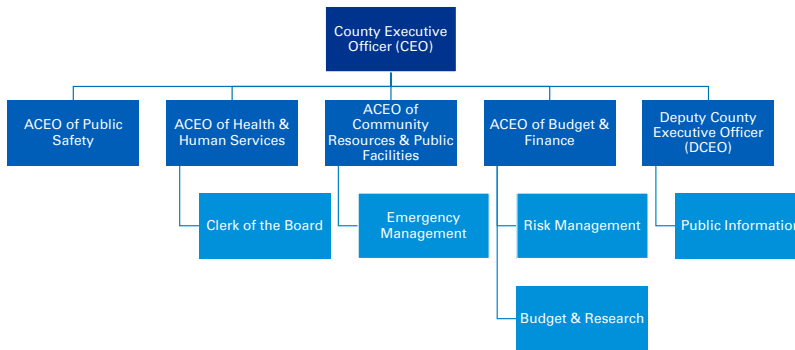
Organizational Structure:

Recommended Budget (2019/20):

$42.2M	$40K	37
Operating Expenses	Capital Expenses	Full-Time Employees

County Benchmarks:

		Santa Barbara County	Average
2019	*County Executive Office FTE*	37	39
	Percent of Enterprise	0.87%	1.00%
	CEO Budget	$42.2	$25.8
	Percent of Enterprise	2.52%	1.76%
Scope of Services	*Budget & Finance*	X	8 of 8
	Clerk of the Board	X	5 of 8
	Communications/PIO	X	4 of 8
	Emergency Services	X	3 of 8
	Risk Management	X	2 of 8

Executive Summary

Commendations

Renew '22 Initiative

The County's Renew '22 initiative represents a shift from a reactive, historical view to a proactive, forward-thinking view of the County, as well an effort to bring the organization together by establishing a unified internal vision, mission, and values for operations.

Strategic Initiatives

The County has moved towards taking action in terms of pursuing strategic initiatives such as Homelessness, the Criminal Justice Mapping Project, and Technology Inventory. These initiatives are a result of the County's commitment to building a resilient future.

Functional Group Management

The County has aligned functional groups in an exceptional way to break down departmental silos, encourage cross-departmental collaboration, and promote share objectives and outcomes.

Shared Responsibilities

The County has maintained a strong partnership between the Board of Supervisors and Executive Team and continues to share responsibilities to help achieve alignment and management of County operations.

Fiscal Management

The County has a strong approach to the fiscal management of the County, as shown by the fiscal impacts and economic recovery efforts after the Thomas Fire and the 1/9 Debris Flow. The County successfully managed fiscal and economic recovery including securing full cost recovery of expenditures on the Thomas Fire and 1/9 Debris Flow.

Technology Enablement

The County is starting to make targeted investments in technology to align and support County operations. The 2019–2020 Recommended Budget includes an investment of $2 million to establish a Technology Replacement & Investment Fund to address critical countywide and multidepartment IT projects.
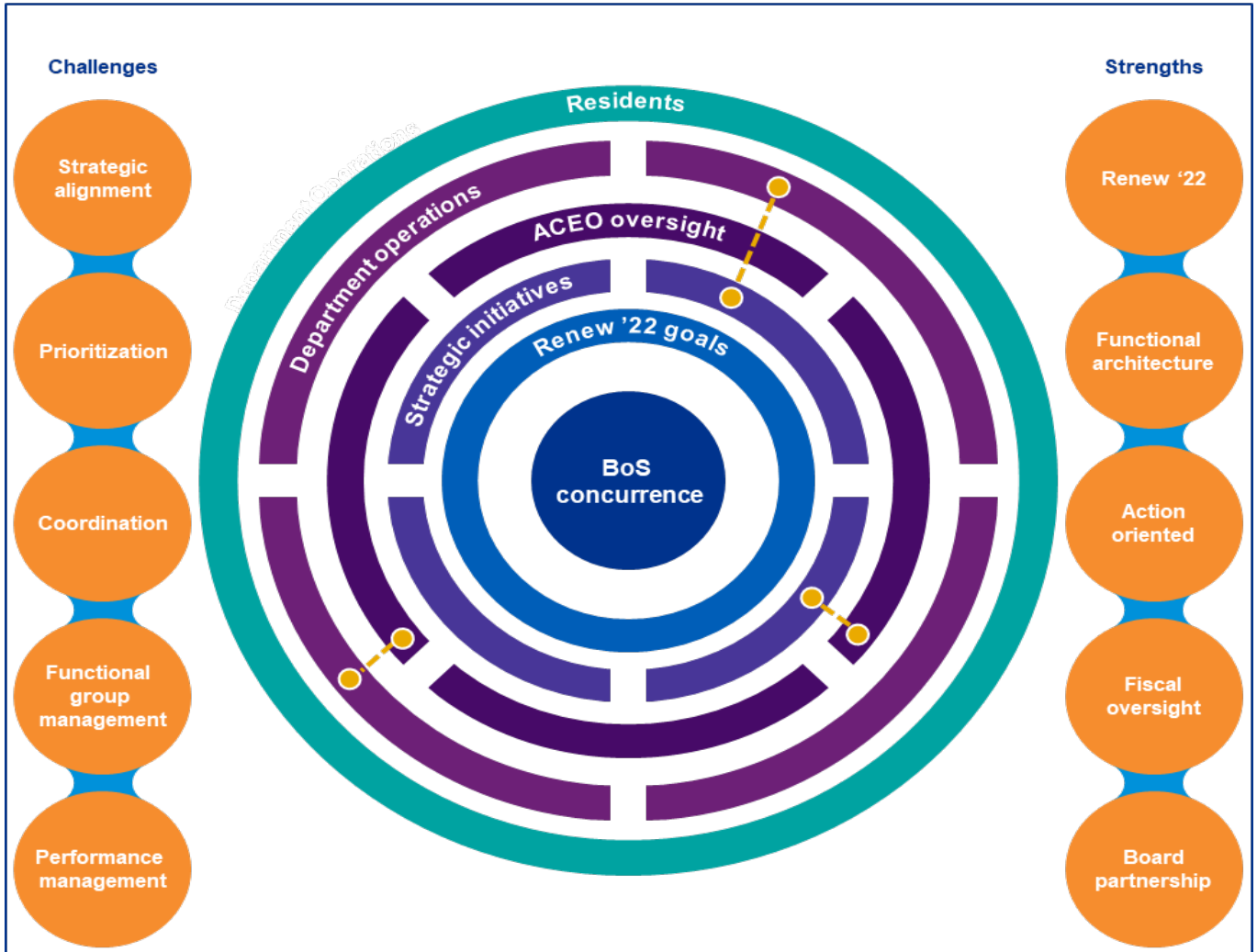
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Current/Recommended Operating Models

Enterprise Enablement current state:

The County Executive Office is responsible for managing and driving countywide departments and activities to achieve the County's goals. However, there are not clear lines of reporting through the CEO due to mix of elected and appointments department directors, which is not an uncommon challenge among California Counties. In addition, department directors can circumvent the CEO and report issues and challenges directly to the Board of Supervisors. The Board of Supervisors hold the ultimate authority for the hiring and removal of department directors, which allows for increased department autonomy and therefore reliance on the CEOs influence with, rather than authority over, departments. There also appears to be a lack of alignment of department and functional group operations towards the County strategic vision, which may be in part due to a lack of clarity regarding a County strategy and strategic plan.

These challenges can result in fragmented and disjointed operations that cause departments to operate in silos and reduces problem solving and collaboration at the functional group-level or countywide. In addition, due to the limited performance metrics in place, there is limited evidence or management capability to hold departments accountable for department results and incentivize the identification of efficiencies and a focus on outcomes to better serve the public.

The graphic below aims to depict the current enterprise operating model showing a fragmented interaction between the organizational layers and inconsistency between processes to strategically direct and manage the County operations.

Executive Summary

Enterprise Enablement Recommendations

Enterprise enablement recommendations relate to the systems and processes needed for the County Executive Office to manage and drive the countywide departments and activities to achieve the County's goals. The recommendations outlined below focus on providing strategic alignment and direction across all County departments and the foundational systems for the County to become data driven with an emphasis on performance and outcomes to inform strategic decision-making.

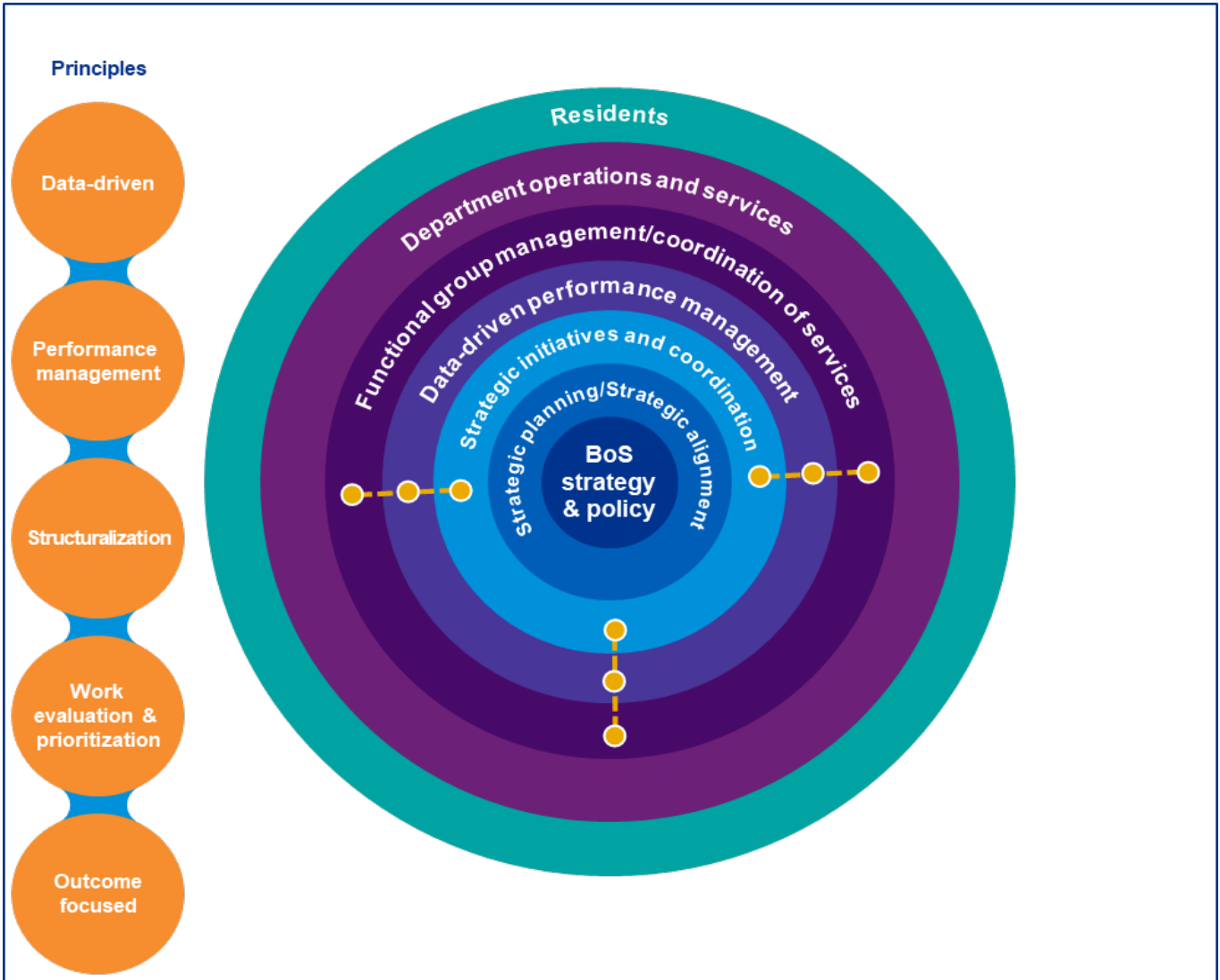| #	Enterprise Enablement Recommendations
1.1	Adopt a structured countywide strategy management process.
1.2	Establish a structured countywide performance measurement approach.
2.1	Develop enhanced budget monitoring capabilities.
2.2	Establish forecasting and sensitivity analysis capabilities at the department level.
2.3	Develop criteria to assess and prioritize budget expansion requests.
3.1	Establish a coordination structure between ACEOs and their Functional Group Department Directors.
3.2	Embed analysts in coordination structure at the functional group-level with ACEOs and Departments.
4.1	Establish a structured assessment and prioritization process for strategic initiatives.
4.2	Embed strategic initiatives within the County and invest in continuous improvement efforts.
5.1	Renew efforts to implement the Santa Barbara County Strategic Communications Plan.
5.2	Delineate communication roles, cadence, and channels.

Enterprise Enablement future state:

The recommendations for the future enterprise operating model focus on the development and communication of a County strategy and strategic goals and the alignment of function group and department operations to achieve those goals. For internal organizational goals, this includes the expansion of Renew '22 beyond 2022 to embed and integrate into County operations. For community or external goals, this could mean longer-term community indicators that express the Board of Supervisors priorities and can be used to measure progress. This should be implemented and reinforced through the development of objectives and data-driven performance measures at each level of the organization and a structured monitoring process to help ensure the achievement of objectives and progress in line with the County strategic goals. This will be depended on the departments implementing better data collection systems and processes to facilitate the reporting of performance measures. The implementation of a performance measurement structure will help focus department operations on what matters most, i.e., the services that are delivered to the people, not the amount spent or the volume of services delivered. The emphasis will be on the quality and relevance of outputs and services in achieving outcomes for the people of Santa Barbara County. The focus on strategic alignment, data-driven decision-making, and the promotion of functional group collaboration for outcome focused solutions are in alignment with the newly defined Renew '22 transformational behaviors.

The graphic below aims to depict a more cohesive and integrated method of aligning County operations to strategy, increased collaboration across functional groups and management of operations through data-driven performance management.

Principles
- Data-driven
- Performance management
- Structuralization
- Work evaluation & prioritization
- Outcome focused

Residents

Department operations and services

Functional group management/coordination of services

Data-driven performance management

Strategic initiatives and coordination

Strategic planning/Strategic alignment

BoS strategy & policy

Office Enablement current state:

The County Executive Office operates in a fast-paced dynamic environment with competing demands and priorities arising with finite staff. While the Office manages to accommodate all demands and address issues arising, there is a lack of structure to the process for assessing and prioritizing issues, projects, and assignments among Office staff. The limited prioritization can lead to the Office focusing on reactive tasks and requests rather than proactive planning of activities that are aligned to the County strategic goals and vision.

The ACEO functional group alignment is commended as an approach to promoting cross-department collaboration; however, there appears to be a lack of structure to implement and achieving functional group issue and problem solving. In addition, the singular pool of analysts allows for limited support for project and discretionary assignments against budgetary priorities.

The graphic below aims to depict the matrix organizational structure within the Office as analysts support multiple ACEOs and undertake multiple responsibilities. There are no clear mechanisms for coordination of resources or activities and limited prioritization of demands.

Board of Supervisors

County Executive Officer

Sources of demand
- Legislation
- Policy
- Fiscal
- Residents
- Environmental

Challenges
- Initiative coordination
- Prioritization
- Horizon scanning
- Resource coordination
- Delegation

Deputy CEO Chief of Staff

ACEO Budget/Finance

ACEO Resident Serving Departments

ACEO Health and Human Services

ACEO Public Safety

Clerk of the Board

Risk Management

Office of Emergency Management

Misc. Depts.

Resident Serving Depts.

Health & Human Services Depts.

Public Safety Depts.

Budget and research

Fiscal & Policy Analysts

A1 A2 A3 A4 A5 A6

Project A   Project B   Project C   Project D

Assignments and ad hoc activities

Executive Summary

Office Enablement Recommendations

Office enablement recommendations relate to the systems and processes needed for the County Executive Office to function as a high-performing organization and team within itself. The recommendations outlined below seek to provide the internal systems required to promote knowledge sharing and collaboration across all levels of the Office and align the responsibilities of staff to their skill sets and help ensure effective utilization towards high-value activities. In addition the recommendations explore where technology can be used to enhance the efficiency of operations.

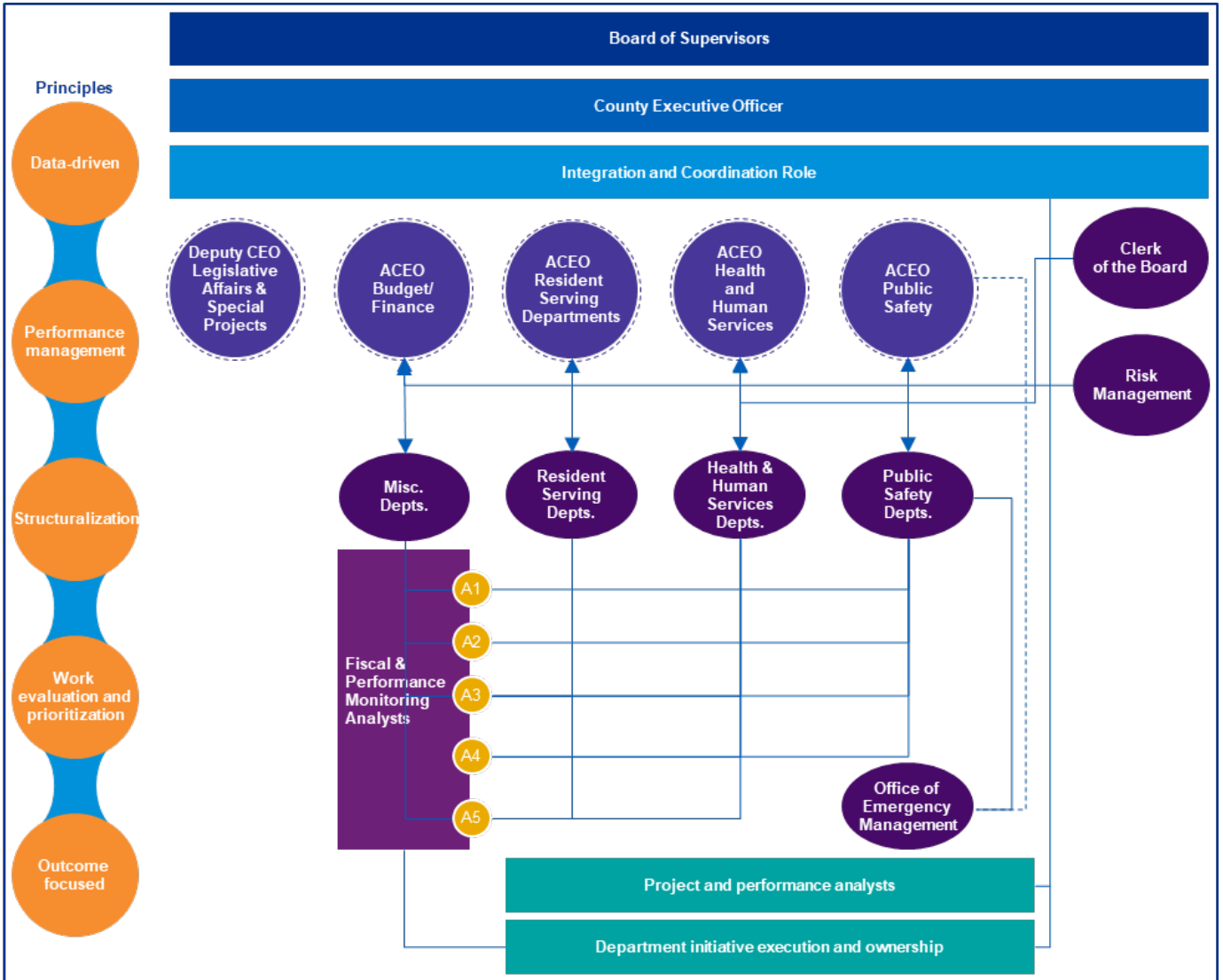| #	Office Enablement Recommendations
6.1	Explore the creation of a strategic integration and coordination position.
6.2	Review ACEO responsibilities and realign activities to enable proactivity and coordination.
6.3	Rebalance fiscal, project and performance responsibilities between analysts.
7.1	Establish a structured approach to succession planning.
8.1	Enhance structured communication and information sharing between ACEOs.
8.2	Establish structured communication and information sharing between ACEOs and analysts.
9.1	Identify and embed collaboration tools and document management process enablers.
9.2	Reduce manual administrative workload by implementing a paperless office.
10.1	Ensure the right level of ACEO involvement and rigor is applied to managing projects.

Office Enablement future state:

The recommendations for the future office operating model allow for clearer delineation of roles and responsibilities and alignment of activities to the County's strategic goals. A role is needed to provide capacity for strategic coordination and oversight for all strategic initiatives and help ensure collaboration and problem solving across functional groups. It is envisaged that this role will act as a key driver of the County strategy and a central point of coordination within the Office.

The performance measurement and monitoring process, discussed under enterprise enablement future state, will help tie department performance to operational and budgetary decisions and will support efforts for the County to become data driven and outcome focused. Due to the additional workload required to monitor and review performance measures, it is recommended that the analysts are separated to focus on either fiscal or performance monitoring analysis or project and performance improvement analysis. This may require the addition of analysts however this should be determine after a formal tracking of activities and assignments has been performed to determine current workload and appropriate staffing requirements. This structure will help to delineate responsibilities and provide the capacity within the Office to deliver against all priorities.

The graphic below aims to depict a more structured approach to management of activities within the Office through the creation of a County Operating Officer position and delineation of responsibilities between fiscal and project analysts.

Principles

- Data-driven
- Performance management
- Structuralization
- Work evaluation and prioritization
- Outcome focused

Board of Supervisors

County Executive Officer

Integration and Coordination Role

- Deputy CEO Legislative Affairs & Special Projects
- ACEO Budget/Finance
- ACEO Resident Serving Departments
- ACEO Health and Human Services
- ACEO Public Safety
- Clerk of the Board
- Risk Management

- Misc. Depts.
- Resident Serving Depts.
- Health & Human Services Depts.
- Public Safety Depts.

Fiscal & Performance Monitoring Analysts

- A1
- A2
- A3
- A4
- A5

Office of Emergency Management

Project and performance analysts

Department initiative execution and ownership

Executive Summary

Program Recommendations

Program recommendations identify opportunities for prioritization of activities, efficiency and sustainability of operations and increased collaboration with County departments.

#	Program Recommendations
Clerk of the Board	
1	Provide additional structure to the implementation and adoption of technology.
2	Identify process improvement based on data.
3	Accelerate cross-training and succession planning.
4	Understand the cost/benefit of current civic duty efforts.
Budget & Research	
1	Embed budget forecasting and horizon scanning into the budget process.
2	Explore feasibility of financial system integration.
3	Increase department coordination and accountability in the budget forecasting process.
Office of Emergency Management	
1	Define and implement first, second and third circle responder support.
2	Implement an end-to-end planning lifecycle.
3	Realign OEM from the CEO to enhance operational coordination and integration with departments.
4	Establish a framework for community communications.
Risk Management	
1	Confirm the vision and scope of the Risk Management (RM) function.
2	Assess the right level of RM involvement between management vs. oversight.
3	Identify RM capability gaps that can be fulfilled by other departments and/or contractors.
4	Implement a system to monitor department activities for completion and outcomes.
5	Realign information security to ICT and establish a baseline information security framework.

Executive Summary

Renew '22 Mapping

The recommendations made within the CEO review have been aligned to the Renew '22 Transformation Behaviors to help ensure that the recommendations are driving towards the Renew '22 strategic vision, per the graphic below.

		Transformation Behaviors				
		Alignment with Vision	Data Driven Decision Making	Strategic Thinking	Risk Taking	Collaborative Problem Solving
Enterprise Enablement Recommendations	1.1 Adopt a structured county-wide strategy management process.	✓		✓		
	1.2 Establish a structured county-wide performance measurement approach.	✓	✓	✓		✓
	2.1 Develop enhanced budget monitoring capabilities.		✓			
	2.2 Establish forecasting and sensitivity analysis capabilities at the department level.	✓	✓	✓		
	2.3 Develop criteria to assess and prioritize budget expansion requests.	✓	✓	✓	✓	
	3.1 Establish a coordination structure between ACEOs and their Functional Group Department Directors.	✓		✓		✓
	3.2 Embed analysts in coordination structure at the functional group-level with ACEOs and Departments.	✓	✓			✓
	4.1 Establish a structured assessment and prioritization process for strategic initiatives.	✓	✓	✓	✓	
	4.2 Embed strategic initiatives within the County and invest in continuous improvement efforts.		✓		✓	✓
	5.1 Renew efforts to implement the Santa Barbara County Strategic Communications Plan.	✓		✓		
	5.2 Delineate communication roles, cadence and channels.	✓				✓

Executive Summary

Implementation Roadmap

Implementing the proposed recommendations requires thoughtful and precise planning and strong project oversight, particularly with regard to the number of interdependencies and stakeholders involved with such changes. The implementation plan below outlines the recommended sequencing and timeline for the enterprise enablement recommendations over the next two to three years. While the enterprise recommendations have an impact across the County, successful implementation is dependent on the implementation of the office enablement recommendations to establish the necessary structures and processes for management within the County Executive Office.

Enterprise Enablement Recommendations	2019	2020	2021	Office Enablement Dependencies
1. Strategic Alignment	1.1 Countywide strategy management	1.2 Countywide performance management		**1. Executive Team Mgmt. 6.1 & 6.3**
2. Budget	2.1 Budget monitoring capabilities	2.2 Forecasting and sensitivity analysis / 2.3 Prioritize budget expansion requests		**2. Executive Team Mgmt. 6.3**
3. Functional Management Group	3.1 Coordinated structure / 3.2 Embed analysts			**3. Comms. 8.1 & 8.2**
4. Initiative Management		4.1 Prioritization for strategic initiatives / 4.2 Continuous improvement efforts		**4. Project Management 10.1**
5. Enterprise Comms.		5.1 Strategic Communications Plan / 5.2 Delineate communication roles		**5. Technology Enablement 9.1**
Clerk of the Board	1. Implementation plan and rollout / 2. Cross-train all COB staff / 3. Civic engagement			**Technology Enablement 9.2**

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