

COUNTY Connection



February 06, 2004

Challenges, Changes and Uncertainty--Looking at the Year Ahead...

In the midst of the State's continued financial hardships and the election of a new Governor, Orange County residents, cities and counties can expect more uncertainty. To prepare for the unpredictable times that lie ahead, County management is working to analyze and prioritize key services. In addition, a Department Head Committee is assisting the CEO and budget staff in developing a balanced financial plan. The goal is to identify cost reductions and efficiencies without affecting service to the public or making across-the-board cuts.

Local government acknowledges the enormous budget deficit that the State is facing and understands the need to develop a comprehensive, fair and balanced plan to address the crisis. If the Governor's proposal is successful to cut much-needed services and shift 14 percent of the County's general purpose revenues, local government is likely to bear most of the burden.

The Governor's plan proposes to place more taxes on gaming and raise fees at State colleges while promising no new taxes. More significant to County governments, his proposal includes a property tax shift that would take money from local governments and give it to the State to help fund its education obligation. The statewide total

MAKING GOOD GOVERNMENT BETTER

By James D. Ruth
County Executive Officer

In mid-January, the Board of Supervisors approved a County reorganization plan that I had presented to them. We are well underway in implementing the various parts of the plan, and I believe we'll see the desired results in better communication, more support to departments and enhanced planning time by top managers.



Since I arrived a year ago, it became increasingly obvious that we needed to make changes to allow government's structure to help us get our work done instead of getting in our way. I believe that this reorganization is a way to do that.

We started by reducing the CEO's span of control. When there are too many people reporting directly to the CEO, time and attention are reduced that can be given to working individually with department heads on current issues and future planning. We reduced the direct reports from 17 to seven.

To provide the increased support to departments that is needed, we then realigned the roles of the four Deputy CEOs (previously called Assistant CEOs). In addition to the Deputy CEO for Information/Technology Dan Hatton and the Deputy for Budget and Finance Fred Branca, Bill Mahoney (Deputy CEO for Government and Public Services) will take on a new role and oversee five departments. He will provide direct oversight to Child Support Services, Social Services Agency, Health Care Agency, Probation Department and the Public Defender. The new position of Deputy CEO for Infrastructure and Environment will oversee the departments of Housing & Community Services, Public Library, Integrated Waste Management Department, Registrar of Voters and Resource & Development Management (the combination of Public Facilities & Resources and the Planning Department). Vicki Wilson, formerly director of Public Facilities & Resources, has been assigned to that position.

I will directly supervise the four Deputy CEOs, the Assistant to the CEO, John Wayne Airport and Human Resources (HR).

Two departmental changes were made. Human Resources is returning to its former position as a stand-alone department. This will allow more concerted focus on its primary missions of training, recruitment and retention, benefits management, and classification. These workforce activities are the County's foundation. The Human Resources director will continue to report directly to me. As part of HR's change, the labor relations section will move into the scope of the Deputy CEO for Budget and Finance. The obvious financial implications of labor negotiations – particularly in this tight budget year –

for the tax shift is \$1.3 billion. Although the State did not release the method for determining County allocation of that burden, the California State Association of Counties estimates that Orange County's share would be \$62 million. This would be the equivalent of a 14 percent reduction in the County's general purpose revenues.

In the coming weeks, the Governor's administration will be working out details for consolidating, reforming and reducing more State programs including CalWorks, Medi-Cal and Healthy Families. Overall, the plan means more cuts to local government services. The impact of the Governor's plan relies heavily on both the \$15 billion bond measure that is on the March 2 ballot and the Legislature's actions this summer. Although the County will be affected, the severity depends primarily on whether the Governor will keep his commitment to backfill the vehicle license fee (VLF), which is the County's biggest area of concern. Currently, the County is \$19 million below budget on anticipated VLF income.

Realignment funding, which is used for health and mental health services, is already being affected as a result of the VLF loss. The County may face the possibility of trimming some of its most vital community programs, which serve the elderly, poor and disabled.

"Departments need to continue serving the community and accomplishing goals and mandates in the face of these new challenges," said CEO Jim Ruth. "We won't know for certain how the Governor's proposals will affect us until this summer, but they will be deep and will impact both County-operated and contracted services. As we move forward, we need to continue working together to prepare for the

make this a good fit. This is especially timely because we expect to take at least 10 labor agreements to the Board in the first half of this year.

The other departmental change was to combine the Public Facilities & Resources Department with the Planning Department. There are many linkages between these departments on technical and policy issues. This merger will help create operational efficiencies. The new department will be headed by Bryan Speegle, formerly the director of the Planning Department.

Here in the executive office, I've eliminated eight vacancies and transferred two CEO staff members to departments for better coordination of service to our customers.

All these combined changes will result in an ongoing annual savings of \$513,000.

This online newsletter is a result of another change. I moved the Community & Media Relations section to report to my Assistant to the CEO Rob Richardson for greater emphasis on communication outreach. You can expect to see these regularly.

There are other changes that we started before the reorganization. A committee of department heads meets regularly to discuss operational and budget issues and to ensure that we have department input as we make plans. In cooperation with Chapman University, we have kicked off a Leadership Academy to provide training for our managers. And, finally, I've directed all departments to develop a succession plan that identifies future leaders and plans for their professional preparation.

We have initiated changes that will have immediate impact and others that are the building blocks to improve the County's future. This reorganization will help provide tightened fiscal accountability, improved oversight and more effective management of operations. Because departments will receive more attention for needed support and interaction from my office, department heads will be able to more effectively manage their agencies and help you do your jobs.

I am grateful for your support through these changes, and I appreciate the team work I've witnessed this year from County employees. Our primary goal is to provide quality services to the residents of Orange County, and you are on that front line every day. This reorganization will support you in providing excellent service and in making good government better.

ASK THE CEO

If you have questions about the future of the County, a suggestion about providing service more efficiently or an idea that improves customer service, send it along to this regular feature in your new, online County employee newsletter. All questions and suggestions will be reviewed by CEO staff and shared with the appropriate department. CEO Jim Ruth will respond in this newsletter to the most representative ones. All questions must be signed, but names will not be printed in the newsletter. You may submit items by email to ask.the.ceo@ocgov.com. You may also fax to 714.796.8426 or pony to County Connection, third floor, Hall of Administration. Read the next issue of County Connection for the first Ask the CEO.

unexpected as we take care of the business at hand. The County family has weathered difficult times in the past. Good preparation and team work will help us successfully meet this challenge.”