

Economy & Efficiency Commission Presentation

Editorial Note: Although every effort has been made to insure the accuracy of the material in this presentation, the scope of the material covered and the discussions undertaken lends itself to the possibility of minor transcription misinterpretations.

PRESENTATIONS BY Supervisor Zev Yaroslavsky Chairman, Los Angeles County Board of Supervisors

Los Angeles County

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Topic: The Goals for Los Angeles County in 2007 February 1, 2007

Status of the CAO Selection Process

After being introduced by Chairman Ikejiri and welcomed by the Commission, Supervisor Yaroslavsky began by expressing his disappointment over recent developments in the anticipated appointment of a new Chief Administrative Officer (CAO) for Los Angeles County.

Supervisor Yaroslavsky said that going forward; the Board of Supervisors will focus on 1) sustaining the smooth operation of the CAO's office through, and possibly beyond, the extended services of the retired CAO, David Janssen, and 2) reevaluating the criteria that will be used in the next round of the CAO selection process. In reference to the latter, he believes the search for qualified candidates should not be limited to only those candidates who have public administration experience on the county level. He noted that there were potentially many excellent candidates who may have other types of experience. Referring to Supervisor Don Knabe's published comments, Supervisor Yaroslavsky seconded the idea that the Board will take its time to make sure it has the right person in the CAO position.

Chairman Ikejiri asked the Supervisor how the Board planned to keep Los Angeles County employees informed about the process of selecting a new CAO. Supervisor Yaroslavsky surmised that there might be concrete information at the next Board of Supervisors meeting, and ultimately, that the final outcome of the process would be announced publicly. He added that he believed that Los Angeles County employees would be pleased to know the amount of thought going into the process.

Chair Emeritus Philibosian asked whether the Board had employed the services of a search firm. The answer from the Supervisor was yes, but he added that the most important factor the process is the amount of effort put in by the individuals tasked with finding and vetting prospective candidates. He believes that the published reports of the most recent salary offer will pique the interest of additional qualified candidates. Supervisor Yaroslavsky stated that he is a firm believer in the axiom that "you get what you pay for," especially when one mistake on the part of a department head could end up costing the County millions. Los Angeles County, as the largest county in the nation, should be willing to pay to recruit and retain the best department heads and managers. Such a salary structure has worked in the past and should be employed

again, to make sure that the County functions at the highest levels and remains consistently successful.

Addressing the Problems with the County

Commissioner Padilla asked how the Supervisor regards the tradeoff between seeking out areas to improve and the bad publicity that sometimes results when problems are uncovered. He also asked the Supervisor's opinion on how best the County might proceed in uncovering areas that need improvement, such as establishing a County Code Charter Revision Commission, along the lines of Los Angeles City's endeavor.

Regarding the reform that the County should consider, Supervisor Yaroslavsky suggested that the central question was structural, specifically, how to move from a system that has five people in charge (the Board), to one that puts the ultimate decision making power in the hands of a single executive. This, he said, would avoid the dynamic in the current system which tends to result in not fully addressing certain issues. The problems with Martin Luther King Hospital and the Probation Department are examples of what can go wrong when this sort of dynamic is at work. The Supervisor added that although Mr. Janssen has been extremely skillful in developing consensus among the five Supervisors, much of that agreement has been based on his credibility and experience. A new CAO would not start off with that advantage, and would be forced to line up three votes every time they needed an approval to move forward with an initiative. This is a cumbersome process for any large organization, but particularly detrimental to a county government with 100,000 employees and budget of \$21 billion.

Commissioner Padilla asked if the Supervisor would propose the establishment of a Chief Executive for Los Angeles County. The Supervisor stated that such an initiative would have to be decided by a number of people, though there might be interim measures, such as expanding the powers of the CAO through a Charter change. In any case, much would improve if it were clear to all department heads that they reported to one chief executive. And this would not preclude each of the Supervisors having direct contact with the department heads regarding issues specific to their Districts.

Moving on to another area of potential improvement, Supervisor Yaroslavsky commented that he realized how much work would need to be done in order to fully modernize the operations of Los Angeles County. Just one example of needed improvement would be the redesigning of the Board of Supervisors' conference room, originally outfitted in 1960. Video screens and acoustic improvements are needed to enable both the Supervisors and the public to communicate more effectively. Supervisor Yaroslavsky made the point that despite deficiencies, there is much for Los Angeles County to be proud of. Specifically, the County is in the best fiscal position it's been in since the passage of Prop 13 – a direct result of the goal set by the Board of Supervisors in 1995 for the County to live within its means.

The County doesn't get a lot of credit for things that go right, Supervisor Yaroslavsky stated, but when in human service business, dealing with human beings, things do go wrong. The Supervisor contended that the County has the biggest reservoir of human service challenges of any county in the United States, with the possible exception of New York City.

Some of the County's most intransigent problems, the Supervisor noted, go far beyond the government's ability to fully resolve, such as homelessness and the continuing strains on the health care system. Still, there are ongoing efforts to improve the County's ability to positively impact these issues. By way of example, Supervisor Yaroslavsky cited his efforts to get Measure B on the ballot four years ago. The measure called for increased taxes in order to fund trauma and emergency care, in order to offset the funds that were not forthcoming from the Federal government. The funds that have resulted from the passage of this measure have prevented the collapse of the County's trauma and emergency system.

Supervisor Yaroslavsky concluded this section of his remarks by reiterating that despite the lack of media coverage of the accomplishments of Los Angeles County government, he and the other Supervisors would continue to focus on addressing the most important issues facing the County.

Ouestions and Comments

Commissioner Max proposed that recruiting younger managers into the higher ranks was proving more than a matter of offering higher salaries - the main consideration seeming to be the considerable amount of work and the long hours that were going to be expected of them. Supervisor Yaroslavsky replied that he didn't agree with that assessment, but did wonder why there had not been more youthful candidates considered for the CAO position. Overall, the Supervisor believes there should be much more attention paid within each County department to management succession. Regarding recruiting from outside, Supervisor Yaroslavsky maintained that the County should widen its search to include younger candidates, even if it means that their last position is not the exact one for which they are being considered. He then added that some risk taking would be required in both the selection of personnel and in encouraging innovation on behalf of the County. The corollary to encouraging management to take risks is that one must be prepared for some failures, which often go hand-in-hand with important accomplishments.

Chair Emeritus Philibosian suggested that succession planning should be part of job evaluations for department heads, making it incumbent upon them to recognize, mentor and bring along people who can eventually take over in that position or make a lateral move to a position in another department. Supervisor Yaroslavsky agreed that this should be part of the evaluation criteria, and used the opportunity to again state his case for the need for a solitary County executive or appointed CEO who could follow up which each of the department heads to ensure that succession planning was being implemented.

Commissioner Petak recalled previous academic studies which took for granted the difficulty of working within Los Angeles County's "five fiefdom" structure, where the lines of reporting, and thus accountability, are continually shifting. He thus concurred with Supervisor Yaroslavsky that the establishment of a single executive to oversee the County would simplify the process of governance.

Chair Emeritus Philibosian offered that despite its current structure, size and complexity, Los Angeles County runs remarkably well. He further commented that the County's record of administering services compares quite favorably with that of the City of Los Angeles, despite the fact that the City has a single executive in charge. Supervisor Yaroslavsky agreed, and by way of example, added that citizens in the unincorporated areas of the County have consistently expressed their gratitude for the level of street maintenance administered by the County. He went on to note the under-reported challenges and triumphs of many County departments, such as a \$3 billion Welfare Department, a huge mental health operation and a Child Welfare Department that has turned itself around. He feels that the Los Angeles County has the best animal control operation anywhere in the Country, specifically citing the work of department head, Marcia Mayeda. The Supervisor also recognized the department of Agricultural Weights and Measures and the County Coroner's Office, which, despite a difficult physical environment, manages to accommodate families whose religious beliefs call for burial within 48 hours. There are great people in the County said Supervisor Yaroslavsky, but we can always try to achieve more.

Supervisor Yaroslavsky stated that he agreed with Chair Emeritus Philibosian that the organizational model for The City of Los Angeles is much more conventional than that of the County. Excluding the unincorporated areas, the primary function of County government is to administer human services, which is more complicated than the City – with higher stakes. The Supervisor harkened back to his days as a Los Angeles City Councilman, when his primary concerns were addressing constituent concerns such as street paving and tree trimming. Much of his work now is on behalf of the disenfranchised – the poor, the homeless, those in jail, and kids who are abused – who have neither lobbyists nor homeowners associations to lobby for them. The consequences of mistakes in the administration of services at the County level can be a matter of life and death, since the population being served is often the most vulnerable. At the end of these comparisons, Supervisor Yaroslavsky maintained that there is no perfect model of governance, but it is important to find the structure that is most likely to get the best results.

Commissioner Fuhrman commented that one of the areas that the EEC Commission has done its best work is on structural issues. He expressed his hope that the Board would utilize the Commission's resources as it contemplated a new executive structure. He then went on to ask the Supervisor if there were other areas in the County that he felt that the Commission could be of assistance.

Supervisor Yaroslavsky responded that though he could not immediately identify a specific issue for the Commission, he believed the Commission could continue to be a positive force, even if critical in its assessments, by developing a constructive set of recommendations that are realistic in nature and provide solutions. The Supervisor expressed his gratitude for the past work of the Commission. He then reiterated that that there is no need for the Commission to seek to avoid controversy or uncomfortable observations, but simply couple them with constructive recommendations.

Commissioner Petak asked how best to keep the lines of communication open between the Commission and the Board, especially in the case where a report has been requested by and delivered to a Supervisor and there is no subsequent feedback. Supervisor Yaroslavsky suggested that the Commission have no hesitation in contacting the office of the Supervisor who requested the report, or any other Supervisor, when they have any questions as to the status of their recommendations.

Commissioner Petak then asked whether the Board preferred to receive reports that contained a limited number of high-level recommendations or an expanded number of more detailed recommendations. Supervisor Yaroslavsky said that both macro and micro recommendations were valuable to the Board, so he would be pleased to see whatever recommendations the Commission generated. He suggested that the Commission could begin by focusing on high level recommendations and then see if there was an interest from the Board to see a more detailed set of ideas.

Supervisor Yaroslavsky concluded his remarks by noting that he would be available if the Commission would like to have him return for a longer discussion in a few months. He also expressed the appreciation of the Board of Supervisors for the time and effort put in by the Commission members, and the serious work that is generated to the benefit of the County.

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