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1964-2001

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April 10, 2001

Mr. David Janssen
Chief Administrative Officer
Kenneth Hahn Hall of Administration
500 West Temple Street, Suite 713
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Dear David:

Background

In July 1996 the Economy and Efficiency Commission issued a report entitled "Accountability and Municipal Service Delivery to Unincorporated Areas". In this report the Commission undertook an analysis of the budgetary, policy, organizational, and municipal service structure for the delivery of municipal services to unincorporated areas of Los Angeles County, as well as issues relating to cities and special districts operating within the County. Using research and analysis of the "best practice" service delivery models developed by Federal and State governments the Commission presented a comprehensive program that incorporated six strategies, encompassing 23 recommendations. These recommendations were put forth with the objective of improving the County's accountability for, and delivery of, municipal services to the unincorporated communities of the County. The purpose of the following review is to comment on the status of the implementation of the recommendations that were made in the 1996 report.

This review has been initiated in the context of other actions being taken in response to issues raised in the unincorporated areas. On December 12, 2000, the Chief Administrative Office ("CAO") issued a implementation status report in response to the Commission's 1996 study. Additionally, on March 20, 2001, The Board of Supervisors passed a motion asking the Community Development Commission and the Office of Unincorporated Area Services to look into issues of economic development in the unincorporated areas.

Overview

Overall, the efforts of the CAO to respond to the recommendations made in the Commission report should be recognized and commended as a substantial contribution toward the ultimate resolution of the issues that were raised. The approaches used by the CAO to address these problems are reasonable and logical. In addition, the Commission would like to take this opportunity to make a number of comments that could be considered when undertaking these issues.



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Service Delivery Policy

Policy

It is generally recognized that high-performing organizations - be they public or private - must have clear goals and a meaningful focus. This concept was the basis for the Commission's original recommendation to develop a "... comprehensive policy on the delivery of municipal services to unincorporated urban areas" which did not exist at the time the Commission report was prepared. The approach used in developing this 1996 recommendation was to consider the coordination of existing departmental policies with the objective of developing an overarching "comprehensive policy". The intent of this recommendation was to provide the Board with the means to issue timely direction to departments and to provide a preliminary model against which departments could measure and revise their existing policies. As this process relates to the community, the intent was to encourage the County to be clear in communicating what was being done, why it was being done, and to explain the costs and the "public and private" benefits of service delivery approaches.

A "comprehensive policy" covering the delivery of municipal services to unincorporated areas that would provide overall coordination and direction to the departments, as described in the Commission report, was recognized to be a matter of Board policy. The CAO has addressed this need by developing a strategic plan for unincorporated area services prior to developing comprehensive policies that affect several County departments. The intent of the Commission's original recommendation is being accomplished as a result of using this approach.

It remains clear that this planning process continues to recognize that the establishment of departmental performance measures requires that goals be clearly identified because an organization can not measure performance until desired results have been defined. The seemingly simple act of defining results to be achieved will have an enormous power to focus an organization. Since measures have great power to direct activity, it is important, as pointed out in the Commission's report, that departmental performance measures be consistent with this broad organizational set of goals and policy that has been and will be presented.

It would be a reasonable approach to have each relevant county department submit a comprehensive departmental policy statement concerning the delivery of municipal services in the unincorporated areas to the Office of Unincorporated Area Services (OUAS). To facilitate the process and insure that this effort is productive the OUAS should establish the format and informational content of the statements. The OUAS should then compile and analyze the various departmental policy statements with the objective of developing an initial comprehensive County policy on unincorporated services to the Board.

Budget

The CAO is currently proposing to collect information on actual expenditures, revenue, existing services and service levels simultaneously. The CAO feels that developing a comprehensive set of information upfront will allow the CAO to set minimum service levels based on the available information. The approach proposed in the E&E Commission's 1996 report differed somewhat from the one being used by the CAO, in that it initially considering outputs (services delivered), rather than the more traditional budgetary approach which is based upon fiscal inputs (budgetary allocation). Although the Commission feels that the focus should be placed on determining minimum unincorporated areas service delivery requirements as a means of establishing funding requirements, the approach being proposed by the CAO is logical and will achieve the same results.

As pointed out in the original Commission report, the primary advantage to developing service levels lies in the well-timed value it would impart in making resource allocation decisions. Without the ability to measure accomplishment through the definition of minimum service levels, the budget process can become a no-win game of slicing a shrinking fiscal pie into ever-smaller pieces. The development of performance measures based upon "established minimum service levels" provides officials with new tools for evaluating resource allocation decisions on the basis of demonstrated accomplishments, rather than solely on the basis of traditional funding or political clout. The development of these minimum service measures establishes the foundation of a new approach to budgeting built around an investment-management philosophy.

Organization

The Commission has been very supportive of the creation of the Office of Unincorporated Area Services (OUAS). It is an action that demonstrates County's commitment to improving service delivery and exceeds what was anticipated by the recommendation. The Commission has been informed that the mission under which OUAS operates is consistent with the intent of the Commission that this office would be responsible "...for facilitating effective service delivery to the unincorporated areas."

The Commission could conceive of circumstances in which it would be reasonable and appropriate to expand this role. In these instances the mission of the OUAS may be expanded to provide more direct control over such items as implementing interdepartmental projects. Although a mission expansion may be appropriate, such an expansion should not proceed without a closely defined and approved mission statement setting out the conditions under which such an expansion should take place. Any revised mission statement should be made available to the Board and County management.

Service Delivery

It was initially unclear from the CAO response why only "...one service model that addresses islands..." would be appropriate given the previous comment that "... there is

probably not one service model that will serve the geographic and demographic diversity which characterizes unincorporated communities." To clarify this point, conversations were held between the Executive Director of the E&E Commission and the OUAS Assistant Administrative Officer during which it was indicated that several models were being considered for future implementation in each of the areas. It was also noted that the inventory of unincorporated areas that is being initiated in San Gabriel Valley will be expanded to include a county wide inventory of islands. **Additionally, to address the issues involved with unincorporated islands it may prove beneficial for the Office of Unincorporated Area Services and LAFCO to study the best management practices of similar institutions (Orange County, for example) with the objective of developing a policy covering unincorporated islands.**

View Residents as Valued Customers

A review of the OUAS Draft Strategic Plan indicates both a responsiveness to the intent of the Commission's recommendations to evaluate and improve the effectiveness of customer service by focusing on outcomes and the desire to design this plan to address this objective.

Communication

The efforts of the County to improve the means of providing information access is noteworthy. In spite of these advances, one of the suggestions not addressed was to expand the capabilities to improve service to the public in the most commonly used and available reference document, the county phone book. The phone book could be used as a resource to enable anyone within the County to refer calls on those questions that are asked with the most frequency. Although, there is a functional section entitled "Quick Reference Guide" a Frequently Asked Section (FAQ), with the "Quick Reference Guide" as an addendum, could well enhance an employee's capability to respond to inquiries. Data on FAQs is not available at this point, but by surveying County and departmental information requests, the usefulness of including this section in the next County phone book could be determined.

The implementation of a "hot line" to improve residents' access to county services is commendable. In addition to this program, there are a number of items that could be considered that could contribute to improving residents' communication with government and provide a basis for further analysis of customer needs and requirements. They would also address the intent of the recommendations to provide encouragement to residents to become more proactive, rather than reactive, in communicating their service delivery requirements to the County. To assist in accomplishing this objective the County might consider such items as:

- a. expanding the capabilities of web sites in listing services functionally according to what is desired to be accomplished, rather than by department or organizational structure, i.e. licenses, permits and vital records, looking

for a job, etc. It should be noted that the East Los Angeles Web Site currently has a functional format.

- b. developing a mindset that focuses on enterprise-wide thinking that leads to easy seamless access for citizens regardless of where the data resides within the County.
- c. expanding upon efforts to provide access to information using telephone, wireless and other electronic devices in multiple locations such as libraries, public and private schools and through community and/or faith based groups.
- d. partnering with business wherever possible, consistent with established Board policy, to capitalize upon technology and to educate residents while offering them easy access to services and information that that can improve the quality of their lives.
- e. attempting to reach young people by including information using existing media channels, perhaps capitalizing on the current use of cable channels to attract this audience
- f. expanding the concept of "a printed activity guide" for all unincorporated areas, as anticipated in the strategic plan.

The Commission wants to recognize that the draft strategic plan prepared by the CAO includes several models that can be used in providing residents an opportunity to become involved, including the following:

Civic Center Facility Model - Provides for surveying community support for a civic center model within East Los Angeles which obtains baseline levels of customer satisfaction, surveys preferred services, and includes feedback.

"Make-Buy-Sell-Annex" for Unincorporated "Island" Model - Solicits community input on options for each island and obtains baseline levels of customer satisfaction.

Strategic Service Areas and Lead Department Model - Surveys target communities to obtain baseline levels of customer satisfaction and to receive feedback after service levels are enhanced.

Emergency Management Planning and Response - Incorporates community input into a development education plan.

Community Access

It is certainly appropriate for Board members to develop unincorporated area community groups within their districts, as was pointed out by the CAO. The 1996 Commission report

envisioned that the County would support these efforts through the development of educational material and by consulting with residents on the delivery of municipal services. These efforts would contribute to the impact of the actions being taken by any Board member, or, for that matter, any other group that had the objective of improving municipal services. As a matter of clarification, it is important to note that the recommendation to form "community groups" was intended to provide a vehicle for dispensing information. The primary emphasis of the recommendation was intended to be placed upon expanding educational opportunities and the consultation capabilities of such a group, in whatever form the County deemed to be appropriate. The recent focus within areas of Los Angeles County on the creation of Neighborhood Groups (e.g. Los Angeles City) may offer additional opportunities to assist the County in the delivery of municipal services.

The approach of developing an "annual community survey", as put forth by the CAO, is an appropriate response to the need to monitor the "...adequacy of municipal service provision..." Although appropriate, the Commission had envisioned the development of communication systems that would provide a means for residents to become more proactive, rather than primarily reactive, in the development of service delivery policy.

In recognizing the needs of the residents of the unincorporated areas, we want to reemphasize the intent of the recommendation was to provide "...access to the decision-making process...". The Commission and the CAO recognize that processes could be established that would go beyond just providing information by enabling and encouraging residents to become proactively involved in the service delivery decision making process.

Facilitate Ability to Provide Input to Budgetary Process

The Commission fully agrees with the concept that the development and implementation of any models for alternative service delivery levels and representation should occur through the strategic planning efforts. The intent of the original Commission recommendations focused on developing the means to accomplish this participation and on communicating the consequences of any decisions made to the residents. In other words, it was the objective of the recommendation that residents and the community become increasingly involved in the delivery of services and be a part of the process of determining service levels. If it is determined by the residents that the desired level of service is greater than that determined to be the "minimum", those residents should be informed that they would be required to pay for an increased level of service. This approach implies that a minimum level of service has been defined. As it currently structured, this capability does not exist within the County.

While the Commission recognizes the difficulties expressed by the CAO in developing this capability within the County, it is important that this process be initiated. A possibility in attempting to improve the motivation of the general population may be to encourage residents to recognize the complexity of the County budgeting process through the use of a budgeting exercise that could be made available on the internet, on a disc or CD. If constructed in a manner that was easily understood, in a form in which the information

could be easily processed, and in a context that would present budgetary alternatives to the resident, the feedback information could be as useful, and perhaps more useful, to County management as any other polling information.

A review of the Draft Strategic Plan for Unincorporated Area Services indicates that provision has been made for an "...annual report to the Board of Supervisors on progress to date". Although not specified, the assumption made in this reading was that the report was to cover the progress made on the implementation of proposed models and the status of pilot projects. This is certainly important information for the Board to receive.

To address the primary intent of the Commission to provide the public with information on the status of municipal service delivery, it would be necessary for the CAO pilot projects to include performance measures and customer feedback mechanisms in this report. **It is also very important for the CAO to provide guidelines for departments to explain how policy is being implemented.**

It is recognized that a shift from a process dominated by the service delivery organization to one driven by the resident and customer requirements may cause some level of confusion during the transition period. Although true, the ultimate gain in terms of efficiency and effectiveness and in accountability and responsiveness to resident expectation will be substantial.

Reporting Systems for Outcome-based Performance Measurement

It is encouraging that the CAO is proceeding in the direction of developing performance measurement systems. Current efforts recognize that to be successful a performance measurement program needs to be built around a common conceptual theme and continued over time. Available management and public administration literature notes that if a system is based upon a compilation of available, but limited, data the results are likely to be of limited value at best and dangerous at worst. A data set should be developed to support such an approach. Similarly, if the measurement is done on a one-shot basis, it will neither highlight key trends nor identify important changes in performance over time.

The institution of performance measurement program evaluations focusing on the activity and outputs of the organization is a critical component in the search to improve the quality of management and policy decisions within the County. The objective of these evaluations is to better serve the residents of the County by being able to understand situations, make better decisions and use resources as effectively and efficiently as possible.

The County Strategic Plan has as its objective the development of a performance based system designed to enable management to monitor changes, identify potential problems, and take timely corrective actions. It recognizes that any such system should support activities that are successful, allocate resources based upon what really works, and build public credibility by being able to demonstrate the effective use of taxpayer dollars. With an ongoing measurement program, performance and productivity will inevitably improve as a result of organizational focus, resource allocation and recognition of achievement. **It**

may be beneficial that specific objective(s) involving the delivery of municipal services to unincorporated areas be included in a department head's performance agreement objectives.

Service Delivery Alternatives

A review of the Draft Strategic Plan for Unincorporated Area Services indicates that a number of models are being considered for implementation based upon their applicability to the particular area of concern. The models contemplated in the strategic plan will develop existing opportunities for departments to enhance collaboration and coordination of activities. It was the original intent in the Commission's recommendations that the approach being proposed by the CAO, or any other approach that would be contemplated, would be designed to encourage the seamless delivery and access to services for the residents of the unincorporated communities.

The use of the alternative model approach being proposed by the CAO is valid. It is anticipated that any approach will include consideration to the requirements for the internal reorganizations and/or revised departmental interactions as they relate to the county's ability to deliver the service.

Conclusion

The Commission hopes that this review has made a contribution to the efforts of the CAO to improve the delivery of municipal services to the unincorporated areas of the County. We want to reemphasize our commitment to this effort and insure that we will be available to assist in anyway possible to achieve the objectives that have been established. Please feel free to call upon us at any time.

Sincerely,

Robert H. Philibosian
Chairman

cc: Each Supervisor

BJS/jag