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July 9, 2008

The Honorable Gloria Molina, Supervisor First District
The Honorable Yvonne B. Burke, Supervisor Second District
The Honorable Zev Yaroslavsky, Supervisor Third District
The Honorable Don Knabe, Supervisor Fourth District
The Honorable Michael D. Antonovich, Supervisor Fifth District

Dear Supervisors:

Attached is the Commission report that will be discussed on the July 22, 2008, Board meeting.

Mr. Ron Ikejiri, the Commission's Chairman, and Mr. Jon Fuhrman, the Chair of the Governance Task Force, will be presenting the report to the Board.

Please don't hesitate to contact the Commission's office at (213) 974-1491 if you require any additional information.

With Warmest Regards,

Edward Eng
Executive Director

Kenneth Hahn Hall of Administration, 500 West Temple Street, Suite 163, Los Angeles, CA 90012-2713

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REPORT ON THE IMPLEMENTATION OF THE NEW GOVERNANCE STRUCTURE

JULY 2008

CITIZENS' ECONOMY & EFFICIENCY COMMISSION
LOS ANGELES COUNTY
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The mission of the Commission is to examine any function of county government at the request of the Board of Supervisors, on its own initiative, or as suggested by others and adopted, and to submit recommendations to the Board which will improve local government economy, efficiency, and effectiveness.

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July 3, 2008

The Honorable Yvonne B. Burke
Chair, Supervisor Second District
500 West Temple Street, Suite 866
Los Angeles, CA 90012

Dear Honorable Burke:

As directed by your Board, the Citizens' Economy and Efficiency Commission (Commission) is pleased to report that it has completed its review of the implementation and effectiveness of the County's new governance structure, which took effect on April 26, 2007, and initiated by the newly appointed Chief Executive Officer, William T Fujioka in July of 2007.

In writing this report, the Commission emphasizes that the new County governance structure has been in place for only 12 months. Given the magnitude of this change and the short time to undertake this major shift in government, the Commission concluded that significant successes:

> In the increased collaboration and communication horizontally between Departments, with the common objective of "We," being part of the County Family in the delivery of services, replacing the traditional "My," Department.

and areas for further clarification:

> Concerning the role and responsibilities of Deputy Chief Executive Officers (DCEOs), particularly as it relates to the Board Offices and Departments.

Based on our findings from candid, and open interviews with a diverse cross section of County leaders and administrators, the Commission recommends the Board consider implementing the following eight recommendations in an effort to further promote the success of the new governance structure and to enhance the delivery of County services:

Recommendation 1: The Board consider maintaining the new Ordinance until a more definitive evaluation can occur.

Recommendation 2: The Board consider delaying any changes to the County Charter until the suggested evaluation can occur.

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Recommendation 3: The Board consider directing the CEO to develop a job description that explicitly states the role and responsibilities of the Deputy Chief Executive Officers.

Recommendation 4: The Board consider directing the CEO to establish communication protocols between the CEO's office and Board deputies; between the DCEOs and Department Heads; and between the Departments and Board offices.

Recommendation 5: The Board consider directing the Auditor–Controller, in coordination with the CEO, to (a) develop a set of organizational metrics to assess success in this new organization and (b) direct the CEO to report annually to the Board on these assessments.

Recommendation 6: The Board consider directing the CEO to design a framework within which policy issues are identified, discussed and placed on the agenda for potential action.

Recommendation 7: The Board consider directing the Executive Officer to propose a new agenda setting process that enables the Board to reserve one meeting per month for policy deliberations.

Recommendation 8: The Board consider directing County Counsel to provide a legal opinion as to the applicability of the Brown Act to policy meetings between DCEOs, Department Heads, and Board deputies.

As we enter the second year of the new governance structure, the Commission trusts that this report and these recommendations will assist the County in optimizing the Board in its leadership and policy implementation for the County of Los Angeles.

As always the Commission stands ready to assist your Board and County management in the implementation of these recommendations.

With Warmest Regards,

Ronald K. Ikejiri
Chairman

C: Los Angeles County Board of Supervisors

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I. BACKGROUND

On March 27, 2007, the Board of Supervisors (Board) approved Ordinance No. 2007-0048 dramatically changing Los Angeles County's governance structure.[1]

Highlights

Under the new structure, which took effect April 26, 2007, the Board retained final authority on both legislative and executive/administrative matters, consistent with its Charter responsibilities. Operationally, however, the Board delegated significant day-to-day administrative authority to a new Chief Executive Officer (CEO).[2] Also, Department Heads (with a few salient exceptions)[3] would now report to the CEO rather than to the Board. Under the new structure, other significant responsibilities assigned to the CEO included:

- formal line authority over reporting Departments and responsibility for their operations;
- review and approval of Department Head goals, appraisal of their performance, and recommendations on salary actions; and
- hiring and removing Department Heads contingent upon Board approval.

Additionally, the Board authorized a new Chief Deputy CEO and five Deputy Chief Executive Officer (DCEO) positions.

As part of the changes in the governance design, the 37 Departments were organized into 5 clusters (i.e., Operations, Children and Families' Well-Being, Health and Mental Health Services, Community and Municipal Services, and Public Safety). Within each cluster, a DCEO would oversee primarily the coordination of intra- and inter-cluster collaboration and would aid Departments needing help on specific issues on a case-by-case basis. Each Department was assigned to a cluster to facilitate budgeting and foster collaboration and overall coordination. (See Figure 1 for the County's former design under a Chief Administrative Officer (CAO), Figure 2 for the County's current design under the new CEO, and Figure 3 for a cluster view.)

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[1] Ordinance No. 2007-0048 was introduced on March 13, 2007, and approved on March 27, 2007.

[2] This position replaces the prior Chief Administrative Officer position.

[3] Elected Department Heads -- the Sheriff, Assessor, and District Attorney -- retain executive authority over their Departments independent of the Board of Supervisors. Additionally, the Auditor-Controller, County Counsel, County Fire Chief, and Executive Officer, although appointed, report to the Board rather than to the CEO.

The new design and accompanying position responsibilities were developed through an extensive series of deliberations involving Department Heads and Board Chief Deputies. Detailed and comprehensive briefing papers from working teams led to a collective understanding, albeit at a high level, regarding operational practices, including how these might change the Board's own processes and procedures.

The envisioned benefits of a Board-appointed CEO and cluster organization included:

- reduced involvement of individual Board offices in the day-to-day County operations through a "non-intrusion" clause, while respecting the Board offices' ability to pursue constituent service issues directly with Departments;

- expanded focus on operational issues managed by the CEO, particularly in facilitating more collaborative efforts across Departments; and

- increased time for the Board collectively to explore emergent and/or problematic policy issues.

When the new governance structure was presented to the Board, it was asserted that the new design (a) would not encroach upon the authority of Department Heads, (b) would not lead to an increase in CEO office staff, and (c) would not result in an extra level of management at the DCEO level.

The Commission Charge

Associated with Ordinance 2007-0048 instituting the new structure, a Board motion directed the Citizens' Economy and Efficiency Commission (Commission) to review the "implementation of the plan and the effectiveness of the ordinance." (See Figure 4a/b for the Board motion.) As requested by the CEO, the Commission began our review in February, 2008. The Commission delegated this study to a Task Force composed of eight Commissioners, and the Task Force conducted this study without the assistance of outside consultants. All the interview data, conclusions and recommendations are entirely the work of the Commissioners, assisted by the Commission's Executive Director.

II. STUDY DESIGN

The Task Force developed an open-ended interview questionnaire, tailored for each category of interviewee (Department Head, DCEO, Board Chief Deputy) -- an approach referred to as grounded research.[4]

The Task Force interviewed the (a) CEO and all five DCEOs; (b) fifteen Department Heads, including at least 2 Heads from each cluster, representing large and small Departments, and one elected Department Head; (c) Chief Deputy and/or senior staff from each Supervisorial office; (d) immediately retired CAO; (e) consultants who assisted the CAO on the new design; and (f) the five Supervisors, individually.[5] At least two Commissioners, along with the Commission's Executive Director, attended each interview.

To encourage candid responses, the Task Force guaranteed all interviewees that their comments would not be attributed to them individually, although the comments might be used to illustrate opinions within a particular category of interviewees. (Figures 5 through 8 present the full text of the questionnaires.)

III. FINDINGS

A. Constituent Service and "Non-Intrusion"

Constituent service, particularly for cases relating to service delivery, such as street lighting or tree trimming, has appropriately been a key concern for Supervisors. Board deputies, under the old system, would contact Departments directly to resolve constituent complaints. The new governance system was designed explicitly to allow that same direct access by Board deputies to County Departments.

- Board offices generally reported that Departments continue to respond effectively and expeditiously to day-to-day constituent requests. There was some uncertainty initially in dealing even with routine casework, but that seems to have been worked out.

- However, there is still significant uncertainty and dissatisfaction when constituent service issues overlap into budget or policy areas. Some

[4] Grounded research/theory refers to conclusions or theory derived from a collected set of data. Similarly, the conclusions from our study are based on an inductive interpretation of interview data about the organization and its stakeholders.

[5] The Task Force focused exclusively on the internal perspective of senior County personnel. We did not interview other Commissions, external stakeholders, or public observers.

Board offices reported notable delays in resolving issues that have policy or budgetary implications, particularly when Departments feel the need or obligation to obtain DCEO or CEO concurrence on responses that, under the old system, went directly to the Board.

- DCEOs indicated they encourage Board deputies to contact Departments directly on constituent work; the DCEOs do not "screen" requests and do not feel they need to be in the loop. They believe Departments are responding as quickly and effectively as they did under the old system.

- Department Heads uniformly believed they are providing excellent constituent services and that the Board is pleased with their responsiveness. "It's a top priority for the Department," said one Department Head. "Constituent service has not diminished from the previous high standard," said another respondent.

- Department Heads reported that Board deputies continue to contact them directly to resolve constituent issues.

While Board offices were explicitly authorized to "seek information and/or seek assistance from County officers and employees," the ordinance also specified that no individual Supervisor or Board office may "give orders to or instruct any County officer or employee."[6]

- Board offices were uniformly confident that their own offices understand and respect the new boundaries, but they were all skeptical that other offices respect those same boundaries. There was also a clear sentiment that this is still a work in progress and that they expect the system to improve with time.

- From the DCEO perspective, Board offices are still adjusting to the new system and occasionally testing the boundaries. As stated by one DCEO, "some deputies are pushier and more demanding than others; some ask permission before checking with Departments, but others don't want to respect the new structure." While there is still variation from one Board office to another, and from one issue to another, on the meaning of non-intrusion, we do seem to be moving to a collective understanding.

- Department Heads reported that only rarely have Board offices attempted openly to "instruct" or "direct" Departments to take specific actions. However, several Department Heads noted that, with some frequency, Board offices are "coaxing or cajoling" Departments. Typically, this is done in one-on-one settings outside of formal meetings. Some Department Heads still feel torn between direction from their DCEO and

[6] This language comes from Sec. 2.01.050 of the County Code, enacted by Ordinance 2007-0048.

Board deputies; as summarized by one Department Head, "the DCEO is not yet the single source for clear direction." Despite these problems, there appeared to be a general consensus that the new rules are being respected and the new structure is taking hold.

B. The Chief Executive Office

An appropriate framework for analyzing the new governance structure is to assess its implementation by the Chief Executive Officer. Specifically, one can analyze the operation from a horizontal perspective -- how operational and communication issues that cross Departmental boundaries are impacted -- and then from a vertical perspective -- how reporting relationships and responsibilities flow from the CEO down to Department Heads.

The Horizontal: Collaborations across Depts.

One of the most consistent comments, from Board offices, DCEOs, and Department Heads, was that there is now greatly improved communication and collaboration between Departments, and across clusters, which results in shared problem solving.

- The wide range of examples cited by respondents included: the jail master plan; the response to the Katie A. lawsuit; the early return to work program; the Mental Health initiative opening additional beds to allow psychiatric patients to be moved out of County hospitals, thus relieving crowding in their emergency rooms; and the significantly greater emphasis on the shared services model.

- However, some respondents indicated that many of these initiatives were started under the previous governance structure, while recognizing that these initiatives have gained momentum under the new structure.

- Most Board deputies indicated that the new organizational model has helped facilitate more collaborations and "out-of-the-box" perspectives. Several mentioned the homelessness initiative, in particular, as an example where they saw accelerated progress under the new structure.

- The CEO reported on several county-wide efforts such as: the early return to work program; the better coordinated Management Appraisal Performance Plan (MAPP) goals for Department Heads; and the increased emphasis on the shared services model, that, in his opinion, would have been significantly more difficult to implement under the old structure.

- DCEOs uniformly agreed that they are facilitating collaborations within their clusters and across clusters. When asked if they believed they were adding value to the process, nearly every one pointed explicitly to some of the new collaborations initiated since last summer.

- Most Department Heads believed significant progress is being made by virtue of these collaborative efforts. Several commented that their MAPP goals now must include at least one externally-focused goal. Some reported that their own Department did not have any inter-departmental issues, so they were not directly impacted on this point. A few noted that cross-departmental efforts were in place under the old system, either informally or on a more formal basis. Only one Department Head had strong negative input, believing that no new significant efforts were underway in that cluster. More typical was the comment that the "tone is one of collaboration." Other Department Heads noted that "the new system is a huge step forward"; "there is tangible evidence of breaking down silos"; and "the new structure really brings value."

The Vertical -- Tensions within the Design

While the new governance structure was designed to facilitate collaborations within and across clusters, it also resulted in another managerial layer -- the DCEOs. The original concept was that these managers would focus on collaborative efforts while not normally intruding into Departmental management.

- Some Board offices believed the DCEOs are involving themselves in issues that should simply be the province of Department Managers. This leads to significant delays in responsiveness to Board offices, particularly in the gray areas where constituent service issues bleed over into the policy or budget arenas. "DCEOs sometimes interject themselves and don't add value." "The extra layer you have to go through, like a wall has been erected, now Departments have to climb over the wall to get things done."

- Other Board offices, in contrast, expected the DCEOs to get into the details, but not to micromanage. The DCEOs, they asserted, "ultimately should own problems within their cluster."

- There is broad agreement that decisions are slower now -- that the added layer of management has negatively impacted routine business processes, particularly the submission of Board letters. One Department Head noted the Board letter process "became a disaster." Another noted the new structure has "slowed up most everything." "Budget items are not turned around as quickly as before."

- Nearly all respondents noted that there are many more meetings, with many more participants, and the volume of e-mail is reaching nearly unmanageable levels. The new structure is "less efficient than the old system," according to one Department Head. "Colleagues get a lot more questions, and find it difficult to move things along," noted another. Paradoxically, there is a sense among Board deputies, and Supervisors, that they are now less informed than they were under the old structure.

- Some DCEOs are perceived by their Department Heads as micromanaging their clusters. One Department Head reported that the DCEOs "vacillate between managing and coordinating" their Departments. Another suggested that "things that weren't broke were nonetheless being fixed by CEO staff," and the CEO's office "sometimes descends into micromanagement." Another noted that "running Departments should be left to Department Heads." A Board deputy commented that "it's not like we stopped trusting Department Heads." One Department Head argued that the DCEO role should be to "support better management, rather than manage directly." Nearly all respondents noted the huge number of hours that DCEOs are currently working, and that such a workload was not sustainable.

- One DCEO thought "we need to empower Departments and delegate more responsibility back down to them." One Department Head argued that DCEOs "need to learn how to delegate back to Departments effectively." Another DCEO noted that some Board deputies see the DCEO role as holding Departments accountable, yet that should not mean doing the Department Heads' jobs for them.

- One Department Head noted that the role of Board deputies vis a vis the CEO and DCEOs was still not clear, and each side was testing the boundaries and their respective authority. Department Heads still "look for affirmation" from Board offices on policy issues, rather than looking just to the CEO or DCEO.

- Some Department Heads complained that Board deputies "are more empowered than ever in making decisions," and that Board deputies "have a desire to micromanage" (although one Department Head noted that Board deputies are sometimes more familiar with details of an issue than the CEO's staff). One DCEO observed that Board deputies try to drill down into too much detail. Another Department Head commented that the Board "doesn't understand how much power they have to harm Departments."

- Several respondents noted that the skill sets of personnel within the CEO's office may not match their new responsibilities. Traditionally, CEO

personnel were focused primarily on budgets and fiscal analyses; under the new system, they are being asked to focus on broader policy and management issues, as well as budgetary issues.

But the input was not, by any means, all negative, with Department Heads highlighting significant improvements from the new system.

- Many Department Heads noted the advantages the new system brings, over and above more effective communication and collaboration across Departments. "The CEO can arbitrate priorities and give clear direction," said one Department Head. In resolving problems with other Departments, "I don't have to be as diplomatic as before," said another Department Head, because the CEO's authority stands behind him. Yet another Department Head argued that under the old structure, there was a "bright line" between Departments and the CAO and that the CAO's job simply was "to keep the budget in the black and keep things quiet."

- Under the old system, MAPP goals for Department Heads were defined primarily by Department Heads -- from the bottom up. Performance appraisals were "perfunctory"; "if you didn't hear anything, you were doing OK." Now, the CEO drives the MAPP process -- from the top down. One Department Head recalled that feedback on MAPP goals used to relate only to their formulation; now the Department Head gets feedback on the achievement of those goals. At least one goal is externally oriented, and if the Department Head needs support from another Department to achieve a goal, then providing that support becomes a goal of the supporting Department Head.

- A number of Department Heads felt DCEOs added significant value. "The closer scrutiny has added value," said one Department Head. Another was relieved that there is no longer the need to interpret Board motions; now the DCEO provides clear guidance. "One DCEO can bring clarity where five Board deputies cannot."

- One Department Head was particularly pleased that the new structure has opened opportunities to make policy decisions at a high level, affecting all Departments in the cluster. Another Department Head thought the CEO and DCEOs were growing into the mediator/protector role to support Department Heads when they encounter conflict at the Board level.

- One Department Head noted that the process for floating new ideas is less demanding and less formal, and the County can move much faster now than under the old system. Another Department Head commented that the "ability of DCEOs to recognize and move new ideas ahead is a major advantage."

- Heads of smaller departments, in particular, felt the new structure was a dramatic improvement. They now have a mentor, someone to brainstorm with and who can provide political guidance when dealing with Board offices. Several Heads of smaller Departments also noted they can be heard far more easily now than under the old system. "It feels like I have a partner when presenting to Board offices," commented one Department Head.

One thought expressed by nearly every interviewee about both the horizontal and vertical components of the new design was that we are "definitely still in the midst of a journey"; "there are growing pains that will take time to work through"; "it's a learning curve"; "we need time to adjust to a new structure"; "we're designing it as we go along, and that's OK." When asked if "things are better," many responded that the "jury is still out"; "it's too soon to tell"; "come back in a year."

C. The Board of Supervisors

One goal of the new governance structure was to "maximize the opportunity for the Board to provide policy direction and encourage more public discussion of policies."[7] It was envisioned that the combination of delegation of operations to the CEO and a larger, agreed-upon Consent Agenda together would free up enough time for the Board to devote one full meeting each month to policy deliberations.

Policy Development

- Among the Supervisors, there is unanimity that no changes have occurred in the policy development arena.

- There was near unanimous agreement among Board Chief Deputies, DCEOs and Department Heads that the Board has not devoted more time to policy discussions. The focus on policy "is not happening yet." Some respondents saw this aspect of the new structure, in particular, as "a work in progress." One DCEO said, "we don't see change yet; it may not come until several years down the road -- we need to show some progress first." Others noted that the Board has not "let go yet"; that is, the Board continues to focus more intensely on operational issues and oversight than on policy issues.

- Most Supervisors believed that a better policy development process remains an appropriate goal.

[7] Page 15 of the April 19, 2007 Transition Report.

- One Department Head thought the relationship between the Board and the CEO's office (the CEO and the DCEOs collectively) was not yet quite defined and commented that "often we default to the old system."

- It was one intent to have a larger Consent Agenda so more time can be spent on policy discussions. However, this has not occurred. (See Figure 9 for a percentage of the total number of items held from the Consent Agenda before the implementation of the new structure, and Figure 10 for a percentage of the total number of items held from the Consent Agenda after the implementation of the new structure.)

Policy Implementation

Policy development is the purview of the Board; policy implementation is the operational process under the CEO's authority.

- One Board Chief Deputy noted that when the Supervisors have agreed on a policy option, the new structure has worked well in expediting the implementation of that decision.

- A number of respondents noted confusion about the appropriate role of Board deputies under the new structure. One Department Head commented that just as the new structure is a dramatic and challenging cultural change for long-time Department Heads, it is also a challenge for long-time Board deputies.

- A number of respondents noted that the organization of Board offices often does not map well to the new cluster grouping (particularly for the Operations Cluster). This leads to multiple deputies from a single office attending the same cluster meetings, and confusion among Department Heads and DCEOs as to which deputies in which offices ought to be notified on particular issues. Further, Department Heads on occasion get conflicting input from different deputies within the same Board office.

- A number of respondents expressed dissatisfaction with the current format of cluster meetings. By opening the meetings and making them subject to the Brown Act, the County has complicated the process and substantially inhibited the useful exchange of information and views. Participants viewed them as ineffective and not productive, leading to declining attendance. "Cluster meetings are a disaster, which run two to three hours with 40 to 50 people in attendance, and are a waste of time," as noted by one Board Chief Deputy.

Selected Comments on the County's Management Culture

In addition to the issue of sharpening the Board's focus on policy, the broader issue of the County's "culture" arose in several interviews. Respondents were particularly concerned about the demeanor of the Board in open session.

- Several respondents stated that the County still punishes failure far more than it rewards success.
- One Department Head recounted a Supervisor saying, "I hardly ever think about you, and you don't know how good that is." Another noted that under the old system, "if it wasn't good news, you got blamed for it."
- A Department Head noted the pressure on the CEO to be "error-free" is just not realistic; "if you manage with zero tolerance for mistakes, you will slow things down and stuff bounces back and forth."

IV. CONCLUSIONS AND RECOMMENDATIONS

The Citizen's Economy and Efficiency Commission was charged with reviewing "the implementation of the plan and the effectiveness of the Ordinance," which dramatically changed the governance structure of the County of Los Angeles.

From the Commission's perspective, the findings are mixed. Clearly, the major benefits have been the increased collaboration and the speed of implementation on cross-departmental issues. DCEOs and Department Heads were not merely positive--they were clearly enthusiastic about the progress the County has made in this area. As one Department head noted, "We had worked out solutions for the first time ever, and there is better collaboration and it allows us to see issues from both sides." The Commission, however, could not judge the incremental gain or whether this collaboration could have been accomplished under the old structure.

On the other hand, the Commission has concluded that the new design has resulted in mixed impacts on operational processes. For instance:

- From a positive point of view: small Departments have had a greater voice in decision making; Departments needing help now have an advocate at the DCEO level; and Departments continue to be highly responsive to constituent service issues.

- From a negative perspective, there is an additional management layer with resultant delays in driving issues to the Board level; there is ongoing confusion about the roles and responsibilities in the chain of command; and Board offices believe that too little relevant information is routinely shared with the Board. As noted by one Board office, "Over the past year, the flow of information from bottom up has become restricted."

The Commission has also concluded that scant progress has been made in the execution of a policy development process, which was a major justification for the Ordinance. As commented by one Supervisor," We have nowhere to go in the CEO's office for policy discussion."

Because the Board, by Charter, has both legislative and executive authority, we have divided our recommendations into those two categories.

Legislative Recommendations

Recommendation 1: The Board consider maintaining the new Ordinance until a more definitive evaluation can occur.

Recommendation 2: The Board consider delaying any changes to the County Charter until the suggested evaluation can occur.

Nearly everyone described the implementation of the new structure as a "work in progress." There is a belief within several Board offices, and at the DCEO level, that this structure will result in a better functioning County government. Given the magnitude of this change, the Commission concluded that additional time is needed to determine if this is true. Therefore, the Commission believes that this evaluation should start in approximately one year (July 2009), so that the additional progress in implementing the new structure, including the results of the Commission's executive recommendations, can be assessed.

Executive Recommendations

<u>Recommendation 3</u>: The Board consider directing the CEO to develop a job description that explicitly states the role and responsibilities of the Deputy Chief Executive Officers.

<u>Recommendation 4</u>: The Board consider directing the CEO to establish communication protocols between the CEO's office and Board deputies; between the DCEOs and Department Heads; and between the Departments and Board offices.

Clearly, there is confusion regarding the role of the DCEO. Board offices disagree on whether or not the DCEOs should be in the chain of command. Similar disagreements exist among Department Heads. Until this issue is resolved, there will be continued tension and conflicting expectations within the new structure. Moreover, it is impossible to establish appropriate workload and staffing levels until this issue is addressed. The Commission did not undertake a cost-benefit analysis of the new structure.

The resolution of the role of the DCEO is perhaps the most significant decision regarding the operational implementation of this structure. The alternative options--placing the DCEOs in the chain of command or moving them to a "project manager"-like role, outside the chain of command--have critical implications. Until there is clarity, there will continue to be structural conflict and boundaries cannot be established.

Once the role definition is clarified, the CEO needs to establish communication protocols in such areas as: between the CEO's office and Board deputies; between the DCEOs and Department Heads; and between the Departments and Board offices. From the Commission's observation, the lack of such protocols has contributed to tensions between the CEO and the Board offices.

As an aside, there is additional tension due to the lack of a match between Board deputy departmental assignments and the cluster arrangement.

<u>Recommendation 5:</u> The Board consider directing the Auditor–Controller, in coordination with the CEO, to (a) develop a set of organizational metrics to assess success in this new organization, and (b) direct the CEO to report annually to the Board on these assessments.

In reviewing the implementation of the Ordinance, the Commission found no metrics by which to assess its progress. A follow-up evaluation can only be successful if there are objective standards against which to judge implementation.

Recommendation 6: The Board consider directing the CEO to design a framework within which policy issues are identified, discussed and placed on the agenda for potential action.

Recommendation 7: The Board consider directing the Executive Officer to propose a new agenda setting process that enables the Board to reserve one meeting per month for policy deliberations.

There is substantial, though not unanimous, sentiment in Board offices that the new structure should have provided a framework for the Board to focus more intensely on policy issues, that this has not happened, and that it remains an appropriate goal. That this has not happened may be due, in part, to the magnitude of the change, and to the need to shift the CEO's staff from a highly fiscal and analytical focus to a policy development focus.

There was agreement that increasing the Consent Agenda would create space for one policy discussion per month. Yet, a comparison of last year's and the current year's Consent Agenda, and items pulled from this agenda, showed little change, as noted previously. The Commission concluded that revising the agenda process is a prerequisite for enabling the Board to have a policy discussion meeting each month.

Recommendation 8: The Board consider directing County Counsel to provide a legal opinion as to the applicability of the Brown Act to policy meetings between DCEOs, Department Heads, and Board deputies.

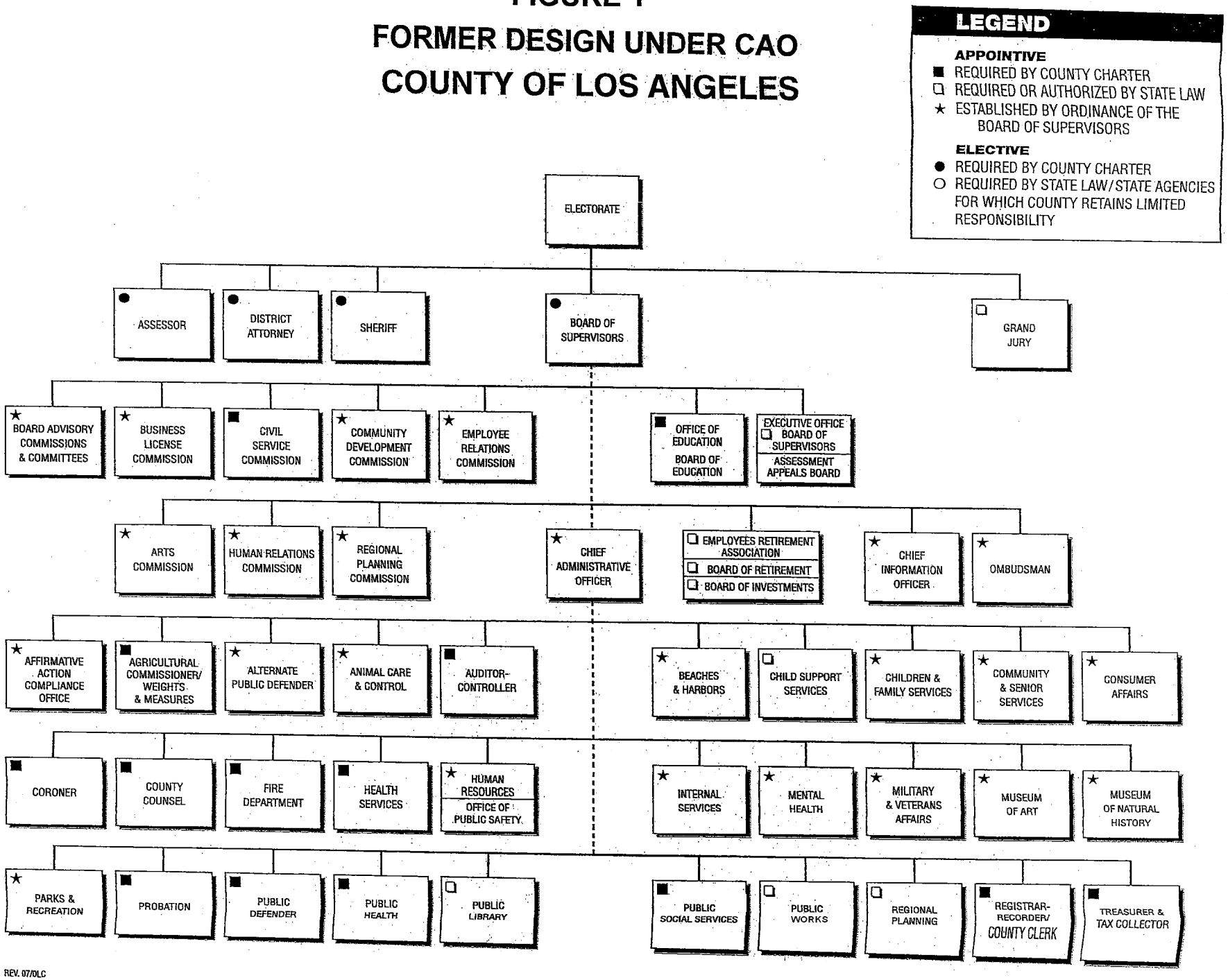
There is an assumption by the Board and the CEO that cluster-level meetings involving DCEOs, Department Heads and Board deputies fall under the Brown Act provisions. The County needs a legal opinion to inform the policy development process (see recommendation #6).

V. ACKNOWLEDGMENT

The Commission gratefully acknowledges the substantial contributions of our respondents. These interviewees were generous with their time and candor. Their help has been instrumental in our efforts to craft recommendations that we hope will improve County government.

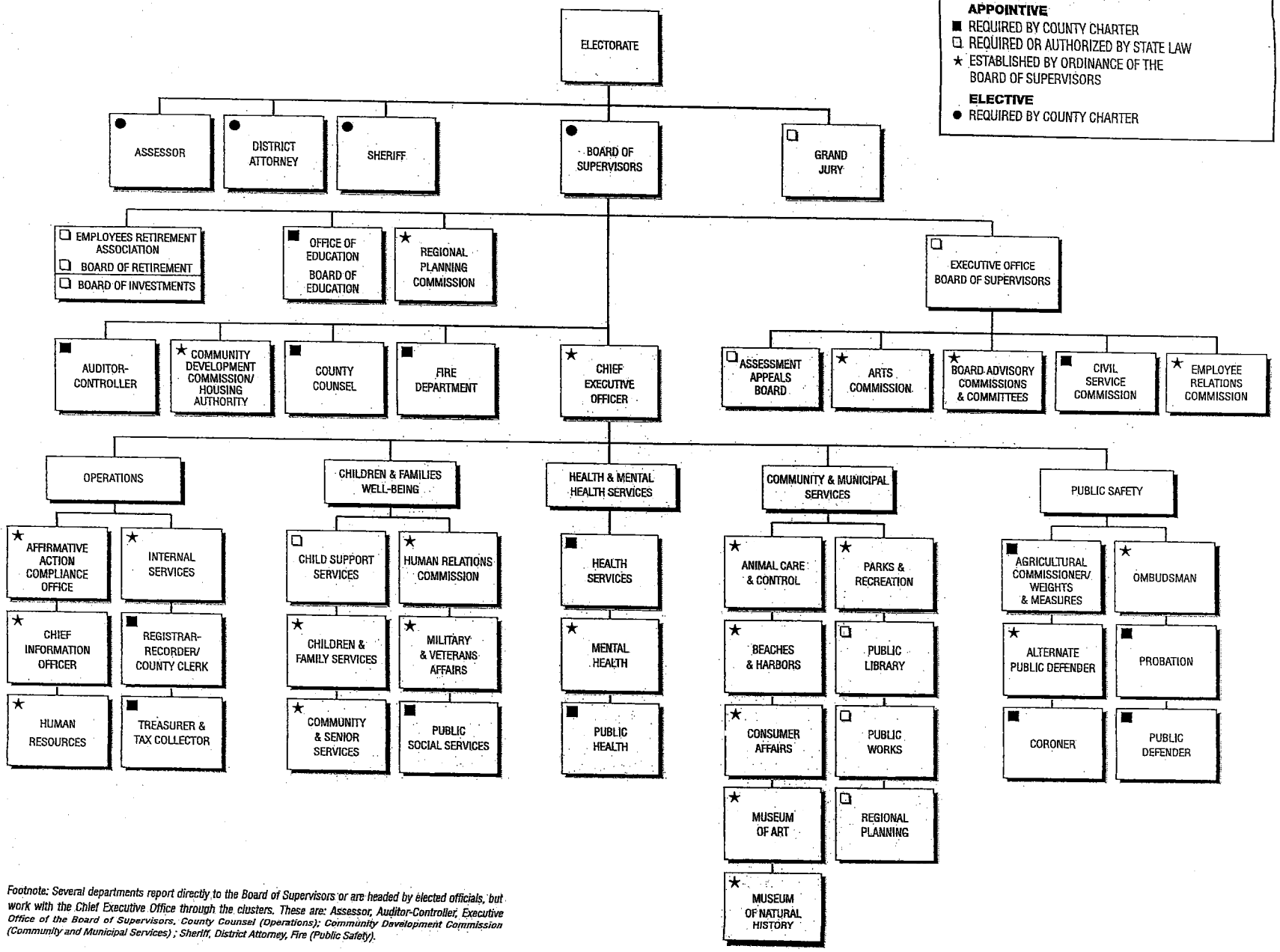
APPENDIX

FIGURE 1
FORMER DESIGN UNDER CAO
COUNTY OF LOS ANGELES



REV. 07/DLC

FIGURE 2
CURRENT DESIGN UNDER CEO
COUNTY OF LOS ANGELES



Footnote: Several departments report directly to the Board of Supervisors or are headed by elected officials, but work with the Chief Executive Office through the clusters. These are: Assessor, Auditor-Controller, Executive Office of the Board of Supervisors, County Counsel (Operations); Community Development Commission (Community and Municipal Services); Sheriff, District Attorney, Fire (Public Safety).

REV. 10/07LC

FIGURE 3
CLUSTER VIEW

County Department Goal Clusters

Operations *(Goal 3)*	Children and Families' Well-Being *(Goal 5)*	Health and Mental Health Services *(Goal 7)*	Community and Municipal Services *(Goal 6)*	Public Safety *(Goal 8)*
Assessor	• Child Support Services • Children and Family Services • Community and Senior Services • Human Relations Commission • Military and Veterans Affairs • Public Social Services	• Health Services • Mental Health • Public Health	Community Dev Commission	• Sheriff • District Attorney
• Auditor-Controller • County Counsel • Executive Office			• Animal Care and Control • Beaches and Harbor • Consumer Affairs • Museum of Art • Museum of Natural History • Parks and Recreation • Public Library • Public Works • Regional Planning	Fire
• Affirmative Action • CIO • Human Resources • ISD • Registrar-Recorder/ County Clerk • Treasurer and Tax Collector				• Ag Com/Wgts Measures • Alternate Public Defender • Coroner • Ombudsman • Probation • Public Defender • *Office of Public Safety*

Appointed Official

Elected Official or Commission

April 18, 2008

FIGURE 4a

BOARD MOTION

MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held March 13, 2007, the Board took the following action:

54

The following item was called up for consideration:

Ordinance for introduction amending the County Code, Title 2, adding Chapter 2.01 - Interim Governance Structure, to delegate to the Chief Administrative Officer additional responsibilities for the administration of the County, including the oversight, evaluation and recommendation for appointment and removal of specified Department Heads and County officers, and enact a non-interference clause applicable to individual Board members and their deputies.

Peter Baxter addressed the Board.

After lengthy discussion and consideration of various changes to the proposed ordinance, Supervisor Yaroslavsky made a motion that Section 2.01.070 - Sunset date of the proposed ordinance be modified to read:

2.01.070 – Sunset date.

The provisions of this chapter shall expire upon the certification of the results of the election at which a charter amendment that will make permanent a governance structure substantially similar to that set forth in this ordinance is presented to the voters.

Said motion was duly carried by the following vote: Ayes: Supervisors Molina, Burke, and Yaroslavsky; Noes: Supervisors Knabe and Antonovich.

(Continued on Page 2)

FIGURE 4b

BOARD MOTION CONT.

54 (Continued)

Supervisor Yaroslavsky made an additional motion that Subparagraphs A. and B. of Section 2.01.050 (Non-interference) of the proposed ordinance be consolidated, as follows:

> 2.01.050 – Non-interference.
>
> Except as otherwise provided in this chapter, the Board of Supervisors, as the governing board of the County, retains full authority to take any and all official action for the governance of the County. However, no individual member of the Board of Supervisors, nor any deputy or assistant to any member of the Board of Supervisors, shall give orders to or instruct any county officer or employee.

Supervisor Knabe made a suggestion to amend Supervisor Yaroslavsky's motion to read as follows:

> 2.01.050 – Non-intrusion
>
> Except as otherwise provided in this chapter, the Board of Supervisors, as governing Board of the County, retains full authority to take any and all official action for the governance of the County. However, no individual member of the Board of Supervisors, nor any deputy or assistant to any member of the Board of Supervisors, shall give orders to or instruct any County officer or employee, but may seek information and/or assistance from County officers and employees.

On motion of Supervisor Knabe, seconded by Supervisor Yaroslavsky, Supervisor Yaroslavsky's motion, as amended, was unanimously carried.

On motion of Supervisor Molina, seconded by Supervisor Burke, unanimously carried, the Board directed the Citizens Economy and Efficiency Commission to review the implementation of the plan and the effectiveness of the ordinance and report back to the Board within 6 months of initiating this evaluation.

(Continued on Page 3)

FIGURE 5

BOARD CHIEF DEPUTIES QUESTIONNAIRE

1. Has the reorganization affected your office's ability to respond to constituent service requests?

2. Are Departments responding to office requests as effectively and promptly as they did previously?

3. Has your office, and your supervisor, been able to focus more attention on policy issues now that the Board no longer manages Departments directly?

4. From your perspective, are Department managers receiving clearer direction? Are they better aligning their Department goals with overall County goals?

5. Are the Departments in the right clusters?

6. Have the clusters, and the Deputy CEO's, helped facilitate inter-departmental collaborations and "out of the box" perspectives?

7. Are things better now?

8. What should be tweaked?

9. Are you satisfied that Board offices will have adequate input on budget development and Department head performance appraisals?

10. Are other Board offices respecting the new boundaries? Do you think the boundaries are clear?

FIGURE 6

CEO QUESTIONNAIRE

1. Are you comfortable that you're really in charge? Have individual Departments tried to "back-door" you? Has the Board been supportive of your authority?

2. Do you believe Departments are responding as promptly and effectively to constituent service requests as they did previously?

3. Are the clusters, and Deputy CEO's, truly facilitating inter-departmental collaborations and resolving conflicts? Can you provide a few examples?

4. Are Board offices respecting the new boundaries? Do you think the boundaries are clear?

5. Has the Board been able to "let go"? Are they using the time saved productively; have they really been able to focus more effectively on policy issues?

6. Has the reorganization helped Departments focus more effectively on County goals as opposed to Departmental goals?

7. Do you think things are better now?

8. What should be tweaked?

FIGURE 7

DCEO QUESTIONNAIRE

1. What do you see as your role? Are you responsible for managing your Departments or coordinating them? How do you think your Dept. Managers see your role?

2. Do you think you are adding value to the process? How do you think your Dept Managers view your contribution?

3. Has the new structure slowed down things that used to be routine processes? Do Depts. Have enough authority and autonomy to conduct regular business efficiently?

4. Has the new structure enabled and enhanced planning to share information across Departments by way of better integrated IT systems (such as sharing patient, dependent or custodial information across Departments?

5. Have individual Departments tried to "back-door" you? Has the Board been supportive of your authority?

6. Do you believe Departments are responding as promptly and effectively to constituent service requests as they did previously?

7. Are the clusters, and Deputy CEO's, truly facilitating inter-departmental collaborations and resolving conflicts? Can you provide a few examples?

8. Are Board offices respecting the new boundaries? Do you think the boundaries are clear?

9. Has the Board been able to "let go"? Are they using the time saved productively; have they really been able to focus more effectively on policy issues?

10. Has the reorganization helped Departments focus more effectively on County goals as opposed to Departmental goals?

11. Do you think things are better now?

12. What should be tweaked?

FIGURE 8

DEPARTMENT HEAD QUESTIONNAIRE

1. How has the reorganization affected you and your ability to do your job?

2. Do you believe you now get clearer or more consistent direction?

3. What are your key goals for this year? How do they relate to the County's goals? Have your goals changed because of the reorganization?

4. Has your relationship with Board offices or the Supervisors personally, changed?

5. Do you believe Board offices are pleased with your Department's ability to respond to constituent service requests?

6. Has the CEO or your cluster Deputy helped resolve inter-departmental issues?

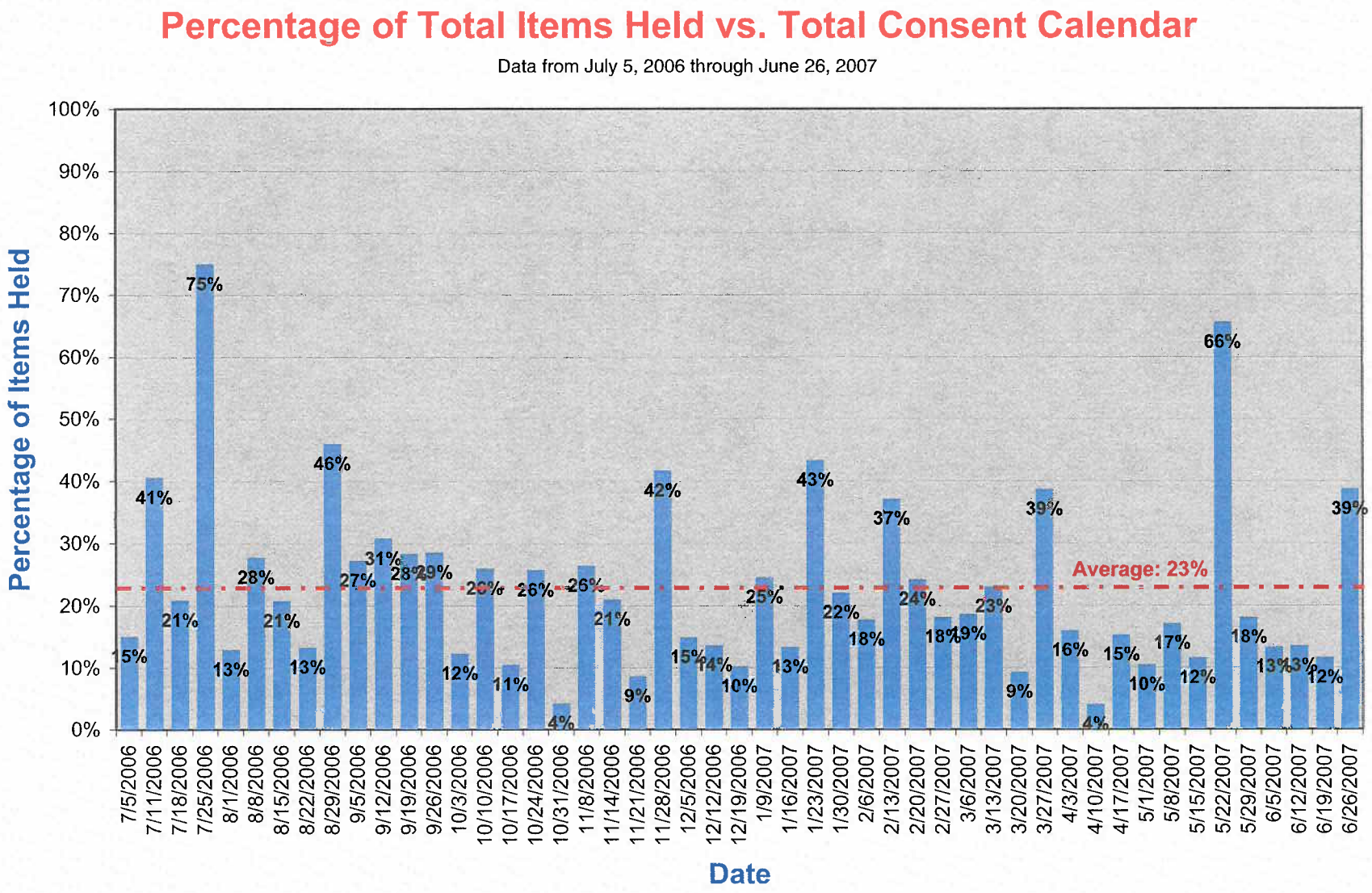
7. Has the reorganization moved Departments to focus more on County goals as opposed to Departmental goals?

8. Are Board offices respecting the new boundaries? Do you think the boundaries are clear?

9. Are things better now?

10. What should be tweaked?

FIGURE 9


Percentage of Total Items Held vs. Total Consent Calendar
Data from July 5, 2006 through June 26, 2007
Percentage of Items Held
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Average: 23%
Date
7/5/2006
7/11/2006
7/18/2006
7/25/2006
8/1/2006
8/8/2006
8/15/2006
8/22/2006
8/29/2006
9/5/2006
9/12/2006
9/19/2006
9/26/2006
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3/20/2007
3/27/2007
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4/10/2007
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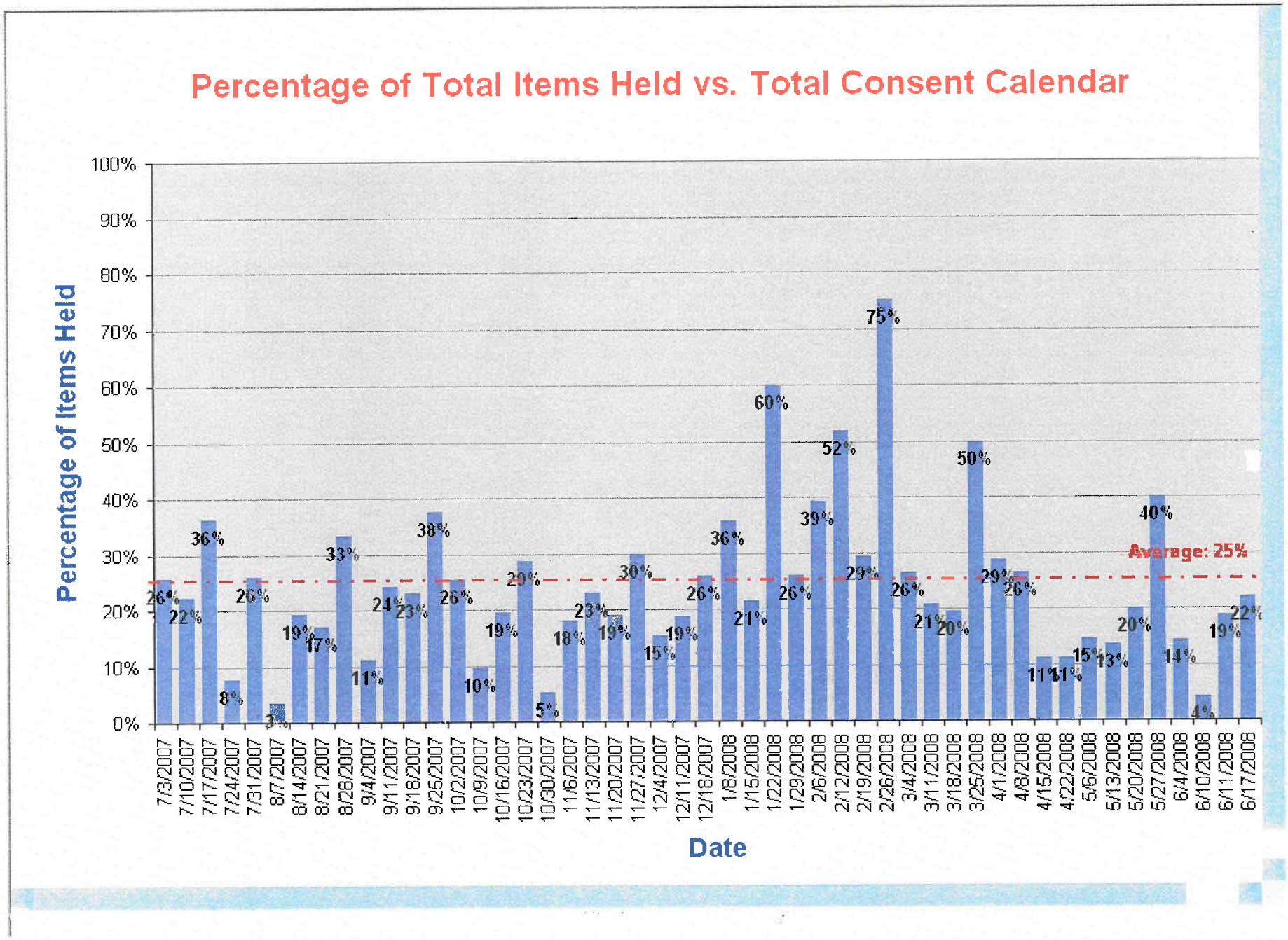
6/26/2007

FIGURE 10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50%
40%
30%
20%
10%
0%
Average: 25%
26%
22%
36%
8%
26%
3%
19%
17%
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6/17/2008
Date