



County of Orange
C a l i f o r n i a

James D. Ruth
Interim
County Executive Officer

August 4, 2003

Carlos N. Olvera, Foreman
FY 02/03 Grand Jury
Superior Court of California
700 Civic Center Drive West
Santa Ana, CA 92702

Subject: Response to Orange County Grand Jury Report, "Orange
County Government – In Transition"

Dear Mr. Olvera:

Per your request, and in accordance with Penal Code 993, enclosed please find the County of Orange response to the subject report as approved by the Board of Supervisors. If you have any questions, please contact Frank Kim at the County Executive Office who will either assist you or direct you to the appropriate individual.

Respectfully,

James D. Ruth, Interim County Executive Officer

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RESPONSE TO THE ORANGE COUNTY GRAND JURY REPORT ON ORANGE COUNTY GOVERNMENT – IN TRANSITION

FINDINGS

1. The selection of a new Orange County CEO with proven executive leadership experience is key to successful management of the Orange County government.

Response: Agree with the finding

2. The County Executive Officer has too many department managers reporting directly to the office to manage Orange County efficiently and effectively. In turn some of these department managers have but one direct report, excluding staff positions.

Response: Agree with the finding

3. OC department and agency organization charts and information appearing in different reports and on the County web site are inconsistent and do not always reflect the Orange County government organization as it is operating.

Response: Agree with the finding

Explanation: While this finding is agreed with, it is important to understand that the County is a dynamic organization as is any other multi-billion dollar corporation, and, therefore, organizational changes may occur during any given year that render, for the time being, an organizational chart obsolete. Furthermore, it must also be understood that organizational charts are prepared for different purposes, and, therefore, some may not contain the same level of detail or may be structured to reflect different messages such as specific services, service categories, budget, reporting relationships, etc. In addition, the inaccuracies in any given organization chart are corrected at the beginning of each year when the department prepares its business plan and budget for the following fiscal year. It is probably impossible to ever have a published organization chart that at every moment during a given year reflects the exact overall structure of county government. As the Grand Jury Report title states: Orange County Government – “In Transition”, is indicative of the fact that the Grand Jury acknowledges that County Government is dynamic and ever changing, and for that reason alone will always have the potential to render organization charts out of date at a particular time. However, having said the foregoing, the County will try to standardize the “format” of organization charts to the extent that is possible within the context of the message that is intended to be delivered through those particular organization charts.

4. Organization charts are not uniform or consistent from department to department nor are they signed, dated and approved by the CEO, BOS or the appropriate managers in authority, nor are they regularly maintained with an up-to-date status.

Response: Agree with the finding.

Explanation: See comment contained in Response to Finding 3 above.

RECOMMENDATIONS

1. The Board of Supervisors authorizes a management consultant team to ascertain a more efficient way to organize Orange County government and consider the following: (Finding 1-4)

Response: The Recommendation will not be implemented because it is not warranted or is not reasonable.

Explanation: Following the County's bankruptcy the County went through and is still going through reorganization. Large Agencies were broken up into several agencies and some of the County functions were decentralized for purposes of expediting services to the public. Rather than spending the hundreds of thousands of dollars that such a study would cost the County, especially at a time when the County is facing the State balancing its budget problems on the backs of counties, and, therefore, being required to cut essential public services, the money it would cost for such a study can better be used to provide those essential services. Furthermore, the County leadership is constantly looking for more efficient ways to function, and periodically does employ the services of outside consultants to assist in recommending organizational adjustments, and will continue to do so.

2. Hiring a CEO with experience as a city manager of a large city or county government with or without private sector executive management experience. That person should be able to delegate authority, properly motivate personnel, and relate to key political interfaces at county and state level. (Finding 1)

Response: The Recommendation has not yet been implemented, but will be implemented in the future.

Explanation: It is certainly agreed that a person with a good understanding of "government" whether city or county is important, and that the person selected should be able to delegate authority, properly motivate personnel, and relate to key political interfaces at not only the state and county level, but at the federal level as well.

3. The CEO organization's direct reports need to be reduced from the current number to no more than six or eight. (Finding 2)

Response: The recommendation requires further analysis.

Explanation: While it is agreed that the span of control within the CEO's office may be too large, at least in comparison to other counties, it is not a given that the number of direct reports as is set forth in the Grand Jury Recommendation ("no more than six or eight") is reasonable. However, this matter has already been under consideration by the Board and the interim CEO, and some adjustments are being considered at this time for implementation in the future. A report with recommendations will be submitted to the Board within the next 30 days. However, the Board may wish to delay any adjustments until a new County Executive Officer has been hired and receive his/her input on this matter prior to implementing any changes.

4. The County government organization needs to be realigned so that executive managers at all levels have more than one, but no more than six to eight direct reports. (Finding 3)

Response: This recommendation requires further analysis.

Explanation: Again, with reference to the response to Recommendation 3 above, it is not known that the Recommendation of the Grand Jury is reasonable, since the issue of span of control is not a one size fits all matter. The reporting relationship to an executive manager is certainly one factor to consider, however, there is also the other responsibilities of a particular executive manager that must be taken into account. While it is agreed that the span of control is an important factor and needs to be addressed, further study will be made of this issue, and a report will be submitted to the Board within the six month time period from the CEO's receipt of the Grand Jury Report.

5. Prepare all Organization charts in a consistent manner (to a county standard configuration) from department to department and have them approved and dated by the BOS, CEO or elected official to maintain control of the organization. (Finding 3)

Response: The Recommendation will be implemented.

Explanation: The Recommendation has not yet been implemented, but will be implemented during the next business plan and budget cycle.

6. Designate someone within the CEO staff to maintain a set of organizational charts and personnel assignments and clarify roles and responsibilities, *as approved* by the BOS for all county departments, agencies and elected officials. (Finding 4)

Response: The Recommendation has been implemented to the extent possible.

Explanation: CEO Human Resources currently maintains the classification system which identifies personnel assignments including roles and responsibilities, all of which is a part of the Board of Supervisors approved Personnel and Salary Resolution (PSR). CEO Strategic and Intergovernmental Affairs will be responsible to coordinate the formatting of County organization charts for those departments that have a CEO or Board appointed department head. Departments with an elected department head have the right to control their own operations and how they will convey that message through their organization charts to the public. In regards to “clarifying roles and responsibilities as approved by the Board of Supervisors”, the County Executive Officer oversees this function. As far as the Board of Supervisors determining the “roles and responsibilities” of “elected officials”, the Grand Jury should know that “elected officials”, are somewhat autonomous, and their particular roles and responsibilities are established by law. The public (voters) and the State Attorney General oversee their compliance with their legal roles and responsibilities. In the past, even the Grand Jury has reviewed the performance of some of these elected department heads.