

August 16, 2005

Honorable Terrence R. Boren  
Presiding Judge  
Marin County Superior Court  
3501 Civic Center Drive  
San Rafael, CA 94903

Dear Judge Boren:

Forwarded herewith is the Board of Supervisors' response to the 2004-05 Grand Jury Report "*Looking Between the Lines' A Review of the County's Budgeting Processes.*" The Board of Supervisors' response addresses all Findings and Recommendations for which a response was requested from the Board of Supervisors.

Respectfully submitted,

Hal Brown  
President, Board of Supervisors

cc: Civil Grand Jury

August 16, 2005

Board of Supervisors  
Marin County Civic Center  
3501 Civic Center Drive  
San Rafael, California 94903

**SUBJECT:** Response to 2004 - 2005 Grand Jury Report "*Looking Between the Lines' A Review of the County's Budgeting Processes.*" (May 23, 2005)

Dear Board Members:

**RECOMMENDATION:** Concur in and adopt the attached proposed response to the 2004-2005 Grand Jury report on the County's budget process and Managing for Results program and authorize the Board President to forward the response to the Presiding Judge of the Marin County Superior Court.

**SUMMARY:** The 2004-2005 Civil Grand Jury published a report on May 23, 2005, entitled "*Looking Between the Lines' A Review of the County's Budgeting Processes.*" The report included a request for response from your Board. Attached for your consideration, in accordance with §933 of the California Penal Code, is a proposed response. A copy of the Grand Jury report is also attached for your information.

**FISCAL IMPACT:** None.

**ALTERNATIVE:** The Board may amend any suggested response.

**REVIEWED BY:**

<input checked="" type="checkbox"/>	County Counsel	<input type="checkbox"/>	N/A
<input checked="" type="checkbox"/>	Human Resources	<input type="checkbox"/>	N/A
<input type="checkbox"/>	Auditor-Controller	<input checked="" type="checkbox"/>	N/A

Respectfully submitted,

Matthew H. Hymel  
County Administrator

cc: County Counsel

## RESPONSE TO GRAND JURY REPORT FORM

**Report Title:** 'Looking Between the Lines' A Review of the County's Budgeting Processes

**Report Date:** May 9, 2005

**Response by:** Marin County Board of Supervisors

### FINDINGS

- We agree with the finding numbered: F6.
- We disagree wholly or partially with the findings numbered: F1, F2, F3, F4, and F5.

### RECOMMENDATIONS

- Recommendation numbered R1 has been implemented.
- Recommendations numbered R2, R4 and R6 have not yet been implemented, but will be implemented in the future.
- Recommendation numbered R3 will not be implemented because it is not warranted or is not reasonable.
- Recommendation numbered R5 requires further analysis.

(Explanations attached.)

Date: \_\_\_\_\_ Signed: \_\_\_\_\_

Number of pages attached 4

Response Form

Revised 3/28/02

## MARIN COUNTY BOARD OF SUPERVISORS

Response to Findings and Recommendations from Grand Jury Report  
*'Looking Between the Lines' A Review of the County's Budgeting Processes, May 23, 2005*

### FINDINGS

**F1 Commitment to the "Managing for Results" program is inconsistent.**

Response: Disagree. The Board of Supervisors is firmly in support of the County's Managing for Results program. When the Board adopted the County's Strategic Plan in 2001, it made its position clear on this matter—performance management was one of four primary strategies included in the plan—and it has consistently communicated its support for the Managing for Results program. Although the Board is clearly committed to Managing for Results, we recognize that it will take time for all County managers and employees to fully commit to the program goals.

**F2. Timelines for implementation of "Managing for Results" are either non-existent or not spelled out.**

Response: Disagree. We have worked with the County Administrator's Office to implement Managing for Results as part of the County's budget process with a phased-in approach to ensure the long-term success of the program. In the County's annual budget instructions to departments, we have included specific timelines to achieve Managing for Results initiatives. We learned early on in our Strategic Plan implementation process that it is absolutely critical to involve managers and employees in organizational development programs so that they understand, develop and commit to the program goals. The program would not be successful if we were to simply mandate the implementation without giving managers and employees the opportunity to understand and to help develop a thoughtful program design.

The County has established and achieved specific milestones in the Managing for Results implementation process. For example, the County has achieved the following major steps toward achieving a well-functioning performance management program:

- development of departmental and programmatic performance plans
- initiation of a new department head evaluation process
- customer service training for front-line County staff
- completion of the County's first-ever resident survey to establish baseline data concerning resident satisfaction levels with County programs.

At this time, the County Administrator's Office is working diligently to implement the next steps in Managing for Results implementation, including the development of meaningful performance measures and implementation of a new Enterprise Resources Planning system. Next year's proposed budget will reflect this effort. Managing for Results is an ongoing program designed to bring about continuous improvement in program results. Undertaking too much, too fast would be unwise and would undoubtedly lead to program failure. We believe that our approach will ultimately lead to long-term success.

**F3. Performance measurements that would provide a yardstick for goal achievement are non-existent in the Service Areas reviewed:**

- a. **Performance indicators tend to measure volume and not performance-based on outcomes.**
- b. **There are no indications of the extent to which services reach the community.**
- c. **Performance indicators do not inform whether or not it makes sense for the County to be performing the services.**
- d. **There are no results-oriented performance indicators, nor are there any comparators.**

Response: Disagree partially. The Board does not agree that performance measurements are non-existent in our proposed County budget. We do, however, agree that we can improve the quality of the performance measures, including the use of comparators, in the future. Generally speaking, our current budget includes workload indicators that tend to measure volume of work achieved by program. Department narratives generally highlight departmental and programmatic accomplishments. Together, workload indicators and department narratives provide useful information for the Board of Supervisors and Marin County residents to gauge how the County is performing. We initiated the Managing for Result program because we recognize the potential benefits better quality performance measures can provide to the County and the public.

As the Grand Jury recognized in its report, we have taken steps to change our budget book to be more oriented toward goals and performance. For example, we included departmental performance plans in the most recent proposed budget (for FY 2005-06). In next year's proposed budget (for FY 2006-07), we will be introducing better quality performance measures.

Besides introducing performance plans this year, the County conducted the first community survey to begin to measure the community's program priorities and satisfaction level with County services. The survey results do give us an indication of the extent to which services are reaching the community and their effectiveness. We plan to conduct a community survey biannually. In addition, we plan to issue this fall the first-ever County Report to the Community outlining important program priorities and desired program results.

**F4. The County Administrator generally is not held accountable for program outcomes, even though he is responsible for budget preparation and control.**

Response: Disagree partially. The County Administrator is held accountable for implementing the Board's program priorities through our department head evaluation process. In addition, department heads are expected to achieve their department's program goals as well as cooperating with other County departments to achieve shared program goals or outcomes.

**F5. Establishing clear lines of authority and accountability is difficult.**

Response: Disagree. Department heads and County managers have the authority and are held accountable to achieve their respective program outcomes. Of course, the achievement of County goals and outcomes rely on interdepartmental cooperation. To the extent that program goals are clearly within one department's mission, the department head is held directly accountable. However, even in those circumstances, the department head depends on other departments to support their operations and to help them achieve their desired program results. For example, the Department of Public Works is clearly responsible for providing effective engineering services, but their ability to meet their

program goals may be dependent on Human Resources' ability to recruit competent engineers. To the extent that program goals are shared across multiple departments, our department head evaluation process makes it clear that the department heads are accountable to achieve the shared program goals. Increasingly, departments are joining together to cooperate on programs, such as has been demonstrated in the area of restorative justice programs such as the Mental Health Court and the Adult Drug Court.

**F6. The "Pay for Performance" goal may not be achievable.**

Response: Agree. Although the Board wants to recognize and reward outstanding performance and is evaluating this policy option, we acknowledge that it is difficult to effectively implement this type of program within the County's merit system employment framework.

## **RECOMMENDATIONS**

**The 2004-2005 Grand Jury recommends that:**

**R1. The Board of Supervisors define accountability for program outcomes.**

Response: Has been implemented. Through the County's budget process and department head evaluation process, the board has defined accountability for program outcomes. Through improved performance measurement within the Managing for Results program, the County will continue to improve accountability and program outcomes.

**R2. The "Management for Results" program have definite timelines for its implementation.**

Response: Will be implemented. Managing for Results program implementation, including establishment of timelines, is underway.

**R3. The Maximizing Performance Program be mandatory.**

Response: Will not be implemented because it is not warranted. We agree the Maximizing Performance Program is an excellent tool within the Managing for Results program. It should be utilized in a targeted manner for those departments and programs that are best suited to participate in this time-intensive and thorough organizational development effort.

**R4. Performance indicators be outcome based.**

Response: Will be implemented. Managing for Results is underway and will include performance measures and indicators that are based on outcomes.

**R5. The performance measures be compared to other counties and the private sector to find the best practices so the County can ensure "We are doing the right things well".**

Response: Requires further analysis. The use of comparators is certainly part of the long-term vision for the Managing for Results program. We have begun this effort by including a Community profile section in the proposed budget that includes statistical comparisons to other similarly situated counties. As we stated earlier, we intend to include better quality performance measures in the FY 2006-07 proposed budget. The timeframe for beginning

use of performance comparators with other counties or the private sector will be determined based on further analysis. If we determine that there are available comparators with the private sector that would be worthwhile in informing the Board and the public on making budgetary and programmatic decisions, we will consider including them along with county comparators.

**R6. Mechanisms be put in place so, when opportunities for improvement are identified, the improvements can be made in a timely manner.**

Response: Will be implemented. One of the main reasons the County is implementing Managing for Results and the new ERP system is to identify barriers to achieving desired program outcomes and to provide the system and business platform necessary to allocate available resources for improvements that contribute to the County's mission and program goals.