



Santa Cruz County
Grand Jury

Grand Jury <grandjury@scgrandjury.org>

FW: Data Driven Budgeting Response Packet

1 message

Grand Jury <Grand.Jury@santacruzcounty.us>

Wed, Aug 8, 2018 at 3:21 PM

To: "Grand Jury (grandjury@scgrandjury.org)" <grandjury@scgrandjury.org>

From: David Brown
Sent: Wednesday, August 8, 2018 3:21:43 PM (UTC-08:00) Pacific Time (US & Canada)
To: Grand Jury
Cc: John M. Gallagher
Subject: Data Driven Budgeting Response Packet

Hello Grand Jury (and Judge Gallagher),

Please find the County Administrative Office response to the fiscal year (FY) 17-18 Data Driven Budgeting report attached. A hard copy is being sent to the attention of Judge Gallagher per your request. Please contact me directly should have questions or concerns.

In appreciation,

Dave

David Brown

Senior Administrative Analyst

County Administrative Office

County of Santa Cruz

O: 454-3490

C: 227-1661



Data Driven Budgeting Response Packet CAO.pdf
420K



**The 2017–2018 Santa Cruz County Civil Grand Jury
Requests that the
Santa Cruz County Administrative Officer
Respond to the Findings and Recommendations
Specified in the Report Titled
Data-Driven Budgeting
New Ways To Get Better Results
by September 5, 2018**

When the response is complete, please

1. Email the completed Response Packet as a file attachment to grandjury@scgrandjury.org, and
2. Print and send a hard copy of the completed Response Packet to

The Honorable Judge John Gallagher
Santa Cruz Courthouse
701 Ocean St.
Santa Cruz, CA 95060

Instructions for Respondents

California law PC §933.05 (included [below](#)) requires the respondent to a Grand Jury report to comment on each finding and recommendation within a report. Explanations for disagreements and timeframes for further implementation or analysis must be provided. Please follow the format below when preparing the responses.

Response Format

1. For the Findings included in this Response Packet, select one of the following responses and provide the required additional information:
 - a. **AGREE** with the Finding, or
 - b. **PARTIALLY DISAGREE** with the Finding and specify the portion of the Finding that is disputed and include an explanation of the reasons therefor, or
 - c. **DISAGREE** with the Finding and provide an explanation of the reasons therefor.
2. For the Recommendations included in this Response Packet, select one of the following actions and provide the required additional information:
 - a. **HAS BEEN IMPLEMENTED**, with a summary regarding the implemented action, or
 - b. **HAS NOT YET BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE**, with a timeframe or expected date for implementation, or
 - c. **REQUIRES FURTHER ANALYSIS**, with an explanation and the scope and parameters of an analysis or study, and a timeframe for that analysis or study; this timeframe shall not exceed six months from the date of publication of the grand jury report, or
 - d. **WILL NOT BE IMPLEMENTED** because it is not warranted or is not reasonable, with an explanation therefor.

If you have questions about this response form, please contact the Grand Jury by calling 831-454-2099 or by sending an email to grandjury@scgrandjury.org.

Findings

F1. The County of Santa Cruz incremental budgeting document does not illustrate changes in the County’s understanding of the needs of its population.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

The budget is first and foremost a policy document. County policy is set by the Board of Supervisors and implemented by departments with parameters and controls established by the County Administrative Office. Policies change constantly based on community need, State and federal policies, and fiscal constraints.

The budget document begins with an extensive financial summary that addresses major changes and trends in the budget. At the department level, more detailed budget changes are highlighted with explanations and associated financial impacts. Furthermore, the County has made efforts to make it easier for the public to identify and understand changes by standardizing information across departments, including more trend charts and description of changes.

As departments prepare their budget requests, they recognize and understand the services required based on the needs expressed by the community. Departments use a variety of methods to assess service demands, such as surveys, data monitoring and planning processes. Lastly, a summary of community profile indicators is provided in the budget document in the Community Profile section (pages 27-33).

F2. The County of Santa Cruz incremental budgeting process fails to integrate data from all departments to enable policy makers to make strategic and responsive decisions for the community.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

The budget process integrates financial data from all departments, and the budget documents provides a financial summary and narrative for every department that highlights major programs, accomplishments and goals. Very little discretionary funding has been available during the recession and following years until FY 2016-17 when revenue growth exceeded expenditure growth for existing programs and services for the first time. This growth allowed the Board to consider funding some new programs. Several initiatives, including strategic planning, operational planning and performance measurement, will enable policy makers to better respond to the needs of the community.

F3. The County of Santa Cruz incremental budgeting process lacks sufficient data to inform residents about projected efficiency or effectiveness of spending in the County.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

The budget document does not currently include performance measures. However, most departments review data within programs and services to determine their budget request. Departments also provide a summary of accomplishments and goals, including explanations of variances by type of revenue or expense. For many programs, departments also prepare annual reports on spending and outcomes, which are reviewed by the Board for effectiveness.

F4. Few County departments collect and utilize performance data to develop budgets, resulting in the loss of historical program performance insights and an inability to participate in performance budgeting.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

An incremental budget process ensures that programs maintain historical insights. Many departments track workload indicators and program data to assist with budgeting and cost accounting through either a job ledger or a separate general ledger. A goal of the County is to integrate performance data in the budget process for all departments and provide a system to make this data better available to the public and policy makers.

F5. The County has not established standardized analytic online tools for departments to develop data-driven reports, which results in the County's inability to compare and contrast with internal and external agencies.

AGREE

PARTIALLY DISAGREE – explain the disputed portion

DISAGREE – explain why

Response explanation (required for a response other than **Agree**):

Major programs are tracked within the financial system in either a unique division or program key. For purposes of a clear, concise and readable budget document, details are summarized at the department, division or program level with the full financial details available online through an [interactive budget tool](#). The online tool is relatively new to the public, and more outreach and training is necessary to educate the public on its use and importance. Performance data for all departments will be formally integrated in the budget process and the budget document in the future.

Recommendations

R2. The County Administration Officer should pilot a performance data template in the next budgeting process using those departments that already report data to the State of California, federal government, and/or granting agencies. (F1-F4)

HAS BEEN IMPLEMENTED – summarize what has been done

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE – summarize what will be done and the timeframe

REQUIRES FURTHER ANALYSIS – explain scope and timeframe (not to exceed six months)

WILL NOT BE IMPLEMENTED – explain why

Response explanation, summary, and timeframe:

The County is currently implementing a Performance Measurement Pilot with the Parks and Probation departments. These pilot programs will feature public-facing dashboards that allow users to understand policy issues and assess department performance. These pilots will be included in the two-year budget document for FY 2019-20 and FY 2020-21.

R3. The County Administration Officer should enhance the comparative interactive budget tool over the next budgeting cycle to include existing performance data to inform policy makers, departments, and most importantly, County residents, of program and service results. (F2-F5)

HAS BEEN IMPLEMENTED – summarize what has been done

HAS NOT BEEN IMPLEMENTED BUT WILL BE IMPLEMENTED IN THE FUTURE – summarize what will be done and the timeframe

REQUIRES FURTHER ANALYSIS – explain scope and timeframe (not to exceed six months)

WILL NOT BE IMPLEMENTED – explain why

Response explanation, summary, and timeframe:

Currently, the financial and budgeting system does not include performance data. The online budget tool is limited to financial data. Additional public-facing financial dashboards can be developed to supplement the budget tool. The Performance Measurement Pilot will yield two department dashboards for the FY 2019-21 budget cycle, with remaining department dashboards rolled out over the following two to three years. The combination of these resources will provide the public and policy makers with better tools with which to make decisions.

Penal Code §933.05

1. For Purposes of subdivision (b) of §933, as to each Grand Jury finding, the responding person or entity shall indicate one of the following:
 - a. the respondent agrees with the finding,
 - b. the respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefor.
2. For purpose of subdivision (b) of §933, as to each Grand Jury recommendation, the responding person shall report one of the following actions:
 - a. the recommendation has been implemented, with a summary regarding the implemented action,
 - b. the recommendation has not yet been implemented but will be implemented in the future, with a timeframe for implementation,
 - c. the recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This timeframe shall not exceed six months from the date of the publication of the Grand Jury report, or
 - d. the recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefor.
3. However, if a finding or recommendation of the Grand Jury addresses budgetary or personnel matters of a County department headed by an elected officer, both the department head and the Board of Supervisors shall respond if requested by the Grand Jury, but the response of the Board of Supervisors shall address only those budgetary or personnel matters over which it has some decision-making authority. The response of the elected department head shall address all aspects of the findings or recommendations affecting his or her department.
4. A Grand Jury may request a subject person or entity to come before the Grand Jury for the purpose of reading and discussing the findings of the Grand Jury report that relates to that person or entity in order to verify the accuracy of the findings prior to their release.
5. During an investigation, the Grand Jury shall meet with the subject of that investigation regarding that investigation unless the court, either on its own determination or upon request of the foreperson of the Grand Jury, determines that such a meeting would be detrimental.
6. A Grand Jury shall provide to the affected agency a copy of the portion of the Grand Jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. **No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.**