

**REPORT ON THE ECONOMY &  
EFFICIENCY COMMISSION**

**May 1976**

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Los Angeles County  
Economy and Efficiency Commission

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The Los Angeles County Economy and Efficiency Commission was created by resolution of the Board of Supervisors in June, 1964. In August, 1975, the Board adopted an ordinance continuing the commission and specifying in detail its duties, method of operation and qualifications of its members. The commission is composed of 21 members, who serve without compensation of any kind. Chairman of the commission is Dr. Robert J. Downey.

I. Commission Operation

The commission serves in an advisory capacity to the Board of Supervisors. It is charged with the responsibility to examine any operation of County government, at the request of the Board or on its own initiative, and submit recommendations to the Board directed toward improving government economy, efficiency and effectiveness.

The County furnishes an office and the services of a full-time executive secretary, a staff specialist, and a secretary. To assist it in its studies, the commission has called on experts in the industrial, professional and consulting fields who have been loaned by their respective companies without cost to the County. The commission has also had invaluable assistance from many County officials both in the conduct of its studies and in the preparation of its reports.

II. Commission Reports and Recommendations

During its tenure the commission has conducted 35 major studies. The resulting reports contained a total of 173 recommendations. Of these, the

Board has approved 152, generally after conducting a public hearing. To date, 126 have been implemented, or are in the process of being implemented. These include five County Charter amendments.

For various reasons, 27 approved recommendations have not been implemented. In some instances, the County has taken no action. In one case, the authorization to act has been blocked in the State Legislature. In another case, the Board of Supervisors approved the recommendations in County Proposition B, but it was defeated by the voters in the 1970 general election.

### III. Commission Reports and County Action

In this section we summarize briefly the contents of each of the commission's major reports and add a comment on the action taken regarding them.

#### 1. Productivity in County Departments - October 19, 1965

Contains four recommendations covering the formation of a management audit and work measurement function to be established in the Chief Administrative Office.

Comment - Adopted. Since creation of the function in November, 1965, the unit has conducted 48 audits and studies of County departments and programs. According to a report by the Chief Administrative Office in April, 1976, the work measurement program has eliminated 2953 budgeted positions at an annual savings of \$36 million, when salaries and benefits are included, and cumulative savings of \$161 million.

#### 2. Report on Civil Service Operations - May 24, 1966

A critical report of practices and procedures in the civil service system. Recommends eight major changes to eliminate red tape and expedite recruitment, examination, and promotion procedures.

Comment - Adopted. Almost all proposed changes have been implemented. Personnel in other departments report a marked improvement in recruitment, examination and classification procedures.

3. Organization Planning in County Government - May 31, 1966

A comprehensive survey of organizational problems in County government, emphasizing in particular the multiplicity of departments (over 50) and advisory commissions and committees (over 70) reporting to the Board of Supervisors. Recommends the establishment of an organization planning function in the Chief Administrative Office to systematize and formalize short and long-range planning.

Comment - The Board took no action on the recommendations. The County still lacks an effective organization planning program.

However, two charter amendments sponsored by the commission - one dividing the Charities Department into the Departments of Hospitals, Adoptions, and Public Social Services, the other giving the Board greater authority to consolidate or separate departments - were approved by the voters in the 1966 general election.

4. County Personnel Organization and Administration - July 26, 1966

Proposes a charter amendment to consolidate all personnel functions in one department under a Director of Personnel. Also proposes establishment of a collective bargaining system in the County providing for the negotiation between management and unions of agreements on wages, hours, and other terms and conditions of employment.

Comment - Adopted. The voters approved the amendment in the 1966 general election. Rules and regulations governing the collective bargaining system are administered by an Employee Relations Commission of three members under the provisions of an Employee Relations Ordinance, adopted by the Board in 1968. The County now has 50 bargaining units represented by 13 unions, who negotiated annually with County management.

5. County Compensation Policies and Practices - August 31, 1966

Contains 14 recommendations proposing a major overhaul of compensation policies and practices, including changing the method of paying craft workers and employing an outside consultant to conduct a study of compensation for jobs existing primarily in government.

Comment - This report was based upon a study conducted by a special industry committee organized by the E & K Commission and composed of personnel officials from eleven major companies in the area.

The Board rejected the recommendation to change the manner of setting wage rates for craft jobs based on comparable jobs in private industry but approved most of the other recommendations.

6. Executive Compensation - April 5, 1967

Requests the Board to authorize a contract with an outside consulting firm to develop a systematic executive compensation plan.

Comment - Adopted. The consultant, Theodore Barry and Associates, was hired, conducted the study and presented his recommendations to the Board of Supervisors in December, 1967. The Board rejected the recommendations and referred the consultant's report to the E & E Commission for further study. See Report No. 8.

7. Consolidation of Sheriff-Marshal Bailiff and Civil Process Functions in Los Angeles County - September, 1967

Recommends that the Board take all necessary action to secure State legislation that will enable the County to consolidate the Marshal's department under the Sheriff. The report estimates that the consolidation would result in a reduction of 110 positions and annual savings of \$1.5 million.

Comment - The study was requested by the Board of Supervisors following criticism by the Grand Jury of the duplication between the Marshal and the Sheriff. The Board unanimously approved the recommendation, but legislation enabling the consolidation has been continually blocked in the State Legislature.

8. Executive Compensation in Los Angeles County Government - May, 1968

Recommends revised salary schedules for 45 department heads and 330 other top executives based upon an evaluation of the position and salary data for comparable positions in both the public and private sectors.

Comment - Adopted. The relative ranking of executives still follows in general the pattern recommended by the commission.

9. Los Angeles County Architectural Services - March, 1969

Contains 14 recommendations covering establishment of an Architectural Evaluation Board (AEB) to evaluate and recommend architects for County projects. The report recommends detailed procedures for systematic and professional evaluation, including performance reporting.

Comment - Adopted. Currently the County has over 200 architectural and engineering firms evaluated and listed according to size, experience and capabilities. Every architect or engineer now appointed by the Board of Supervisors is selected from a list certified by the Architectural Evaluation Board as qualified for the particular project.

10. Study of the Los Angeles County Charter - July, 1970

Recommends that the Board place a charter amendment on the ballot to establish the position of a strong chief executive appointed by the Board of Supervisors. The chief executive would have broad authority to manage and control County operations, including the authority to appoint and discharge department heads.

Also recommends that the Board place a charter amendment on the ballot to allow the voters to decide whether the Board of Supervisors should be increased to seven members.

Comment - In July, 1969, the Board of Supervisors requested the commission to conduct a study of the County Charter. The commission held twelve public meetings and heard 27 different speakers, including experts in local government and representatives of taxpayer associations, unions, and community groups.

The Board voted 4-1 to place the chief executive proposal on the ballot in the 1970 general election. Despite endorsement by the Chamber of Commerce, the California Taxpayers Association, the Property Owners Tax Association of California, the 1970 Grand Jury and most of the major newspapers and radio and television stations<sup>1</sup> the voters rejected the measure by a 54% vote.

The commission was divided on the question of increasing the membership of the Board of Supervisors. However, it was unanimous in recommending that the question be submitted to the voters. The Board voted 3-2 against the recommendation.

11. Consolidation of County Departments and Centralization of the Public Information Function - May 21, 1971

Recommends that the County proceed immediately with the consolidation of hospital and health services into a single department. Recommends that the Board take every opportunity to publicize the failure of the State Legislature to pass enabling legislation to permit consolidation of the Marshal's office under the Sheriff. The report estimates that the Marshal-Sheriff consolidation would now save the County at least \$2 million annually.

Also recommends consolidation of public information personnel under the Chief Administrative Officer and the establishment of a long-range organization plan for the County with clearly defined objectives.

Comment - The Health Services Department, including veterinary Service<sup>8</sup>, was established in September, 1972. No further legislative action has occurred on the Marshal-Sheriff consolidation. Most public information personnel have been centralized in the Chief Administrative Office. No action has been taken on establishing a formal organization planning function.

12. Report on the Department of Public Administrator-Public Guardian February 14, 1972

Recommends formation of a permanent Policy and Management Commission to advise the Board of Supervisors and the Public Administrator-Public Guardian on appropriate policies and procedures for the department. The commission would consist of five members chosen from related professions and the Public Administrator-Public Guardian serving as a sixth member without vote.

Comment - Adopted. The report was prepared in response to a request by the Board of Supervisors to review a report prepared by a task force of County employees which revealed a long series of problems in the department.

13. Fire Protection Services in Los Angeles County - June, 1972

Reviews in detail the serious deficiencies in the overall system of providing fire protection services in Los Angeles County. At that time the

system consisted of 43 separate fire departments, many of which employed no more than 30 to 40 firemen. Recommends that cities which operate their own departments examine closely other alternatives which offer a significant potential for reducing costs and improving' the quality of fire protection service. The three principal alternatives recommended are: (1) inter-city consolidation through a joint powers authority, (2) contracting for service from another city, and (3) annexation to the Consolidated Fire Protection District.

Comment - The Board approved the report for distribution to all cities in the County operating fire departments. The League of California Cities called the report "without doubt one of the most significant studies of fire protection problems in metropolitan areas ever written." Although a number of cities have conducted studies on possible consolidations through joint powers, no mergers have been effected. On the other hand, three cities - South Gate, Claremont, and Whittier - discontinued their separate fire departments in 1975 and joined the Consolidated Fire Protection District. Four other cities are currently considering this decision.

14. Proposed Charter Amendments - August 9, 1972

Proposes that the Board place a charter amendment on the November ballot which would allow the County to hold open competitive examinations for department heads and chief deputies or principal assistants. The Charter at that time excluded outsiders from consideration if three or more County employees satisfied the qualifications for the position.

Comment - Adopted. The voters approved the amendment by a 75% vote. Since that time, 21 department heads have been appointed and 24 chief deputies or principal assistants. Of this number 11 department heads were appointed from outside the County and 6 chief deputies or principal assistants.

15. Management of Construction Projects in Los Angeles County Government - September, 1972

Contains 18 separate recommendations. The first covers the establishment of a consolidated facilities department to concentrate under one head all major functions involved in the planning, design, construction, and maintenance

of County facilities. A second recommendation proposes the establishment of a centralized project management office which would be responsible for coordinating the planning, programming, design, construction, and evaluation of facility projects from beginning to end. The other 16 recommendations are designed to provide effective Systems support to these two major proposals for reorganization.

The report estimates that the proposed program will reduce by one year the average time for the County to acquire a facility. This would produce a savings of approximately \$5 million annually.

Comment - Adopted. Because of serious problems and delays in the County construction program, the Board of Supervisors requested the commission to study the entire program and recommend improvements. The Los Angeles Technical Services Corporation provided technical assistance on this study under a contract with the County. The Facilities Department became fully operational in March, 1974. See Item 34 for a commission report on the progress of the department.

16. Chief Administrative Officer's Recommended Construction Improvements Program - November 24, 1972

Reviews the Chief Administrative Officer's plans, as requested by the Board, to implement the commission's report on construction projects. The report supports the Chief Administrative Officer's program.

Comment - Adopted. In June, 1973, after required State legislation was passed, the Board of Supervisors established the Facilities Acquisition and Management Department, as noted in Item 15 above.

17. Design and Construction of the Criminal Courts Building - January 9, 1973

Reviews serious problems in the design and construction of the Criminal Courts Building and recommends the creation of a Special Study Committee to analyze the problems and to recommend to the Board of Supervisors the sequence of priorities and the manner and cost of correcting them. The

committee would consist of representatives of the Superior and Municipal Courts, concerned County officials, the contractor, the architect, and the E & E Commission.

Comment - Adopted. The Board of Supervisors requested the study after receiving complaints by the Grand Jury and several judges of the Superior Court about faulty operation of the elevators and other unsatisfactory conditions in the recently constructed building.

In April, 1973, the committee submitted a report recommending over 20 additions and modifications to correct construction and design problems. This work has now been completed.

18. Charter Proposals for the 1973 Special Election - August 6, 1973

Recommends that the Board place two charter amendments on the ballot in the November, 1973, special election

1. To establish the position of an elected County Chief Executive,
2. To expand the Board of Supervisors to seven members.

The report presents the arguments for and against the two proposals but takes no position except to recommend that the voters be given the right to vote on both proposals.

Comment - The Board voted against placing either measure on the ballot by a 3-2 vote.

19. Civil Service and Collective Bargaining in Los Angeles County Government - December, 1973

Contains a detailed analysis of the problems involved in the civil service and collective bargaining systems and recommends major changes to correct them.

Recommends a charter amendment to combine the Civil Service and Employee Relations Commissions into a new commission of five members and to transfer authority to appoint the Director of personnel from the Civil Service Commission to the Board of Supervisors. Recommends a second charter amendment

to delete the prevailing wage clause from the County Charter. Recommends that the County define all positions which are considered to be management and establish a separate compensation plan for them.

Comment - In December, 1972, the Board of Supervisors requested that the commission "conduct a study of the duplication and conflict between the civil service system and the County's recently established collective bargaining system."

At a hearing in March, 1974, the Board voted against deletion of the prevailing wage clause and to continue consideration of the other recommendations for 60 days.

In May, on recommendation of the Chief Administrative Officer and the Director of Personnel, the Board approved a plan of action to establish a separate compensation plan for managers. A detailed plan including performance evaluation and incentive compensation is now under preparation for presentation to the Board of Supervisors in the near future.

At a public hearing in August the Board received and filed the other recommendations. Later, the Board voted to place the proposal for the appointment of the Personnel Director on the November, 1974, ballot. It was approved by the voters by a 54% vote. The Board has taken no further action on the proposal for a combined commission.

20. Appointment and Supervision of the Director of Regional Planning - March 12, 1974

Recommends that the authority to appoint and supervise the Director of Regional Planning be transferred from the Regional Planning Commission to the Board of Supervisors.

Comment - Adopted. In May, 1973, the Board of Supervisors requested the E & E Commission to conduct a study of boards and commissions which operate as department heads. This was the first report of the task force which the commission established to conduct the study. A previous report on the Civil Service Commission - one of the department head commissions - was included in the study of the civil service and collective bargaining systems. See Report No. 19.

21. Appointing Authority and Operating Responsibility of the Arboreta and Botanic Gardens and the Otis Art Institute - June 12, 1974

Contains six recommendations on the Arboreta and four on the Otis Art Institute. On the Arboreta the report recommends transfer of authority to appoint the Director from the Board of Governors to the Board of Supervisors. Also recommends clarifying the responsibilities of the Board of Governors and the Director, reducing membership of the Board from 25 to 15, and eliminating the \$25 stipend per meeting.

On the Otis Art Institute recommends that the present authority of The Board of Governors to appoint the Director continue without change. Also recommends clarification of the responsibilities of the Board of Governors and elimination of the \$10 stipend per meeting.

Comment - Adopted. This was the second report by the Task Force on Department Head Commissions.

22. County Chief Executive and Size of the Board of Supervisors - July, 1974

Recommends that the Board of Supervisors place proposals on the ballot in November and let the voters decide whether they want an appointed chief executive, an elected chief executive, or no change from the present system.

Also recommends that the proposal to increase the size of the Board to seven members be postponed until the chief executive question is resolved.

Comment - At a Board meeting in February, 1974, Supervisor Hahn proposed an amendment to the County Charter to establish the position of an elected County chief executive and to increase the size of the Board to seven members. At the same meeting Supervisor Schabarum proposed an amendment to establish the position of an appointed chief executive. The Board voted to continue its decision on these proposals until July. In the meantime it requested the Grand Jury and the E & E Commission to submit reports on these issues by that date.

The task force conducting the study and the full commission unanimously agreed that a single chief executive is critically needed in Los Angeles County government. However, both the task force and the commission were divided approximately evenly on whether the executive should be appointed or elected.

At a public hearing in August, 1974, the Board received and filed the report and took no action on the recommendation.

23. Special Investigative and Management Audit Agency - July 2, 1974

Recommends that a special investigative and management audit agency be established reporting directly to the Board of Supervisors. Contains five additional recommendations describing the basic structure of the agency, its responsibilities, and its manner of operation.

Comment - In June the Board requested the commission to report on two separate proposals by Supervisors Ward and Hayes to establish a special investigative and management audit agency. The supervisors were acting in response to the series of crises and problems which had erupted recently in Los Angeles County government.

On October 29, the Board voted 4-1 to establish the new unit, but with the difference that it report to the Chief Administrative Officer and operate under his direction rather than under the Board of Supervisors.

24. Operation of the Museum of Natural History - September 25, 1974

Recommends that the Board of Governors continue to appoint the Director, but subject to the approval of the Board of Supervisors. Also clarifies the responsibilities of the Board of Governors and the Director.

Comment - Adopted. This was the third report by the Task Force on Department Head Commissions.

25. Report on the Business License Commission - October, 1974

Contains six recommendations covering major changes in the operation of the Business License Commission. Recommends reducing the number of meetings required annually from a maximum of 104 to 36. This would be accomplished by transferring responsibility for routine license approvals to the License Division of the Treasurer-Tax Collector and by eliminating the responsibility of the Business License Commission to inspect hospitals. Also recommends reduction of

the commission stipend from \$100 a meeting to \$25. The report estimates the recommendations will result in annual savings of \$61,788, equal to 51.7% of the total 1974-75 budget of the Business License Commission.

Comment - Adopted with two changes. The Board voted to reduce the number of meetings to 52 rather than 36 and the stipend to \$50 rather than \$25. These changes will reduce the estimated savings to \$52,106 annually. This was the fourth report by the Task Force on Department Head Commissions.

In April, 1976, on recommendation of the Chief Administrative Officer, the Board restored the stipend of \$100 a meeting. The additional cost was offset by eliminating the position of Executive Officer to the Commission and transferring responsibility for all staff support to the Treasurer-Tax Collector.

26. Report on the Committee on Emergency Medical Care - February, 1975

Contains six recommendations reorganizing the committee and establishing by ordinance its composition, responsibilities, and principles of operation.

Comment - Adopted. In August, 1974, the Board of Supervisors requested the E & E Commission to conduct a study of all commissions and committees in County government and in December, 1974, asked the commission specifically to review proposals for strengthening the Committee on Emergency Medical Care.

27. Recommendations on the Authority of the Employee Relations Commission - April 1, 1975

Contains three recommendations designed to clarify the role and authority of the Employee Relations Commission in order to avoid conflict between County management and unions over the legal status of commission orders.

Comment - The Board did not act on the commission's recommendations. In June the Board approved a change in the Employee Relations Ordinance agreed to by County management and the unions. The change is different from that recommended by the E & E Commission. The commission chairman stated at the meeting that it did not resolve the problem.

28. Report on a Separate Auditor Department - April, 1975

Recommends (1) that the Audit Division remain in the department of the Auditor-Controller, and (2) that the Board of Supervisors request the Grand Jury to conduct audits of the Board offices, the Chief Administrative Office, and the Auditor-Controller at least once every three years.

Comment - In November, 1974, the Board requested the E & E Commission to report on a recommendation of the 1973 Grand Jury to establish the Audit Division of the Auditor-Controller as a separate department. The Board approved the first recommendation in November after continuing the decision for six months. It has not taken action on the second recommendation.

29. Request to Review Recommendations for Change in the Arboreta and Botanic Gardens Ordinance - May 20, 1975

Contains two recommendations covering changes in the ordinance governing the operation of the Arboreta. Recommends a change in the qualifications for members of the Board of Governors. Recommends against any other changes.

Comment - Adopted. The review was requested by the Board of Supervisors at the request of several members of the Board of Governors.

30. Establishment of Commissions and Committees in Los Angeles County Government - June, 1975

Recommends a new procedure whenever the Board initiates action to establish a commission or committee. The procedure requires the Board to request the Chief Administrative Office to prepare a report analyzing the need for the new group and whether it duplicates the work of other groups. Also recommends that each new commission or committee be established by an ordinance prescribing in detail its responsibilities, qualifications of members, and principles of operation.

Comment - Adopted. As noted in Item 26, the Board had requested the commission to study all commissions and committees in the County. There are over 100 such groups,

and consequently studying all of them is a complex and lengthy process. This report was designed to apply systematic control over the creation of new commissions and committees.

31. Report on the Paramedic Committee - August 1 1975

Recommends dissolution of the Paramedic Committee and its replacement by a new ordinance commission. The new commission would serve as a public review and arbitration board to settle controversies between the County and other agencies involving paramedic services. The report prescribes in detail the responsibilities, composition and operation of the commission.

Comment - Adopted. This was another in the series of reports requested by the Board on County commissions and committees.

32. Filling Vacant Elective Offices in Los Angeles County - November, 1975

Recommends against using special elections to fill vacant positions on the Board of Supervisors or in the other three elective County offices - Assessor, District Attorney, and Sheriff. Principal reasons are cost - \$4 to \$8 million for special County-wide elections; \$800,000 to \$1.6 million for supervisorial elections - and difficulties in scheduling such elections because of conflict with regular elections.

Recommends amendments to the appointment process in the charter (1) to provide that the Board fill vacancies on the Board or, failing to do so within 60 days, that the Governor make the appointment, and (2) that the Board fill vacancies in the other elective offices or, failing to do so within 60 days, the person holding the next highest position in the department will automatically assume the position.

Comment - The Board has continued a decision on the recommendations. Currently the Board is discussing the subject as it relates to the proposed charter amendment for an elected chief executive.

33. Report on Commissions and Committees Assigned to the Department of Public Social Services - November 21, 1975

Recommends that (1) the Commission to Review Public Social Services continue for one additional year, and (2) the Chief Administrative Office and the E & E Commission conduct a study in the interim to determine the most appropriate commission structure for the department.

Comment - Adopted. There is an overlap in the duties of the two commissions assigned to the Department of Public Social Services - the Public Social Services Commission and the Commission to Review Public Social Services. The Board requested the Chief Administrative Officer and the E & E Commission to conduct a study of this problem.

34. Report on the Department of Facilities - December, 1975

Reviews the progress of the department since its inception in 1974 on recommendation of the E & E Commission. Reports that the department has made substantial progress in planning and controlling the construction of County facilities and matching planned facilities' to needs. Savings of \$39.9 million have resulted from reprogramming or redesign of 11 major projects.

Comment - At the time the Board approved the recommendation to consolidate construction functions within a single department, it asked the E & E Commission to monitor progress of the new department.

35. The New York City Crisis and Los Angeles County Government: Organization, Employment and Compensation - May, 1976

States that Los Angeles County government is moving rapidly toward a serious fiscal crisis. Presents a history of the past ten years summarizing the increase in employment - 44,000 to 76,000 - and associated increase in expenditures - \$940 million to \$2.7 billion. Concludes that basic organizational reform is needed to reverse the trends of the past ten years and avert a fiscal crisis.

Contains three recommendations for Board action: (1) Delegate to the Chief Administrative Officer the direct supervision of seven administrative and service departments: Building Services, Communications, Data Processing, Facilities, Mechanical, Personnel, and purchasing. This authority includes appointing and dismissing the department heads, subject to approval of the Board. (2) Establish by ordinance a Compensation Review Committee to review annually the County's compensation recommendations. The Committee would consist of the CAO, the Auditor-Controller and three public members knowledgeable in salary and wage administration. (3) Delegate to the Chief Administrative Officer formal authority for organizational planning, development and control.

Comment - The report has just been released and has not yet been presented formally to the Board for action. The report is the first in a series which the commission plans to submit in response to the Board's request to review the causes of the financial crisis in New York City and make recommendations to prevent a similar crisis in Los Angeles County.