

Structural Deficit Workgroup Recommendations
SCDD Executive Committee
February 9, 2016

Issue: How to close a \$700,000 structural deficit in federal funding

History: On January 26, 2016, the SCDD Administrative Committee met, reviewed staff recommendations regarding bridging the structural deficit and made the following recommendations, which would save \$399,500 :

Recommendations:

- 1) Eliminate the vacant CPS II position in the Orange County Office**
Estimated Cost Savings - \$100,000
Rationale: 1) The position is currently vacant; 2) The Orange County Office has an over-allocation of CPS II personnel relative to other SCDD offices.
- 2) Eliminate the vacant CPS II position in the Bay Area Office**
Estimated Cost Savings - \$80,000
Rationale: 1) The position is currently vacant; 2) The Bay Area Office has an over-allocation of CPS II personnel relative to other SCDD offices.
- 3) Eliminate the MTARS Committee**
Estimated Cost Savings - \$6,000
Rationale: Given progress within the MTARS process, the MTARS Committee is no longer necessary.
- 4) Limit LPPC to 6 face-to-face meetings per year**
Estimated Cost Savings - \$20,000
Rationale: 1) 6 meetings per year should be sufficient, given the legislative cycle; 2) The Committee can meet more often by phone, if necessary.
- 5) Limit Employment-First Committee to statutorily-required members**
Estimated Cost Savings - \$12,000
Rationale: 1) Brings Committee in alignment with statute; 2) Committee can still consult with additional stakeholders, as necessary; 3) Smaller size will allow Committee to hold meetings at SCDD Headquarters instead of a hotel.
- 6) Limit Executive Committee to 5 face-to-face meetings per year**
Estimated Cost Savings - \$2,500
Rationale: 1) Committee only needs to meet every other month (between full Council meetings); 2) There is typically no need for Committee to meet in December, given the natural workflow.
- 7) Co-Locate SCDD Headquarters with the Sacramento Office**
Estimated Cost Savings - \$45,000
Rationale: Sharing common space will decrease overhead costs and increase efficiencies.

8) Eliminate the Legislative Specialist position at SCDD Headquarters

Estimated Cost Savings - \$82,000

Rationale: 1) Position is currently vacant; 2) Position was to be converted to a CPS II position. However, upon further review, the current CPS II distribution is sufficient.

9) Eliminate the OT position at the North State Office

Estimated Cost Savings - \$52,000

Rationale: 1) The position is currently vacant; 2) The OT at the North Coast Office can cover both regions, given the relatively low population sizes.

Total estimated cost savings - \$399,500

Staff Recommendation: Adopt the Administrative Committee recommendations above

Additionally, staff made the following recommendation:

Consolidate the Central Coast and Silicon Valley/Monterey Bay Regions into one region

Estimated Cost Savings - \$334,000

Rationale: 1) Central Coast Office is currently vacant. Therefore, there will be minimal staff impact; 2) This change will result in significant cost savings; 3) The Silicon Valley/Monterey Bay Office would still have a manageable population size (relative to other SCDD offices); 4) There are cultural similarities between the two regions.

The Administrative Committee asked that the Executive Committee consider this option along with other options that would allow for a continued presence in the southern part of the newly formed region.

Option 1:

Consolidate the Central Coast and Silicon Valley/Monterey Bay Regions into one region and have one office

Estimated Cost Savings - \$334,000

Rationale: 1) Central Coast Office is currently vacant. Therefore, there will be minimal staff impact; 2) This change will result in significant cost savings; 3) The Silicon Valley/Monterey Bay Office would still have a manageable population size (relative to other SCDD offices); 4) There are cultural similarities between the two regions; 5) this would have the same office and staff structure of regions with large geographic areas and populations

Option 2:

Consolidate the Central Coast and Silicon Valley/Monterey Bay Regions into one region and maintain a physical presence in both the north and south part of the counties

Estimated Cost Savings - \$202,304

Pros: 1) A logical consolidation given the culture of the areas; 2) Allows for a physical presence and one staff person in an area of California that has long had physical presence and staff

Cons: 1) Additional \$98,000 in cost savings need to be identified to close structural deficit; 2) Would create unequal resources in that regions of the same large geographic and population size that only have one office and a standard compliment of staff

Possible solutions for additional savings:

Consolidate the North Coast and North State Office into one region and maintain a physical presence in both regions

Estimated Cost Savings - \$83,000

Pros: 1) Creates additional savings; 2) Combines two regions with low populations; 3) Less impact on staff than other consolidations

Cons: 1) Cost savings only come from one salary savings by eliminating the manager (the OT was scored in a recommendation adopted by the Administrative Committee); 2) Result in laying off of a Manager; 3) Would require additional cost savings

Consolidate the North Bay and Sacramento Regions into one region and maintain a physical presence in both regions

Estimated Cost Savings - \$135,000

Pros: 1) Cost savings achieved

Cons: 1) Combines another region; 2) Results in laying off a Manager and eliminating an OT

Note: This approach raises the question about why these large areas have additional offices and staff when Sequoia and San Bernardino are as large or larger and do not have additional offices and staff. To be equitable, Council may need to consider additional offices and staff in these regions too.

Staff Recommendation: Adopt Option 1

Process

On September 14, 2015, SCDD's Executive Director emailed all Council Members and staff, explained the reasons for the structural deficit, asked for staff volunteers to form a Structural Deficit Workgroup, and encouraged staff to provide their ideas to reduce costs through an on-line survey. The survey was open for three weeks, through October 5, 2015. There were 136 survey responses from staff within the following 10 categories:

- 1) **Reduce Travel/Lodging Costs** (29 Survey Responses)
- 2) **Reduce Committee Meetings/Members** (25 Survey Responses)
- 3) **Office Mergers/Reductions** (20 Survey Responses)
- 4) **Staff Reductions** (12 Survey Responses)
- 5) **Management Reductions** (12 Survey Responses)
- 6) **Realign/Evaluate** (12 Survey Responses)
- 7) **Purchasing/Office Supplies** (8 Responses)
- 8) **Technology/Equipment** (6 Responses)
- 9) **Reduce Hours of Staff and Management** (6 Responses)
- 10) **Increase Revenue** (6 Responses)

SCDD formed a Structural Deficit Workgroup to analyze the survey responses from staff and develop recommendations. The Workgroup was comprised of a cross-section of staff, including a representation from each job classification and north/south representation. The following 10 SCDD staff members participated in the Structural Deficit Workgroup:

- Dawn Morley, Northern Regional Manager
- Vicki Smith, Southern Regional Manager
- Angel Wiley, Northern CPS II
- Yolanda Cruz, Southern CPS II
- Marigene Tacan-Regan, Northern OT
- Marina Bchtikian, Southern OT
- Lynn Cach, Budget Officer
- Sabrina Smith, Personnel Officer
- Gabriel Rogin, Administrative Committee Co-Staff
- Aaron Carruthers, Administrative Committee Co-Staff

The Workgroup met on November 19, 2015 from 10:00 a.m. to 5:00 p.m. at SCDD Headquarters and was charged with the following objectives:

- 1) Identify \$700,000 in cost savings
- 2) Develop recommendations for SCDD's Administrative Committee

The Workgroup agreed to adhere to the following values during their discussion process (Attachment 4):

- 1) Cost saving ideas must be aligned with SCDD's mission
- 2) Recommendations should minimize impact on existing SCDD staff
- 3) The workgroup is part of a larger, public process
- 4) Actions will only be taken in a thoughtful, deliberate manner
- 5) SCDD must live within our means

The Workgroup reviewed the survey responses from staff, relevant cost information from the Budget Officer, and conducted a thorough review of the cost saving ideas within the identified categories. The

following list represents some of the ideas that were reviewed and discussed within the Workgroup meeting:

Increase Revenue

- Renegotiate leases
- Rent out space from the Bay Area Office
- Rent out space to Disability Rights California (e.g. from the Orange County Office)
- Bid on contract to monitor residents transitioning from Developmental Centers
- Apply for grants that are aligned with State Plan goals
- Advocate for cost of living adjustments from the State
- Advocate for funding of all State mandates
- Advocate for a line-item in the State's General Fund

Office Mergers/Closures

- Merge the Bay Area Office with the Silicon Valley/Monterey Bay Office
- Merge SCDD Headquarters with the Sacramento Office
- Merge the Los Angeles Office with the Orange County Office
- Merge the Silicon Valley/Monterey Bay Office with the Central Coast Office
- Close the Silicon Valley/Monterey Bay Office
- Close the Central Coast Office
- Close the North State Office
- Co-locate the North State Office with another State agency
- Restructure regions based on population and regional center areas
- Split the Los Angeles Office into two separate regions

Personnel

- Eliminate CPS II position from Bay Area Office
- Eliminate OTs and CPS IIs from offices with budgets under \$1,000,000
- Limit accrued leave time to State limit of 640 hours
- Downsize the Los Angeles Office by attrition
- Downsize the San Diego Office by attrition

Committees

- Eliminate all Regional Advisory Committees
- Limit Regional Advisory Committees to \$5,000 per meeting
- Limit Regional Advisory Committees to 2 face-to-face meetings per year
- Eliminate the MTARS Committee
- Limit the SSAN to 2 face-to-face meetings per year
- Limit the LPPC to 6 face-to-face meetings per year
- Limit the Executive Committee to 5 face-to-face meetings per year
- Educate all committee chairpersons on the costs associated with meetings
- Allocate specific dollar amounts for each committee per year
- Ask committees to only meet when it is "mission critical"
- Cut a percentage from each committee budget
- Ask the Employment-First Committee to meet at SCDD Headquarters
- Reduce the membership of the Employment-First Committee

Technology/Equipment

- Centralize purchasing
- Monitor viability of existing equipment; optimize timing for new purchases
- Limit staff cell phone use (e.g. 1 floating phone per office)
- Eliminate all non-manager cell phones
- Eliminate all unused phone lines

Travel

- Book travel in advance whenever possible
- Coordinate travel through Super Shuttle

The Workgroup also identified the following “tier 2” cost saving ideas (i.e. cost saving ideas that should be explored at a later date) and best practices:

- 1) Explore the possibility of eliminating the Office Assistant position at SCDD Headquarters
- 2) Explore the possibility of downsizing the San Diego Office by a half-time position through attrition (given that the San Diego Office is currently over-allocated relative to other offices)
- 3) Explore the possibility of shifting Office Tech positions to Program Tech III positions. This change would gradually allow the exiting Office Tech staff to engage in higher-level BSG work and increase their promotional opportunities.
- 4) Centralize purchasing; monitor viability of existing equipment; optimize timing for new purchases (e.g. with Master Service Agreements expire on copy machines).
- 5) Ensure that DSS has eliminated all of SCDD’s unused phone lines.
- 6) Book all travel in advance, whenever possible.