

Priority: Accountability
Program Offer Type: Existing Operating
Related Programs:
Program Characteristics: One-Time-Only Request

Lead Agency: Non-Departmental
Program Contact: Serena Cruz Walsh

Executive Summary

The Strategic Investment Fund within the General Fund will be used to encourage innovation in program development. Innovations could consist of cost reduction measures, program redesign, or development of alternative methods of service delivery to cite a few examples. If successful, programs funded with "seed" money from the Strategic Investment Fund would demonstrate a payback in terms of cost savings or increased revenue to the County.

Program Description

The Strategic Investment Fund will allow participation in a number of already proposed projects (joint budget process with city), and recommend other improvements and projects to County government. Although individual projects may not directly affect all agencies, the work could have countywide impacts, and will likely involve all agencies at some level. A panel, including the Chief Financial Officer, Design Team, and other County executives and staff will determine which projects will be eligible for funding. Final Board approval is needed.

In addition to generating savings in FY 2007 and beyond, projects selected for funding must also maintain or improve service to County customers or end users. Examples of projects we are looking for might include:

- 1) Assisting internal service functions to move toward a service delivery model that is more customer-oriented and market-driven.
- 2) Developing models of service delivery, where appropriate, that provide for greater customer choice. Programs should be able to demonstrate improved customer service and increased customer satisfaction.
- 3) Designing "win-win" and more efficient approaches to regulatory functions to reduce costs and improve outcomes for County residents.
- 4) Collaboration between the Information Technology division and its customers to identify opportunities for computer technology to improve service delivery. This would include reengineering business processes prior to the application of new technology. Proposals would also provide for oversight of project implementation to ensure that technology is applied in the most cost-effective and efficient manner.

Allocation of funds from the Strategic Investment Reserve will be determined on a case by case basis.

Program Justification

Investing in innovative ideas with one-time-only funds is intended to produce additional resources and or cost savings that can be used on an ongoing basis.

Performance Measures

Measure Type	Primary Measure	Previous Year Actual (FY04-05)	Current Year Purchased (FY05-06)	Current Year Estimate (FY05-06)	Next Year Offer (FY06-07)
Output	Return on investment within three years	0	0	0	0
Outcome	Program or process costs reduced by at least \$20,000 or 10% of the current cost.	0	0	0	0

Performance Measure - Description

The Board must set these expectations. One possible approach is to require that the return on an investment will take place within three to five years.

For example, if a current process costs \$300,000, the innovative change must yield a savings of at least \$100,000 on an ongoing basis.

Legal/Contractual Obligation

None.

Revenue/Expense Detail

	Proposed General Fund	Proposed Other Funds	Proposed General Fund	Proposed Other Funds
	2006	2006	2007	2007
Program Expenses				
Unappropriated & Contingency	\$0	\$0	\$3,500,000	\$0
Subtotal: Direct Exps:	\$0	\$0	\$3,500,000	\$0
Administration	\$0	\$0	\$0	\$0
Program Support	\$0	\$0	\$0	\$0
Subtotal: Other Exps:	\$0	\$0	\$0	\$0
Total GF/non-GF:	\$0	\$0	\$3,500,000	\$0
Program Total:	\$0		\$3,500,000	
Program FTE	0.00	0.00	0.00	0.00
Program Revenues				
Program Revenue for Admin	\$0	\$0	\$0	\$0
Total Revenue:	\$0	\$0	\$0	\$0

Explanation of Revenues

General Fund resources.

Significant Program Changes**Last year this program was:**

The program was created in the FY 2006 Budget.