



ZACK SCRIVNER
SUPERVISOR - SECOND DISTRICT

STATE OF THE COUNTY 2017
SUPERVISOR ZACK SCRIVNER
CHAIRMAN, KERN COUNTY BOARD OF SUPERVISORS
JANUARY 25, 2017

Good evening! On behalf of my fellow Supervisors, welcome, and thank you for joining us.

Before I talk about 2016 and what lies ahead in 2017, I'd like to thank our sponsor for this evening, Rio Tinto Minerals, and General Manager Isabelle Brassard. Tonight is Rio Tinto's seventh straight year of sponsoring this event, and we deeply appreciate your generosity. Thank you very much.

It is my great pleasure to introduce my colleagues on the Kern County Board of Supervisors –

First District Supervisor and immediate past Chairman, Mick Gleason.

Third District Supervisor and senior member of the Board, Mike Maggard.

Representing the Fourth District, my former Bakersfield City Council colleague, David Couch.

And finally, representing the Fifth District, Supervisor Leticia Perez.

We're also fortunate that Congressman Kevin McCarthy can greet us tonight.

(McCARTHY VIDEO GREETING)

Thank you, Majority Leader McCarthy. You're doing great work for us in Congress.

I'd also like to recognize the work of our County employees, and I mean everyone from the Clerk of the Board to the sheriff's deputies in Rosamond. Service is the County's only product, and it takes a lot of good public servants to deliver that product to nearly nine hundred thousand people living in a county that is larger than Massachusetts.

Finally, I'd like to thank the folks throughout Kern County who have volunteered hundreds of thousands of hours to support the libraries, Animal Services, the Sheriff and dozens of other County departments, and also the people who serve on our County commissions. In fact, I see many of you here tonight.

Your efforts complete a circle that begins and ends with the people of Kern County. Government derives not only its authority but also its guidance and inspiration from those whom it serves.

That relationship works best when it rests on partnership: Partnership between the taxpaying public and their elected and appointed servants; partnership among public agencies; and the partnership of public and private resources to achieve a common goal.

As your partner, the County owes it to you to make the best and most efficient use of the resources you provide in delivering the services people need. That means not squandering those resources in good times and – in both good and bad times – constantly reassessing how and what we do so we can improve your return on that investment.

Of course, it's a lot easier to deliver that return when we have all the money we need to meet the demand for services. As we all know, for several years now, this has NOT been the case. Supervisor Gleason declared one year ago at this event that we are not defined by the price of a barrel of oil – which we're not. However, when the price of a barrel is hovering around \$40, it does make you focus.

And what we're intensely focused on is adapting to our new fiscal climate by rethinking and redesigning what we do. Our goal is better value and better outcomes for our customers. This spirit of innovation is what built Kern County, and what works in the private sector can work in government.

I'd like to show you a few of the great new things happening here, both inside your County government and out in our community, that show how people in Kern County are re-imagining some of our core industries and County services:

(PLAY VIDEO)

This is only a snapshot of some of the truly amazing things people in Kern County are doing to revitalize our economy and County services. While many of the private sector examples you just saw are in the Second District that I am so proud to represent, successes like these are happening all over Kern County.

They're all happening because people are re-imagining new paths to customer value or, in some cases, creating entirely new products.

One of Kern's oldest industries, oil, has constantly adopted new technologies and combined existing ones to cut costs and create greater value. Cogeneration, the production of steam that generates electricity on its way into oil formations, is nothing new to Kern County. However, the power plant in the Mt. Poso field now burns ag wood waste instead of crude oil to create that steam, which now comes from oilfield waste water, not fresh water.

The California Resources Corporation has automated remote control of 98 percent of their oil production operations, which include thousands of wells. If pipeline pressure begins rising, the computer can automatically adjust valves and reroute flows to isolate a section until the problem can be investigated. If a piece of equipment is operating outside its normal parameters, the control system instantly flags the exception so it can be addressed. CRC's command and control center is impressive, and I'm confident that our number one industry is well-prepared to gear up when the next opportunity comes.

Yet, aside from oil, Kern County has a small but growing tech sector. FormForce is a local software firm that was launched after a large oil company ordered an emergency audit of a safety and security company with whom it contracted. The resulting frantic paper chase revealed a glaring need for a better way to enter, store and retrieve basic operational data. We all answer to someone, whether it's a parent company or a regulatory agency. So when they ask, "What did you do? When did you do it? And did you do it right?" you want to have the answers. That's where FormForce comes in.

Data that is "born digital" – entered directly into a database in the field – can be quickly analyzed and retrieved, and that has value far beyond the oilfields. FormForce serves many other industries and they just rolled out special software for a national client at the Toronto Airport.

As you know, automation is a common innovation tool. If we want to grow more FormForces here, or simply stay competitive in traditional industries, we need to develop a homegrown tech-savvy workforce that provides value to potential employers. We can't afford to stand pat on our resource-based economy if we want to keep growing Kern's economy.

An advanced workforce is so important to Chevron that the company has invested deeply in its Science, Technology, Engineering and Math education initiative. For Chevron, STEM is more than company survival, it's a national imperative. That's why Chevron is partnering with schools and foundations in Kern County and seven states to put project-based STEM learning in elementary and high school classrooms as well as colleges. By collaborating and using technology to solve classroom problems, students learn teamwork and creative thinking, and they're inspired to learn STEM skills that at least 20% of all jobs today require.

Bakersfield College now offers a baccalaureate degree in industrial automation. BC is one of only 15 community colleges in California to get the green light to offer 4-year degrees under a new statewide initiative.

And let's not forget Cal State University Bakersfield, a powerhouse of upward mobility. CSUB was just named one of America's top three colleges for turning low-income students into middle- and upper-income earners.

Kern County is now a place where you can earn a bachelor's or master's degree in aeronautics, thanks to the brand new California Aeronautical University at Meadows Field. The university offers students from around the world hands-on degrees in professional piloting, aircraft maintenance, aviation dispatch and aviation business administration.

Just as Kern County businesses are constantly working to gain the edge that leads to greater value, the County owes PEOPLE services that THEY need and value – whether or not we have the same resources we've had in the past.

A year ago, the Board of Supervisors committed to a four-year plan to put the County on a path to fiscal sustainability. Now, I wouldn't call it a glide path – we are experiencing some turbulence – but the incremental and steady progress we're making toward our target is crucial for us to bring spending into line with the revenues we can reasonably expect in the future.

As we do that, we want to do everything we can to avoid harming services to you. We're dipping into reserves to shore up departments as they adjust to our new fiscal reality, but that isn't a long-term solution. More important, we're embracing innovation that is based on Lean Six Sigma and Peak Performance principles that have already helped many corporations and government agencies to transform themselves. The most famous example is Toyota, but it has helped AERA Energy, the Army, the Navy, the CIA, and even the U.S. Postal Service to work better.

If it can help the federal government, it can help Kern County to change how we approach, design and execute services. We're just getting started with Lean, but it holds great potential. We know from recent experience that the systematic approach to redesign works.

Kern is one of five California counties that conducted an intensive study and re-tooling of how we prosecute, incarcerate, and treat criminal offenders under the "Results First" initiative. Our criminal justice system had become so crowded with repeat offenders that we didn't have enough jail space to keep many dangerous offenders off the streets long enough to maintain public safety. We were spending a lot of money to operate a criminal justice treadmill without getting results.

By using proven treatment methods to curb drug and alcohol abuse, make offenders more employable, and reduce the destructive behavior that yields repeat offenders, we have markedly cut down on recidivism. The new County jail that will open soon is not only more secure, but it will have more space to treat and prepare inmates for more productive lives when they're released.

This project requires close teamwork among the Sheriff, District Attorney, Public Defender, Probation, and Mental Health staff. They're pooling resources and re-designing their traditional roles to create a new criminal justice framework that protects the public and attacks the roots of the problem.

A great example of this partnership is the Sustained Treatment and Recovery Court – or STAR Court. Clients with severe mental illness who have committed a serious crime are referred by the Superior Court for closely supervised mental health care and treatment that may also include linkage to housing, transportation and health benefits.

They must appear for scheduled assessments and court hearings. If they complete the 18-to-36-month program without re-offending or using drugs, they receive clean records. STAR court graduates have a much greater ability to reconnect with the community and remain out of the criminal justice system.

Other counties that have implemented "Results First" show that prevention programs can yield big savings down the road by avoiding the cost of crime, public safety response, and social services.

Kern Medical Authority is another redesign project that, although not part of Lean Six Sigma, is using those principles to get budget savings and better health care at our public hospital. It was not so long ago that Kern Medical Center was a fiscal black hole that owed so much money to the County General Fund that the Auditor-Controller was required to write off tens of millions of dollars in bad debt.

We obtained state legislation placing the hospital under a separate authority, free of many onerous county government rules, that gave Kern Medical Center much more operating flexibility so it could compete in the health care marketplace.

Today, under Russell Judd's management team, the rebranded Kern Medical has repaid all of its remaining debt to the County, with a net income of about \$1 million per month! The tremendous success achieved at Kern Medical by Russell Judd's team, the County Administrative Office and the Board of Supervisors cannot be overstated.

Animal services is another program where a complete re-set was desperately needed. The County had lofty goals, but we weren't making much headway toward reducing our stray animal problem. The impetus for real change came when we lost our lease and had to relocate from our former shelter on South Mt. Vernon Avenue within 40 days. After some fast and furious real estate moves and renovations, the County's ark landed at Fruitvale Avenue. That began a tough three-year journey of trial and error that has finally yielded results.

Thanks to many valuable rescue partnerships and an active spay and neuter program that gives animal owners throughout Kern virtually no excuse to be irresponsible, we've cut euthanasia in half. Congratulations to County Animal Services Director Nick Cullen and his crew. Together, we're going to reduce that number to zero.

Kern County's Veterans Services Department has done an amazing job of expanding services and outreach with some of the fewest resources of any County department. Since we're speaking of veterans, I'd like every member or former member of our nation's military who is with us tonight to please stand so that we may honor your service to our country.

In partnership with Chevron, the Veterans Services Department received a competitive grant to launch the Kern Patriot Partnership, which links veterans seeking high quality jobs to companies who need good people. County Information Technology staff helped create a state-of-the-art website for the program: KernPatriot.org. The website, coupled with mentoring and a lot of good old-fashioned legwork by Veterans Services staff, has brought results. In its very first year, the program shattered its goal of 20 business partners and 70 jobs by helping 77 businesses to hire over 100 veterans. The department just received the third year of funding for this effort.

Rio Tinto Minerals began funding the Kern County Veterans I.D. card system in 2013, and it continues to provide our veterans with high-quality I.D. cards they can present for discounts at participating businesses in our county. To date, over 3,500 I.D. cards have been issued, but we have nearly 48,000 vets out there, so veterans, please, go get your card!

We also launched a pilot program in late 2015 to provide teleconferencing for veterans in Tehachapi so they can talk face-to-face to a Veterans Service Representative without a trip to Bakersfield.

All of this tells me why Dick Taylor was named a Grand Marshal of the 2016 Veterans Day Parade. Well done, Dick!

I want to mention one more County innovation aimed at an important target: young people 16 to 24 years old who are not working and are not in school. A staggering 21% of Kern County's youth fall into this category, young people who

have essentially checked out of productive society. Yet if we ignore them now, they will bring costly trouble in the future.

Employers Training Resource enlisted the state Employment Development Department, our Human Services Department, and Bakersfield Adult School in the Kern Youth Partnership. The partnership researched and wrote a human-centered design project that uses the Lean Six Sigma method of actually figuring out what a customer needs first, then working on solutions from there. What a concept, right?

ETR's data-driven plan to re-connect youths with job training on high school campuses and GED courses at libraries earned them recognition at a White House ceremony. Teresa Hitchcock, our host this evening, is leading that effort as ETR director. It will be very exciting to track the progress of this collaboration as it rolls out this year.

An important aspect of the County's partnership with the public is trust and transparency. The Public Records Act rightly requires us to make most records available to the public upon request, but why should you have to ask?

Kern is one of five California counties to receive an Innovate Your State grant from OpenGov to place financial data at the fingertips of anyone who wants it. Now you can go to the County website, and with a few clicks, you can explore County spending by program function, department, spending category, compare year-by-year totals, and slice and dice it any way you choose. The more information you have, the better you can be in keeping us on our toes.

Another way we've made it easier to navigate the County is by improving our notoriously slow hiring process. For an organization whose only product is service, we weren't being very smart about how we hired the staff to provide it.

Our Human Resources Division completed one of the County's first Lean Six Sigma projects a little over a year ago. It has advanced our antiquated personnel system by light years. First, they cut in half the time it takes to hire someone.

To cast a wider net for the best and brightest talent and make testing more efficient, they adopted an online application process and began also offering remote web-based job exams. And, our recruiters at job fairs use mobile devices to get people immediately into our candidate pool.

Applicants don't have to wait weeks for exam results. Job interviews can occur using remote technology, and we can often evaluate and hire people the same day we interview them. We don't ever want to lose a good person to another employer because we weren't quick enough.

In some cases, we're not waiting for them to graduate from college. We've started an aggressive internship program with California State University Bakersfield that is helping us get important work done and exposing students to job opportunities at the County.

The Board of Supervisors has always viewed our role as going well beyond governing to laying the foundations for a community that can thrive. That can mean building the infrastructure that supports commerce, or striking the right balance between protecting our environment and welcoming economic activity that supports jobs.

We just received a huge boost in that task with the passage of landmark water legislation that Congressman Kevin McCarthy and his Valley colleagues worked years to enact. It gives all of us real hope that relief from overzealous regulation of California's precious water supply is coming soon. And, as a new Congress convenes with a new President, I hope for stronger investments in storing and moving water, the lifeblood of California.

I can't mention this legislation without also calling to your attention an equally important legacy, the Thomas Roads Improvement Program. Every year, we have more progress to report, and I look forward to the day when the long-planned completion of the Centennial Corridor fully connects Kern County with a freeway from east to west. Thank you, Congressman Bill Thomas and all the agencies working tirelessly to deliver these projects.

Infrastructure includes not just concrete but electricity. As the leader in wind and solar power in California, I believe Kern County needs to explore the option of making that power available to local customers by aggregating power purchases at lower rates than the utilities offer. This has been accomplished in Northern California and by the City of Lancaster, and the County is studying this closely. At the very least, it makes sense to invest further in solar panels that serve County facilities and lock in lower power costs for the County.

Just as state legislation five years ago thrust the County into criminal justice realignment, California's landmark groundwater law, SGMA, has empowered counties to partner with local water districts in identifying and enforcing sustainable groundwater policies.

The County has led formation of the Indian Wells Valley Groundwater Authority, an important step toward ensuring there will be enough water to sustain the missions at China Lake Naval Weapons Station and the adjoining communities into the future.

Here on this side of the mountains, consensus on groundwater is coming more slowly, but we're gradually gaining partners so we can meet the state deadline to form an agency for the Kern Basin by June.

Partnership – with business, with Sacramento, and with Washington – is what we will need to get through the times ahead. We have faced tough times before and found the path to success, and we will do so again, but only if we work together.

Togetherness also applies within the County family. No part of County government can afford to view itself as “special,” with a separate culture and separate rules – not administrators, not department heads, not public safety.

We work as a team, and we work for the people of Kern County. If we give people our best effort every day, they will support us in these difficult times.

We begin the year in a continued fiscal emergency. 2017 is going to test us all. But, we have a group of dedicated professionals who keep Kern County working for those who depend on our services. I would like to thank each County employee for your hard work during 2016, and I ask each Kern County resident for your continued support during the challenging year ahead.

I know that if we pull together, we will pull through.

Thank you and may God bless Kern County!