

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

July 5, 2016

2. Department

California Earthquake Authority

3. Organizational Placement (Division/Branch/Office Name)

Mitigation Department

4. CEA Position Title

Mitigation Director

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The California Earthquake Authority (Authority) proposes to allocate the above position to the Career Executive Assignment category. The proposed Mitigation Director will oversee the California Residential Mitigation Program, which is a joint-exercise-powers entity between the Authority and the Governor's Office of Emergency Services, as well as the Authority's Mitigation Incentive Programs and Mitigation Outreach Programs. The Managing Director will report to the Authority's Chief Mitigation Officer, executive team, and CRMP Board.

6. Reports to: (Class Title/Level)

Chief Mitigation Officer ("at will" contract employee)

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): Advises the Chief Mitigation Officer, the CRMP Governing Board, and the Authority's executive management team on a broad range of mitigation projects related to earthquakes and the related business aspects of catastrophe that have significant policy and fiscal impact to the Authority.

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

The Mitigation Director, under the direction of the Authority's Chief Mitigation Officer, will be responsible for the creation, management, and oversight of all aspects of the Authority's Mitigation Incentive Programs, Mitigation Outreach Programs, and other related activities. The incumbent will have significant responsibility for the development, implementation, evaluation, and modification of policies, projects, and supporting technology as they relate to mitigation incentive programs designed to accomplish the goals of the Authority's Strategic Plan.

The Mitigation Director will develop and prepare the Authority's overall long-term goals for mitigation incentives including creation of a Mitigation Incentive Plan. The Mitigation Director will be responsible for developing, advocating, and leading targeted building department and contractor training throughout California to encourage code-compliant, single-family residential seismic retrofits.

The Mitigation Director is responsible for developing strategies and initiatives for the Authority's Mitigation Incentive programs which currently include:

- The statewide California Residential Mitigation Program (CRMP) Earthquake, Brace Bolt (EBB) and Napa Earthquake Brace Bolt (Napa EBB) seismic retrofit incentive programs, and
- The Authority's policyholder-specific "CEA Brace Bolt" program (CEA BB).

Both of these incentive programs are designed to help homeowners lessen the potential for damage to their houses during an earthquake.

The CRMP is a joint-exercise-of-powers entity formed by its members, the Authority, which is a public instrumentality of the State of California, and the Governor's Office of Emergency Services (Cal OES). The purpose of CRMP is to accept funds that will be used to provide grants and other types of assistance and incentives to the owners of individually-owned one to four family residential dwellings in California who wish to retrofit their dwellings to protect against earthquake damage. The EBB Program is the first CRMP mitigation incentive program. EBB provided incentives to just under 600 homeowners in 2015 and is on track to provide retrofit incentives to 1,700 homeowners in 2016.

Made possible by securing Hazard Mitigation Grant Program funds, the Napa EBB program is the second CRMP incentive program providing up to \$3,000 to 100 homeowners in Napa for qualified seismic retrofits. The Mitigation Director is responsible for identifying and securing additional funding opportunities, including developing grant applications, as needed.

Like the CRMP EBB programs, the CEA BB will provide financial incentives to homeowners who retrofit their home in accordance with the retrofit standards found in the California Building Code. CEA BB will be available in ten California ZIP Codes to Authority policyholders who have had their policy for three or more years. With the introduction of the CEA BB program in the fall of 2016, the Authority will be responsible for the seismic retrofit of up to 5,000 homes. It is estimated that over one million older homes in California require seismic retrofit.

The Mitigation Director will advise and consult with the Chief Mitigation Officer, the CRMP Governing Board, and the Authority's executive management team on a broad range of mitigation projects related to earthquakes and the related business aspects of catastrophe that have significant policy and fiscal impact to the Authority. The Mitigation Director will serve as a policy advisor collaborating with the Chief Mitigation Officer, the executive management team and stakeholders to evaluate, develop, and implement mitigation policies and projects to accomplish the goals of the Authority's Strategic Plan.

The Mitigation Director will represent the Authority at various external organization meetings nationally. The incumbent may also be a member of various professional organizations that relate to and could inform the Authority's mitigation programs. The incumbent must keep abreast of current seismic mitigation techniques and issues, attend and represent the Authority at various conferences including trade and professional associations of insurance professionals, risk communicators, regulators, academics, engineers and earth scientists. The Mitigation Director will give presentations to insurers, trade associations, consumer groups, earthquake professionals, private stakeholders, local, state and federal agencies, elected officials, and non-governmental agencies.

The Mitigation Director is responsible for growing the Incentive and Outreach Programs with appropriate staffing including customer service, marketing, information technology and administrative personnel, as needed. Additionally, all incentive related Requests for Qualifications and contracts are managed by the Mitigation Director.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The Authority's Mitigation incentive programs squarely align with the "Educate" and "Mitigate" goals of the Authority's Strategic Plan. Not only do these programs have a statewide impact (i.e., they affect seismic resiliency for Californians across the state) but they also affect the standard under which residential dwellings are retrofitted statewide. It is estimated that the type of dwellings that qualify for the Authority's brace and bolt programs (those with no sill plate anchorage or cripple wall bracing) exceed one million homes throughout California. The Authority was established to provide Californians the opportunity to insure their residences against the potential devastation of an earthquake event. Enabling legislation also charged the Authority with creating statewide mitigation programs and hazard mitigation insurance discounts. Thus, all the work done by the Mitigation Director is directly mission-driven and critical to all three (educate, mitigate, and insure) of its specified goals under its Strategic Plan.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The Authority is a not-for-profit insurance company established by the California legislature in 1995-1996 – and, is the largest residential earthquake insurer in the country and one of the largest in the world. In addition to the insurance function of financing repair and rebuilding of residential properties should a catastrophic earthquake occur in California, the Authority also educates and financially helps residents strengthen their homes to reduce the impact and cost of earthquake losses. Although not an agency or department of the California government, as a public instrumentality the Authority is governed by a Board composed of five elected public officials: California's Governor, Treasurer, and Insurance Commissioner who serve as voting members of this Governing Board, while the Speaker of the Assembly and the President Pro-Tempore of the Senate serve as non-voting members.

Since its inception in 1996, the Authority has grown to cover more than 75% of California's residential earthquake insurance market as a result of additional private insurers that have come on board as participating insurers. Over the past decade its assets have grown from \$2 billion to over \$5 billion, and its claim-paying capacity has increased over 40 percent to more than \$12 billion. The Authority now writes well over \$600 million in premium annually.

In August 2011, the California Residential Mitigation Program (CRMP), a joint-exercise-of-powers entity was formed by its members - the Authority and the Governor's Office of Emergency Services (Cal OES). CRMP is a legally separate entity from its members; however, is managed by the Authority. The CRMP was established to carry out mitigation programs to assist California homeowners who wish to seismically retrofit their houses. CRMP's goal is to provide grants and other types of assistance and incentives for these mitigation efforts. The first of these programs, Earthquake Brace + Bolt: Funds To Strengthen Your Foundation, was launched as a pilot project in September 2013. This new entity requires the hiring of talent possessing knowledge, skills, and abilities, and supporting competencies specializing in the fields of structural engineering, construction management, and project management.

Although the Authority is publicly managed, its business purpose is comparable to that of a private-sector residential-property-insurance company. This means the organization requires professional insurance expertise on-staff to fulfill its mission. In fact, recruitment and retention of qualified, highly skilled, private-sector insurance professionals is critical to the success of Authority's operations and ongoing evolution. The Authority's Act authorizes the Authority's Governing Board to contract with, and hire, that specialized talent—the Authority's present roster contains six individuals with significant private-sector insurance experience, recruited and hired in this manner.

By law, the Authority also employs individuals who are subject to civil service provisions. The Authority's original Act restricted the number of employees subject to civil service provisions the organization could employ; however, as the Authority has evolved and stakeholders developed a better understanding of the skills, talent, and staff size needed to run a statewide insurance operation, the Governing Board—starting some 13 years ago—supported the Authority's leadership in hiring numerous temporary staff members at all levels (including professional) to enable the organization to successfully fulfill its mission. The restriction on the number of staff subject to civil service provisions was lifted in 2013 and the Authority has been developing a workforce plan to staff the organization with the in-house skills and talent required to operate a residential property insurance company. Currently the Authority has a total of 130 staff which includes civil service, temporary, and employees employed through an Employment Agreement as authorized by the Authority's Act.

Management of the CRMP and other mitigation programs is currently performed by an individual who is employed through a temporary employment agency. Since the work is ongoing and primary to the Authority's mission, we are seeking a permanent CEA position to manage the function.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Mitigation Director is responsible for establishing and implementing the operating policies under which the Authority's Mitigation Incentive Programs are administered throughout the State of California. These operating policies and their statewide impacts include:

- Mitigation Social Media Policy - The implementation of a CRMP Social Media Policy in order to create a platform to socialize the need for residential seismic retrofits.
- Geographic (ZIP Code) expansion policy - The policy governing the selection of expansion ZIP Codes is one of the most important elements of the EBB program. The purpose of CRMP and EBB is to provide incentives for seismic retrofit state-wide. However, limited funding and other considerations dictated that the program start in limited areas and grow in a controlled fashion.
- Incentive Program rules, terms, and conditions - The rules and, terms, and conditions of the EBB program are the template for all of the brace and bolt programs. They establish the rules for qualifying for the program, completion of a properly permitted and inspected retrofit, submittal of required documents, and the terms and conditions that regulate the inclusion on the contractor list. These rules, terms, and conditions have been revised and refined with lessons learned during the pilot stages of the program.
- Participating contractor terms of use - Up until the adoption of Chapter A3 into the State Building Code, single-family residential retrofits have been done on a voluntary basis. While prescriptive retrofit techniques were available to homeowners and contractors, they were under no obligation to follow any retrofit standards or guidelines. Consequently the seismic retrofits performed over the last few decades vary in quality and completeness. The EBB policies governing contractor participation are critical to elevating the quality and completeness of seismic retrofits completed under the Brace and Bolt programs.

The statewide impact of the EBB program is significant. EBB is providing support and financial incentives for seismic retrofits in over 100 ZIP Codes throughout California. These seismic retrofits are in accordance with a statewide standard, Appendix Chapter A3, which has been adopted, by reference, into the California Existing Building Code. The promotion of code-compliant (Chapter A3) retrofits to single-family homes throughout California will positively impact the seismic resiliency of the State of California. The California State legislature signified their endorsement of the program by including \$3 million in the 2015 and 2016 State budgets for the CRMP EBB program.

The Mitigation Director is also responsible for establishing and implementing the operating policies under which the CEA Brace + Bolt (CEA BB) will be administered throughout the State of California. The CEA BB Program Policies will be similar to those listed above for the EBB Program. However, since the CEA BB Program is intended for Authority earthquake insurance policyholders, completion of the code compliant retrofit will also qualify them for significant hazard mitigation discounts. While the CEA BB will be available only to policyholders, the program will provide incentives for over 3,000 additional retrofits of California homes. Between the CRMP programs and the CEA BB, the Mitigation Director will oversee programs that could result in substantial earthquake resilience improvements to thousands of California homeowners in the next two years.

The Mitigation Director is a key member of the mitigation department management team and provides the Chief Executive Officer and Chief Mitigation Officer with mitigation analysis and policy recommendations. This information provides the basis and catalyst for recommendations to the Authority's Governing Board for policy, program, and product initiatives and changes. Decisions made by the Chief Executive Officer, Chief Mitigation Officer, and Governing Board rely directly on information provided by the Mitigation Director. To be effective, the Mitigation Director must keep abreast and be familiar with various federal, state, and local programs, politics, laws, regulations, and requirements.

The Authority's Mitigation incentive programs provide clear benefit to the Authority, its policyholders, and partners, by substantially improving the level of understanding that the building departments and construction industry have regarding residential seismic retrofits. The Authority is mandated by law to create and maintain the following:

- Program activities that mitigate against seismic risks, for the benefit of homeowners
- Programs to provide financial assistance in the form of loans, grants, credits, rebates, or other financial incentives to further efforts to mitigate against seismic risk, including, but not limited to, structural and contents retrofitting of residential structures
- Other programs, support efforts, and activities deemed appropriate by the board to further the authority's appropriate mitigation and mitigation-related goals

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Mitigation Director will be responsible for the creation, management, and oversight of all aspects of the California Earthquake Authority's Mitigation Incentive Programs, Mitigation Outreach Programs, and other related activities. The incumbent will have significant responsibility for the development, implementation, evaluation, and modification of policies, projects, and supporting technology as they relate to mitigation incentive programs designed to accomplish the goals of the Authority's Strategic Plan.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The incumbent will have significant responsibility for the development, implementation, evaluation, and modification of policies, projects, and supporting technology as they relate to mitigation incentive programs designed to accomplish the goals of the Authority's Strategic Plan by developing and preparing the Authority's overall long-term goals for mitigation incentives including creation of a Mitigation Incentive Plan. The Mitigation Director will be responsible for developing, advocating, and leading targeted building department and contractor training throughout California to encourage code-compliant, single-family residential seismic retrofits.