

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

2018-02-20

2. Department

California Transportation Commission

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

4. CEA Position Title

Deputy Director of Administration and Financial Management

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

The California Transportation Commission (Commission) is statutorily responsible for programming, allocating and reporting for billions of dollars annually for the construction of highway, intercity passenger rail, active transportation, aeronautics, transit, and other transportation improvements throughout California. The Deputy Director is responsible for policy development and management of the Commission's financial affairs, including developing and administering budgets and formulating and implementing all policies of the Commission's administrative functions including: accounting, budgeting, human resources, information technology, procurement and contracts, business services, strategic planning and risk management.

6. Reports to: (Class Title/Level)

California Transportation Commission Chief Deputy Director, CEA C

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):

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.

Under the direction of the Chief Deputy Director, the position serves as the principal policymaker for all Commission administrative and fiscal functions. The position exercises broad policy-making authority over the following areas: finance, accounting, budgeting, human resources, information technology, purchasing and contracts, and business services in support of the Commission's statutory obligations. The position serves as a key member of the Executive Management Team and participates in agency-wide planning and decision making, as well as the development, implementation and evaluation of the Commission's strategic and operational planning. The position also serves as an advisor to the Executive Director and Chief Deputy Director and other Deputy Directors on a wide range of administrative issues. The specific program areas include:

Accounting – Serves as contract administrator for accounting services performed by the Department of General Services. Directs and oversees the development of comprehensive, accurate, and fairly stated financial reports for purposes of timely informing and advising the Commission Executive Director and Chief Deputy Director. Reports include, but are not limited to, financial statements, financial analysis, and budget forecasts to ensure sound and timely fiscal decisions are made.

Budgeting – Oversees development of all information required by the Department of Finance; preparation and submittal of budget change proposals; budget projections; fiscal compliance of approved budgets; year-end budget reporting; adherence to FISCal requirements; and other related budget matters.

Human Resources – oversees all human resource functions including: contract administrator for services performed by the California Department of Transportation; classification and pay, exams, recruitment and selection, labor relations, health and safety, and training. The position formulates policies and procedures in accordance with the Department of Human Resources, State Personnel Board, and the State Compensation Insurance Fund and other agencies as applicable.

Information Technology (IT) – Administers a contract with the Department of Transportation for the development and implementation of the Commission's IT policies and procedures in compliance with state policies: telecommunications, computer and network use and IT network security. Ensures that the IT needs of the Commission are sufficient and adequate to meet operational needs.

Purchasing and Contracts – Oversees and directs the Commission's purchasing program including on-going reporting requirements and other responsibilities for the requisition of goods, services, and commodities.

Business Services – Formulates develops and implements policies and procedures for the Commission's facilities management program including space planning, building security access, emergency preparedness, continuity planning, mail service, record retention, equipment, supply inventory and other business needs.

Risk Management - Monitors and makes recommendations as necessary to ensure that the elements of a satisfactory system of internal accounting and administrative controls, including to ensure: 1. A plan of organization that provides segregation of duties appropriate for proper safeguarding of state assets. 2. A plan that limits access to state assets to authorized personnel who require these assets in the performance of their assigned duties. 3. A system of authorization and record keeping procedures adequate to provide effective accounting control over assets, liabilities, revenues and expenditures. 4. An established system of practices to be followed in performance of duties and functions. 5. Personnel of a quality commensurate with their responsibilities. 6. An effective system of internal review. The State Leadership Accountability Act (SLAA) requires internal control reporting to the Department of Finance. The CEA will ensure the development and continual review of the Commission's administrative policies and procedures including collaboration with executive management team to prevent, detect, mitigate and/or eliminate and monitor risks that pose vulnerabilities. SLAA is a mandated report.

Record Retention & Compliance with Open Meeting Laws - Establishes, implements and oversees the Commission's record management process to ensure that all Commission actions are retained in accordance with state laws and regulations including compliance with the Bagley Keene Open Meeting Act. Includes responsibility for securing public meeting facilities; publically posting meetings and materials; ensuring accuracy of Commission meeting minutes and documentation of all Commission actions including stamping, posting and retaining adopted resolutions and other related materials; and ensuring all materials are retained in accordance with public meeting record retention requirements.

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: Program is indirectly related to the Department's primary mission, however, the CEA performs essential functions required for the day-to-day operations of the Commission. The CEA is the primary liaison between the Commission and the Department of Finance and the Legislative Analyst's Office and is responsible for communicating control agency policies of the Commission's programs. The CEA, as a member of the Commission's Executive Management Team, is responsible for fiscal policy and assists the Chief Deputy Director in the formulation, implementation, evaluation and monitoring of the Commission's budget and fiscal affairs.

The CEA develops and directs the annual budget planning and preparation and review processes. The CEA consults with and acts as an advisor to the Commission Deputy Directors to ensure programs meet specific requirements regarding fiscal policy and accountability for funds and operations. The CEA ensures compliance with all administrative and fiscal laws, regulations and state policies. Without this CEA, the Commission is at an increased risk for not preventing, detecting and correcting risks to the organization.

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.

With the passage of Senate Bill 1 (Beall, 2017), transportation funding was increased and this legislation significantly expanded the Commission's responsibilities by directing it to administer new programs and augment existing programs. The Governor's 2018-19 budget proposal continues funding commensurate with the CEA B salary in recognition of the Commission's increased workload associated with carrying out its responsibilities associated with SB 1, including the need to ensure that the Commission is staffed with a policy level position to ensure continuity of operations and that fiscal responsibilities are effectively met.

Over the past decade, the Commission's responsibilities have significantly increased. As a result, the Commission's budget and staffing has more than doubled creating a need for a high level Deputy Director to oversee the operational functions of the Commission. Most recently, the Governor signed Senate Bill (SB) 1 – the Road Repair and Accountability Act of 2017 last April. The Administration estimates this legislation will increase state revenues for California's transportation system by an average of \$5.2 billion annually over the next decade. SB 1 provides the first significant, stable, and on-going increase in state transportation funding in more than two decades. SB 1 "presents a balance of new revenues and reasonable reforms to ensure efficiency, accountability, and performance from each dollar invested to improve California's transportation system."

In addition to implementing SB 1, the enactment of SB 486 (2014, DeSaulnier) enhanced the process for developing and adopting California's Transportation Plan, Interregional Transportation Strategic Plan, Interregional Transportation Improvement Program, and State Highway Operation and Protection Program. Other enacted legislation that created additional and significant roles and responsibilities for the Commission include, but are not limited, to AB 179 (2017, Cervantes), SB 64 (2014, Liu), and AB 194 (2016, Frazier).

While the Commission was provided with additional program level staff to carry out these new legislative mandates, the Commission does not have the necessary staff to carry out the administrative management responsibilities associated with operating more complex and diverse programs including expanded staffing, increased financial resources, budgeting, human resources, accounting, reporting, record retention and audits. Additionally, the requirements related to Commission actions and meeting requirements has greatly increased as has public records requests, media attention, and other related activities.

The Commission's increasingly complex fiscal environment has created a need for a dedicated policy level position with management, policy and the technical expertise to provide appropriate policy guidance and oversight as the Commission has grown to meet its statutory assignments. In addition, since the state has moved forward with implementation of a new financial management system, the need for an additional leadership position dedicated to fiscal policy and internal control is critical to the Commission. The CEA will oversee the Commission's fiscal and administrative operations and coordinate implementation of FI \$Cal, particularly as it relates to interaction with the Commission's budgeting, accounting, and fiscal systems. Specifically, this position is necessary to formulate and implement all policies and procedures for the Commission in areas including: accounting, budgeting, human resources, information technology, business services, procurement and contracts, strategic planning and risk management.

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 Deputy Director of Administration and Financial Management's policy area responsibilities include, but are not limited to ensuring that state assets are protected; laws and regulations are followed; financial and management information is reliable; and the Commission's organization structure is operating effectively and efficiently. A few examples of specific policy areas the Deputy Director is responsible for include:

Directing and overseeing the development of comprehensive, accurate, timely and fairly stated financial and budgetary reports for purposes of timely informing and advising the Commission Executive Director and Chief Deputy Director. Reports include, but are not limited to, financial statements, financial analysis, and budget forecasts to ensure sound and timely fiscal decisions are made. Without comprehensive, accurate, fairly stated and timely financial and budgetary reports, the Commission's ability to make sound operational and financial decisions and its ability to ensure fiscal integrity is at risk.

Developing, implementing and overseeing policies and procedures for the early detection and/or prevention of errors, irregularities and fraud to ensure methods are in place and carried out as planned to routinely monitor, evaluate, and improve internal controls when necessary. Without the ability to regularly assess the Commission's internal control structure, the ability to prevent, detect and correct errors and irregularities is increased.

Oversee and guide development of all information required by the Department of Finance; preparation and submittal of budget change proposals; budget projections; fiscal compliance of approved budgets; year-end budget reporting; adherence to FI\$Cal requirements; and other related budget matters. As the Commission's budgetary requirements increase the risk of not submitting timely reports or forecasting budget needs is increased.

Oversee and guide development of all financial matters of the Commission including contract management and oversight of the Department of General Services Accounting services, ensuring the integrity of all financial activities of the Commission's record keeping and accounting records; ensuring that timely financial reports are submitted to inform management of financial status and necessary actions required. With the implementation of the State's FI\$Cal system, the Commission has experienced accounting system weaknesses. Specifically, to avoid excessive staffing levels, the Commission contracts with the Department of General Services (DGS) for its daily accounting functions. As a result, the Commission is reliant upon the expertise and diligence of the DGS accounting office for the processing of its accounting activities in a timely, accurate, and comprehensive manner. However, since the Commission contracts with DGS for its accounting services and has not had staff with accounting and budgeting expertise to handle operational matters, it has experienced difficulty timely compiling the accounting information received into informative budgetary reports for management decision making.

Manage oversight of the Commission's record management process in accordance with records storage laws and regulations ensuring that all Commission actions are retained in accordance with state laws and regulations. This includes ensuring that the Commission operational and administrative procedures are carried out in compliance with the Bagley Keene Open Meeting Act. Ensuring this mandate is adhered to has become more complex given the Commission's increased responsibilities including but not limited to holding hearings for the Interregional Transportation Strategic Plan, the State Highway Operation and Protection Plan; convening joint meetings with the Air Resources Board; administering new transportation programs; and increased responsibility for advising the Legislature. The new roles and responsibilities of the Commission has increased the risks associated with securing public meeting facilities; publicly posting meetings and materials; ensuring the accuracy of Commission meeting minutes; accurately recording Commission actions including stamping, posting and retaining adopted resolutions and other related materials; and retaining all meeting records in accordance with public meeting record retention requirements.

Serve as the Commission's contract manager for human resource matters and oversees human resource needs and requirements. Serve as contract manager for the Commission's contracted human resource services.

Given the increased staffing levels, without the Deputy Director to oversee the Commission's human resources contract with the Department of Transportation and oversee day to day human resource matters, the Commission is at risk of not carrying out responsibilities in accordance with state and federal personnel laws, regulations and policies.

C. ROLE IN POLICY INFLUENCE (continued)

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

The Deputy Director exercises independent decision making in carrying out the Commission's administrative, financial and budgetary responsibilities. The position has full management responsibility for planning, organizing and directing all administrative functions for the Commission. The Deputy Director will independently formulate and administer administrative, financial and budgeting policies, procedures and practices, as well as implement and monitor to ensure compliance. The position will also advise and make policy recommendations to executive management on complex administrative, financial, budgetary problems, strategic and workforce planning, human resources, financial integrity practices and risk assessment processes.

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

The CEA will formulate and implement administrative and fiscal policies for the Commission including formulation of new or revised policies, as well provide policy recommendations to executive management. The CEA will be responsible for developing, standardizing, administering and evaluating policies which impact the Commission's financial and administrative operations.