

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

01/26/2016

2. Department

Industrial Relations

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

Administration/Office of Information Services

4. CEA Position Title

Chief Information Technology Officer (CIO)

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

The Department of Industrial Relations (DIR) proposes to allocate the above position to the C.E.A. category. The Chief Information Technology Officer (CIO) is directly responsible for all Information Technology activities within the department including all Information Technology systems, assets, projects, purchases and contracts and ensures conformity with the State and Agency Enterprise Architecture.

The DIR CIO has direct involvement with executive management of all divisions, pushes business innovation and provides technical input into the decision-making process assuring consistency with state-CIO direction and policies. The CIO aligns technology with the business direction influencing the latter to support uniform service delivery and assures that systems are protected and compliant with latest privacy and security guidelines.

The DIR CIO has overall operational control of the agency's information technology assets and is responsible for all maintenance and operations, security, privacy and operational recovery of IT assets.

6. Reports to: (Class Title/Level)

CEA B

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.

The DIR CIO will be responsible for providing leadership and oversight of the Governance & Services, and Technical Operations units within OIS. The goal is for the CIO to expand responsibilities beyond merely maintenance but to having a more strategic role driving business transformation, innovating for competitive advantage and acting as key strategic partners to the Department and statewide. These areas include, but are not limited to:

-Portfolio management of the department's technology initiatives. The DIR CIO assesses and anticipates technology projects recommending appropriate action and resources engaging the state's STAR process as appropriate for new projects, provides technological road-maps that allow the department's information systems to merge and share information as they are refreshed, upgraded or replaced.

-Project Management activities within the department and interfacing and championing state IT systems initiatives. The DIR CIO works with other executives and project directors within the department providing guidance and oversight; ensuring that all projects are adequately resourced and on schedule as well as operating within the established guidelines for the project.

Oversees the project management process through planning, initiation, execution monitoring and controlling and closing phases. Develops and coordinates IT systems concepts through the Budget Change Proposal process, feasibility study and business analysis through final project review and approval and oversight of the project implementation and project benefit delivery cycle. DIR has an ongoing push to renew and refresh its applications in a way that will allow public portals into the systems allowing for on-line licensing, registration, information submittal and other online transactions to facilitate direct constituent application and tracking access via the Internet.

Long term projects include mobilizing the inspection process for the Division of Occupational Safety and Health, conversion of field enforcement systems for the Division of Labor Standards Enforcement and improving the delivery of services to injured workers by the Division of Workers' Compensation.

Maintenance plans for legislatively mandated projects are the same as internal and administrative support projects. If a vendor is contracted to implement a commercially available application, knowledge transfer is incorporated and ongoing M&O is transitioned to state staff. End dates are as follows:

- AB 621 system to register trucking companies 12/15/2015
- SB 1299 system to allow acceptance of hospital accident reports 7/1/2016
- SB 477 system to register Foreign Labor Contractors 7/1/2016

The following are ongoing or anticipated internal and administrative support projects:

- Occupational Safety & Health Appeals Board (OSHAB) case management system 5/1/2016
- Operations of Electronic Adjudication Management System (EAMS)-modifications, re-establishment of legacy lien fees, i-Forms to e-Forms & additional forms 12/15/2015
- Bureau of Field Enforcement (BOFE) Case Management Conversion & standardization 6/1/2016
- Wage Claim Adjudication (WCA) Case Management Conversion & standardization 6/1/2016
- Public Works Roadmap: PWC-100, Electronic Certified Payroll Record (e-CPR) system, Prevailing Wage Determination and implementation of rules engine 1/1/2017
- Underground economy enforcement systems roadmap: Strategic Data Analytics system to gather data from different data sources designed to analyze and identify potential underground economy enforcement actions. 7/1/2016.

Most of these systems will be based on Commercial-Off-The Shelf (COTS) application software and will be configured and implemented by a vendor to be ultimately maintained by state staff hired into redirected vacancies from the business units involved.

Other DIR in-house systems must be maintained with current technology. This involves a rotating review of business processes and technology assessment to chart system roadmaps for DIR's core systems such as, the Electronic Adjudication Management System (EAMS), Elevators, Pressure Vessels and Amusement Rides inspection systems, Licensing Systems, and an application portfolio of over 33 systems currently maintained by DIR staff. As technology changes, these systems must be upgraded to incorporate common business functions. This requires business analysis, technology review and selection and project management allowing systems to operate as they are upgraded and replaced.

- Operational oversight of IT administrative functions such as support for human resource management, and operations, including, but not limited to:
 - o Web application development pertinent with the Examination and Certification Online System (ECOS) upgrade
 - o Application and database development and management such as Filemaker and Salesforce
 - o Security administration
 - o Telecommunications, including Public Safety Communications;
 - Managing the departmental transition to VOIP and consolidation of multiple call centers into a single department-wide state-wide system and the department's network footprint on the CGEN wide area network system.
 - Manages the department emergency notification system that advises staff state-wide during emergencies.
 - o Project planning, consulting and management
 - o Help desk and customer service management
 - o Technology recovery program

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 Chief Information Officer (CIO) will provide leadership to the Department of the Industrial Relations (DIR) in all areas of information management and technology. The DIR CIO oversees the Office of Information Services division (OIS) which is critically important to DIR. Its mission is to improve working conditions for California's wage earners and to advance opportunities for profitable employment in California. DIR administers and enforces laws governing wages, hours and breaks, overtime, retaliation, workplace safety and health, apprenticeship training programs, and medical care and other benefits for injured workers. DIR also publishes materials and holds workshops and seminars to promote healthy employment relations, conducts research to improve its programs, and coordinates with other agencies to target egregious violators of labor laws and tax laws in the underground economy.

All major functions including workers' compensation, benefits delivery systems, labor standards and enforcement, health and safety, apprenticeship, public works enforcement as well as administrative and financial functions are critically dependent on the systems, databases, local-area networks and other services provided by the OIS.

As an example, the OIS was key to implementing the most significant portions of the recent workers' compensation reform stemming from SB 863 including a lien-fee collection system that has collected in excess of \$55M, a return-to-work benefit delivery system to disburse \$120M to injured workers on an annual basis. And, manages the Electronic Adjudication Management System (EAMS)--a \$60M system used to manage all aspects of the California workers' compensation program. With the increased signed mandates with anticipated roll-out dates within the next several years, the CIO's role is only anticipated to increase.

The OIS is also critical to the DIR's labor law enforcement efforts. As the custodian of the main case management system, it provides the Maintenance and Operations activities that support the case management, inspections, licensing and cashiering functions of the labor law enforcement program.

OIS also develops and maintains systems that support administrative divisions such as: Human Resources, Accounting, Budgets, Facilities, Contracts and other core operations systems.

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.

There has been a 22% increase of IT positions for a total of 157 OIS staff that supports a total of 2,620 of active DIR employees. This is a result of increased scope in IT responsibilities, and reduced reliance on expensive contract staff.

Senate Bill 863, Chapter 363, Statute of 2012, significantly changed the California Workers' Compensation system. The bill took effect on January 1, 2013, although not all of its provisions will be effective immediately. In addition, the major components of SB 863 rely on additions to established automated systems such as the workers' compensation EAMS. This positions the department to maintain and operate in-house these mission critical applications with state staff instead of contracting out to consultants at a premium cost at the expense of losing the institutional knowledge with each system change.

SB 863 was only one of several legislatively mandated applications that left the department with additional mission-critical functions serving the public, amongst others are:

-SB 854 was signed into law on June 20, 2014 and the reforms made several significant changes to the administration and enforcement of prevailing wage requirements by the DIR. Public works projects became under direct DIR/Division of Labor Standards Enforcement (DLSE) monitoring and created a new contractor registration program. Contractors are subject to a registration and annual renewal fee set initially at \$300. The fee is non-refundable and applies to all contractors and subcontractors who intend to bid or perform work on public works projects (as defined under the Labor Code). OIS is involved because Contractors apply and pay the fee online and must meet minimum qualifications to be registered as eligible to bid and work on public works projects. DIR also provides a searchable database of registered contractors and subcontractors on its website maintained by OIS, so that awarding bodies and contractors can comply with the requirement to only use registered contractors and subcontractors.

-AB 621 was signed on October 10, 2015. This bill provides amnesty to trucking companies for misclassifying commercial drivers as independent contractors if they enter into a settlement with the Labor Commissioner prior to January 1, 2017; agree to convert the drivers to employees; and pay all wages, benefits, and taxes owed. This bill takes effect January 1, 2016. The Senate Committee on Appropriations analyzed the fiscal impact to be most likely incurred by DIR for the bill provision implementation. OIS is involved as part of the implementation that requires a system wherein a motor carrier submits an application to the Labor Commissioner which will most likely be electronic, on a form provided by the Labor Commissioner. The application shall, at a minimum, require the motor carrier to establish it qualifies as an eligible motor carrier.

-SB 1299 was signed on September 29, 2014. The legislation requires the Cal/OSHA Standards Board to adopt standards to require "specified types of hospitals, including a general acute care hospital or an acute psychiatric hospital, to adopt a workplace violence prevention plan as part of the hospital's injury and illness prevention plan to protect health care workers and other facility personnel from aggressive and violent behavior" by no later than July 1, 2016. OIS is involved as by January 1, 2017, and annually thereafter, the division, in a manner that protects patient and employee confidentiality, shall post a report on its Internet Web site containing information regarding violent incidents at hospitals, that includes, but is not limited to, the total number of reports, and which specific hospitals filed reports, pursuant to paragraph (8) of subdivision (b), the outcome of any related inspection or investigation, the citations levied against a hospital based on a violent incident, and recommendations of the division on the prevention of violent incidents at hospitals.

-SB 477 was signed on September 28, 2014. This bill requires foreign labor contractors to register with the Labor Commissioner (Commissioner), as well as follow additional contractual and bonding requirements, as specified. Under existing state law, the DLSE in the DIR, under the direction of the Labor Commissioner, enforces and administers the licensing and supervision of farm labor contractors, as defined. The bill, on and after July 1, 2016, would require a foreign labor contractor to register with the Labor Commissioner and would impose certain conditions for registration, including payment of specified fees. The bill would require the commissioner to enforce and administer the registration and supervision of foreign labor contractors, and would authorize the commissioner to adopt regulations or policies and procedures to implement these provisions. OIS is involved with the implementation of the electronic registration system. Increased organizational size and complexity requires the reorganization of OIS into two main functional business units; IT governance and operations. The governance section must support new requirements of Technology Letter 14-07 which sets out a new Project Approval Lifecycle. In addition to the goals stated by the Technology Letter, the CIO must work with the Labor and Workforce Development Agency and the Department of Technology (CalTech) to develop policies and procedures to support successful governance and project lifecycle processes within all state agencies.

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 position must implement and maintain an overall system of governance and the frame work for IT Projects, maintenance and operations and security management to assure that DIR maintain robust operational systems.

Policies on Governance-The CIO maintains a governance framework for the portfolio of IT projects, maintenance and operations of current systems and the agency's Security and Risk Management frameworks. This enables a structured approach to conduct departmental change and project activities ensuring efficient management over time while taking due account of the stakeholders' interest, minimizing risk and adhering to the state's overall project requirements and governance while assuring ongoing maintenance and operational needs of services delivery systems.CEAs will ensure that the projects involving the aforementioned legislative mandates are consistent with the standards, procedures, schedules, instructions, forms and template the State Administrative Manual (SAM) that contains statewide IT policy and General IT – Section 4800 for:

- IT Planning & Feasibility Study – Section 4900
- IT Equipment Maintenance Records – Section 5000
- IT Standards – Section 5100
- IT Procurement – Section 5200 et seq.
- Information Security – Section 5300 et seq.
- Disposal of IT Equipment – Section 5900
- IT Fiscal (Expenditures) – Section 6700
- Automated Accounting Systems – Section 7260 et seq.
- Summary of What Changed in SAM

CEA will also adhere to the Statewide Information Management Manual (SIMM) that contains the instructions and guidelines needed to implement IT policy.

Policies on Enterprise Architecture- The CIO provides leadership and oversees the maintenance and development of DIR's information technology enterprise architectural standards. These standards establish the framework for automated systems for the department and dovetail with those of the state. These standards assure that the agency maintains a strategic asset base, which defines the mission;the information necessary to perform the mission, the technologies necessary to perform the mission, and the transitional processes for implementing new technologies in response to changing mission needs; and includes a baseline architecture, a targeted architecture and a sequencing plan.

Policies on Security and Risk Management- Provides the leadership, organizational structure, communications, relationships and processes to form the basis for information security governance assuring:

1. Alignment of information security objectives with business strategy,
2. Effective risk management,
3. Optimized security investments; and,
4. Measurable program results.

C. ROLE IN POLICY INFLUENCE (continued)

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

The CIO is responsible for all information technology activities within the department. The CIO must merge state-CIO direction and initiatives into agency priorities and accounting for resources available to ensure that both directions are adhered to.

Part of the utilitarian scope of the CIO is to ensure that the IT inventory of goods and services with consideration to the public and DIR employees are sufficient which equates to active coordination with Budgets office. In the aspect of advocacy, this involves being able to change mindsets about information technology and so identifying sources of competitive advantage. As for innovation, this will include: delivering opportunities for securing advantage; raising profile of the OIS as a business partner; empowering and enabling the department with information capabilities, and Levering IT assets. The CIO will also develop agile infrastructure, and coordinate organizational information and technology requirements in a proactive manner.

The position will participate as a departmental executive on all project steering committees assuring compliance with state IT and architectural standards. The CIO will seek to educate his or her peers on the potential for information to be a potent business driver, partly by providing them with exciting visions of the future, and partly by creating pilots to demonstrate this potential.

The Department CIO is accountable to the State CIO with respect to technology direction, including, but not limited to, IT policy, planning and management.

The nature of the position is a mix of technical and administrative. Advanced IT fluency of the CIO will contribute to sound decision-making in administrative aspects that includes but are not limited to: inventory, staffing, contracts and procurement.

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

The CIO develops IT policies that are in concert with the State-CIO's direction and agency priorities. The policies support the maintenance and operations of DIR-critical systems.

Examples of the policies involve structuring the implementation of change requests, new functionality and service windows to assure that multiple systems running on the same technical infrastructure (hardware) are able to be upgraded and have work performed in a way that other systems running on the same hardware are not affected. This involves policies and structure for moving systems from a development environment to testing, pre-production and production. Since conflicts between systems, such as EAMS, OSIP, and Public Works Contractors Registration, amongst several, may arise, the process, notification, quality control, and other processes require that certain milestones be observed in order to move forward.

The CIO implements operations, and production policies that allow concurrent systems to be maintained and operated on a single hardware platform.

The CIO also implements system specific policies dependent upon the type of information (private, confidential, critical, etc.) that users may access through information systems and connections.