

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

3/1/2023

2. Department

Department of Finance

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

Statewide and Capital Outlay Unit

4. CEA Position Title

Program Budget Manager

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

The Program Budget Manager (PBM) manages the Department's budget staff in the Statewide and Capital Outlay Unit (SCOU) assignment area. Participates in the formulation, improvement, management and evaluation of the Administration's statewide fiscal plans, programs, and policies affecting or affected by various program areas including oversight of the acquisition, renovation, and maintenance of state facilities, lease revenue, debt obligations, and general obligation bond payments of the state. Participates at the Agency level in the development of the Governor's legislative program in matters involving major fiscal policy. Reviews legislation with fiscal or programmatic impact on various sensitive program areas and testifies before legislative committees.

6. Reports to: (Class Title/Level)

Chief Operating Officer, 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): The PBM is a member of the Director's executive management team and is involved in the development and recommendation of policies impacting all segments of government through the fiscal and budgetary programs of state government.

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 PBM over Statewide and Capital Outlay will be responsible for the team of budget staff responsible for capital outlay budgets, as well as a number of departments that are considered to generally have a statewide focus.

The PBM will oversee of the acquisition, renovation, and maintenance of state facilities, lease revenue, debt obligations, and general obligation bond payments of the state and also handle various statewide functions, such as payments and disbursements of state funds, allocations to local governments and schools, administration of the payroll system for the state employees and the California State University (CSU) employees, asset management, and management of the state's Pooled Money Investment Account.

Lastly the PBM will oversee capital projects and emergency response coordination for disasters improving policy synergy across the state.

**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 PBM over Statewide and Capital Outlay will oversee the team of budget staff responsible for capital outlay budgets, as well as budgets for a number of departments that are considered to generally have a statewide focus which is critical to performing the department's mission to serve as the Governor's chief fiscal policy advisor and to promote long-term economic sustainability and responsible resource allocation.

## **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 2022-23 Enacted Budget significantly increases funding and staffing levels for Finance to address workload levels that have steadily increased over the years and necessitates a department-wide reorganization and restructuring. The addition of the Statewide and Capital Outlay PBM is one of several steps necessary to reallocate workload and create the appropriate organizational structure that will ensure Finance is able to successfully perform the department's mission.

Between 2013-14 and the Governor's Proposed Budget for 2022-23, the state General Fund budget more than doubled from \$100 billion to just over \$213 billion. Special funds and bond funds have increased by approximately 70 percent and 80 percent, respectively. During that same time period, federal funds have increased by about 87 percent from \$72 billion to over \$135 billion. The state received a record level of federal funds (\$273 billion) in 2020-21, which was primarily due to the COVID-19 Pandemic and federal stimulus bills enacted to address the global economic crisis. The state expects to spend these funds over the next several years to support many new programs and provide greater opportunity for all Californians. In addition, the number of state employees has grown from over 350,000 in 2013-14 to over 415,000 in 2022-23, or approximately 18 percent. Despite the substantial level of growth, the resource level at Finance has decreased from 492.8 positions in 2013-14 to 484.1 positions proposed for 2022-23. The total authorized positions for Finance would be only 469.4 positions and has not grown despite the sizeable growth of the state's budget.

Based on exit survey information from those leaving the department, work-life balance has been a key factor in the decision to leave and many have noted the workload demands/expectations are unsustainable. This is reflected in several ways, including high overtime levels and practical limitations in the amount of time off that can be taken throughout the year (primarily during peak workload times). Both have contributed to growth in employee leave balances, particularly in budget units. Some of this growth occurred with the implementation of the Personal Leave Program in 2020, which provided staff time off (two days per month) commensurate with the reduction in employee compensation of nearly 10 percent. For the reasons described above, the amount of leave above the 640-hour cap grew from 99 staff with about 21,000 cumulative hours to 126 staff with 39,000 cumulative hours. The average excess hours per employee has increased from 215 hours to over 300 hours. These leave-balance increases further demonstrate challenges faced by having too few staff to meet the workload demands. To mitigate these impacts, decrease burnout, and reduce turnover, additional staff are needed to maintain the same level of workload.

In addition to the net loss of staff and limited ability to take time off, Finance has experienced a steady increase in overtime since 2018-19. Unfortunately, given the external drivers and deadlines associated with most of our workload, overtime will not be eliminated, but could be spread among more staff so average overtime hours are reduced. Increases in budget analyst overtime is one way Finance addresses its workload, however the department's 63 budget managers must also work longer hours, particularly when staff workload spikes in September – December and April – June each year, to meet the department's workload demands. These increased hours are uncompensated and result in significant manager burnout. Based on a survey of our budget management team, they are estimated to have collectively worked more than 35,000 hours of overtime last year.

In order to address the issues identified above, Finance is submitting this request (with other CEA requests to follow) to build an organizational structure that will support the workload demands, redirect assignments to allow for less overtime and more work-life balance. The additional management oversight and restructuring of the various functional areas will ensure the critical functions of the Department continue without interruption.

### **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 PBM is responsible for the Statewide and Capital Outlay program area for the State of California, representing the department and the administration on critical and sensitive policy issues.

The PBM will oversee capital outlay budgets, as well as a number of departments that are considered to generally have a statewide focus. Other responsibilities include oversight of the acquisition, renovation, and maintenance of state facilities, lease revenue, debt obligations, and general obligation bond payments of the state. The PBM will handle various statewide functions, such as payments and disbursements of state funds, allocations to local governments and schools, administration of the payroll system for the state employees and the California State University (CSU) employees, asset management, and management of the state's Pooled Money Investment Account. Additionally, the PBM will oversee capital projects and emergency response coordination for disasters improving policy synergy across the state.

California is faced with natural disasters and other emergencies, with even more occurring in recent years. Several state departments are involved in preparing for and responding to these events, including the Office of Emergency Services, California Military Department, Department of General Services, and California Volunteers and the Office of Community Partnerships and Strategic Communications within the Office of Planning and Research. The creation of the statewide unit will enable Finance to combine these departmental budgets into one unit (as opposed to the current structure that places these departments within three different units within Finance), which will result in more efficiencies and improve coordination and communication among these departments and with the Governor's Office. In addition, the statewide unit will oversee four Constitutional Officer budgets: Governor's Office, Lieutenant Governor, State Controller and State Treasurer. Lastly, the statewide unit encompasses the state's capital outlay program and Department of General Services, which work closely together, and until now, have been overseen by two different units within Finance.

This individual advises Administration officials on fiscal and policy issues and make critical decisions with far-reaching impacts.

Related activities include:

1. Consulting with and advising officials within the assigned departments, Finance executive staff, legislative staff, and Governor's Office regarding programmatic and fiscal issues.
2. Negotiating compromises on significant and often sensitive issues involving budget augmentation requests, legislative direction, and policy established by the Administration.
3. Solving various budgetary problems encountered by assigned departments.
4. Putting processes in place that encourage Administration policy and sound fiscal practices are adhered to by the assigned departments.

**C. ROLE IN POLICY INFLUENCE (continued)**

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

The PBM has broad decision-making authority for all Statewide and Capital Outlay activities. The PBM is responsible for ensuring the Administration's Statewide and Capital Outlay initiatives are carried out with the utmost integrity. The PBM operates independently and represents the department's Capitol Office Executive team and the Administration for all Statewide and Capital Outlay Functions. The combining of departments that play key roles in preparing for and responding to natural disasters and other emergencies within one unit will be beneficial in the state's decision-making process, particularly when it comes to advising the Governor's Office on various fiscal and policy issues.

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

The PBM will both be developing and implementing new policy and interpreting and implementing existing policy. Statewide and Capital Outlay functions are always changing and new regulations released regularly. As this occurs, the CEA C will be responsible for ensuring the Department develops new policies and/or revises existing policies to ensure the goals of the Administration are carried out effectively.

COVID-19 is a prime example of when policies may need to be revisited. The state faced significant change and quickly, during the pandemic. Policies and procedures arose from that experience, and the Office of Emergency Services, Department of General Services and the California Military Department worked closely with the California Department of Public Health to, among other things: activate the State Operations Center; initiate emergency contracts to secure necessary protective and medical equipment; plan for and deliver testing and vaccinations to millions of Californians; and deliver services to the most vulnerable populations within California, such as the elderly and disabled that were limited in their ability to access basic services and needs like food.