

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

1/29/2020

2. Department

Franchise Tax Board

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

Technology Services Division / Data Bureau

4. CEA Position Title

Data Bureau Director

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

The proposed CEA will serve as the Data Bureau Director within the Technology Services Division (TSD). The Data Bureau Director will set policy, plan, organize and direct the design and development of the Franchise Tax Board's (FTB) data services that feed the 200 automated systems that support over 20 million taxpayers, enabling the FTB to bring in 76% of California's general fund.

6. Reports to: (Class Title/Level)

Chief Information 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):

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 administrative direction of the Technology Services Division (TSD), Chief Information Officer (CIO), the Data Bureau Director (Data BD) will establish policy, plan, organize and direct the design and development of the FTB's data services that feed the 200 automated systems and services supporting all tax processing, tax compliance activities, administrative functions, and non-tax debt collection systems. The Data BD is responsible for ensuring that the systems and applications meet current and evolving data related business requirements, tax laws and/or legislative statutes, and other executive mandates with the highest degree of quality, availability, and reliability, while in compliance with all data security, disclosure and retention protocols.

The Data BD establishes policy regarding key departmental, technology and service issues while directing subordinate managers in the delivery of mission critical data services in support of the FTB's automated systems, Systems of Work (SOW), and other enterprise customers and stakeholders. Examples of these policies include, Data Architecture policy, Data Analytics Toolset policy, FTB Reporting Landscape policy, and Data Quality policy. The Data BD is responsible for; establishing goals, objectives, and success criteria for the staff and works with them to achieve these goals via active management of plans and schedules, for completing work within budgeted scope, timeframes, and costs, adherence to the enterprise architecture, Software Development Life Cycle (SDLC), Project Management, IT service management methodologies, Security Information Management (SIM) and Software Asset Management (SAM) directives, and providing a working environment that fosters productivity and job satisfaction of the staff.

The Data BD acts as a member of the FTB executive management team as a program advisor and policy maker and in an advisory capacity to the department's Executive Officer and Division Chiefs in policy development and issue resolution. The Data BD provides direct support to the CIO on major project issues requiring external review and approval on contract negotiations and policy issues which impact the departments' business functions and programs; and acts on his/her behalf on division and department-wide policy issues. A member on various action committees, steering committees and other departmental teams, which are responsible for developing departmental policy and standards as well as recommending departmental solutions and strategies. This requires outstanding leadership and communication skills in interacting with the taxpayer community, other state agencies and departments, vendor community and oversight agencies, and the country's leading authorities on state taxation and administration.

The Data BD is a member of the FTB's governance process and executive management team, providing critical and highly sensitive recommendations to the CIO and other FTB senior managers on policy development in support of SIM and SAM directives. All program work is performed within the framework of the department's mission and values with the objectives of optimizing processes, products, services and resources to better serve our customers.

The Data BD will also provide leadership to departmental teams in response to legislative, political and business issues employing knowledge of the departmental strategic goals, understanding of underlying business issues, and coming up with solutions that meet the needs of customers while maintaining data accuracy, efficiency and effectiveness from an automated systems perspective. For example, the Data BD will:

- Establish the Enterprise Data Analytic Program to promote data literacy, self-service initiatives and increase consumption for data for business benefits;
- Implement policies and standards to improve the data qualities from external agencies as well as outputs from internal applications;
- Reduce redundancies of data and processes to ensure safeguarding of data and integrity; and
- Sponsor the enterprise-wide projects and efforts on research and discoveries of business opportunities while consuming available data.

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 mission of the Franchise Tax Board is to help taxpayers file timely and accurate tax returns and pay the correct amount to fund services important to Californians. To accomplish this mission, the Data BD is responsible for all design and development of the FTB data services that include the automated and manual processes that feed return processing, cashiering, auditing, collections and assorted administrative functions. The data that supports these systems is essential to the success of the department's programs. The FTB is one of the largest consumers and producers of data due the number of returns we process, and third party data we collect for tax administration. The FTB uses data to process returns, issue refunds, perform audits, identify fraud, locate non-filers, identify assets for collection, model to identify the best cases to audit or collect from, answer phone calls, correspondence, create revenue estimates, and measure performance. The FTB cannot fulfill its mission without data. For example, the FTB has had IT incidents and outages delaying tens of millions of dollars being deposited into the General Accounting Funds, or that have impacted thousands of Taxpayers when the FTB services are unavailable. On an annual basis, the FTB manages over 38 million inbound data records for returns, and about half a billion records of third party data from external sources and these numbers continue to grow as the FTB receives additional data exchanges.

The TSD supports the IT infrastructure essential to the success of the FTB's programs. Technology is a means to help the FTB provide the most efficient and effective service to California's taxpayers. The TSD leverages the latest innovative technologies to help taxpayers quickly and easily meet their tax obligations; whether checking a refund status via mobile device, making a payment via telephone, or finding tax return answers by simply visiting our website. Due to technology, 88% of taxpayers with a requirement to file, utilize the FTB's online filing program (eFile) which allows taxpayers to file taxes timely and accurately.

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.

Over the last decade, the FTB's TSD bureaus have been organized around the IT systems they support, i.e. the Taxpayer Information Accounting System, the Accounts Receivable Collection System, the Integrated Non-filer Compliance System, etc. To better align with industry and state IT and business demands, lower our costs, and prepare for the next two phases of tax system modernization efforts (Enterprise Data Revenue [EDR] Projects 2 and 3), the FTB is moving to a service management based organizational structure.

This requires the FTB to align the TSD around the "functions" we perform, versus the "system" we support. Under the service management structure, we move the TSD organization around what we do. Another way to look at this is to think about the steps/areas of the System Development Lifecycle (SDLC) as follows:

- Initiation
- Analysis
- Development
- Quality Assurance
- Data
- Infrastructure
- Operations

Prior to the EDR project, the FTB's 200 plus systems had limited reliance upon each other with a lower consequence of error that impacted individual systems, containing the impacts to a smaller audience. With EDR's focus to improve the FTB's use of data, key functions were automated, creating a dynamic environment of shared data, which increased the FTB's ability to perform individual work better due to improved tools and access. However, with this growth came increased complexity, interrelation of data and a higher consequence of error; and as a result, the interdependency that systems have on enterprise data requires that individuals' decisions on each systems must consider upstream and downstream impacts.

The expectations of California taxpayers for dynamic technological solutions has increased significantly based on direct taxpayer feedback from education and outreach events, online surveys, focus groups, call center complaints and further, validated by industry research from McKinsey, Gartner, Forrester and Federal GAO (U.S. Government Accountability Office). A common complaint is why government isn't more like Amazon or the online banking services where the taxpayer can have access to their information when and how they want it. This need has been further validated by the new administration's creation of the Office of Innovation, which is part of Government Operations and the Department of Technology. Both provide oversight to the FTB and any IT efforts including statewide expectations from the Governor's office. Their key initiative being 'customer experience' and their expectations that state services will be dynamic to meet our customer's needs. For example, taxpayers now want to conduct business on mobile devices and want information in real time. These expectations increase the FTB's responsibility to deliver and meet their needs.

Along with these taxpayer expectations is the increased sophistication of security threats and fraud schemes, both of which require sophisticated technological responses and protections. With the exponential growth in digital transactions, there are new laws such as California Consumer Privacy Act (Assembly Bill 375) and future legislative proposals that will advance protection of California citizens' data. The Data BD will play a critical role to promptly align the department's policies based on the enacted laws and policy changes. Further, the FTB shares its data with other agencies and also receives data, which requires additional protections to isolate potential threats.

The Data BD will identify and adopt standard enterprise technology processes and tool sets as it relates to the role of the Data Bureau within TSD. The Data BD is critical to developing, implementing and maturing our service management organization goal and leading a comprehensive software development organizational effort that will support all of the FTB including statewide efforts and mandates. The FTB writes and maintains in-house software for over 200 systems consisting of tens of millions lines of software code. The Data BD establishes policies on architecture, platform, database, performance requirements and risk tolerances and then develops and monitors processes to ensure the policies are being met.

For example, the Data BD will participate on policy development on statewide level on topics such as: data quality, open data portal, and statewide data exchanges. Data governance and controls have evolved from system specific protocols to enterprise and statewide processes that can meet the demand for Big Data interfaces and analysis across platforms.

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 Data BD will exercise independence and authority in developing, implementing, directing, and evaluating the FTB's statewide policies relative to new technology and innovation related to data. The Data BD will serve as the expert advisor and provide critical consultation to the Executive Officer, CIO, Governance Council and the FTB's executive management on mission-critical program and policy issues relative to the identification, evaluation, development, and implementation of new technologies for the FTB and tax system administration. The Data BD works collaboratively with senior management within the FTB to assess operational needs, develop policies and provide direction with an emphasis on compliance with relevant laws, rules and regulations, as well as with an eye towards aligning operational performance with the FTB's strategic goals and objectives. Policy responsibility includes: Data Architecture policy, Data Analytics Toolset policy, the FTB Reporting Landscape policy and Data Quality policy.

The Data BD will review proposed legislation and recommend new policy creation and/or amend existing policies to ensure IT solutions meet the intent of the law and business needs for the administration including fair and equitable treatment of taxpayers and/or stakeholders. An example of new legislation is the recent healthcare mandate that puts the FTB into the healthcare business by capturing healthcare information on the income tax return, reconciling healthcare subsidy information and implementing penalty provisions. This requires us to look at virtually all processes to determine where we can integrate into existing processes and where we have to build new, which includes, IT methods or guidelines for development, target architecture, policies and models, software and hardware policies and standards as well as interpretation and application of the FTB and statewide security policies, State Administrative Manual (SAM) policies and mandates (especially those IT), and Statewide Information Management Manual (SIMM) policies and mandates. For example, the Internal Revenue Service (IRS) has mandates around how we process and store Federal Tax Information (FTI) that requires us to update our systems and processes to keep up with the latest security standards. The impacts to IT policies are analyzed for effects on our 200+ systems ranging from tax, compliance, filing enforcement, audit, legal, non-tax, human resources, administration, and financial. A single proposed legislation for data might impact all systems and changes policies, procedures and standards for all IT areas. These changes are very complex and takes and understanding of State IT policies, FTB IT policies, FTB business policies, FTB strategic and operational goals as well as numerous other national and federal guidelines.

As members of the FTB's executive management, the TSD Bureau Directors will be expected to collaborate with all stakeholders by participating in the FTB's governance process as voting members of the FTB's action committees such as the Compliance Action Committee (CAC), Resource Allocation Action Committee (RAAC), Customer Service Action Committee (CSAC), Technology Action Committee (TAC), Internal Business Action Committee (IBAC), or the Privacy and Security Action Committee (PSAC). Each of these action committees address enterprise-wide policies and practices affecting the FTB's business processes, external customers, finances, security, human resources, and operations. The Data BD sits on one or more of the FTB's action committees which is the governance committees that develop policy around customer service, compliance, internal business, privacy, organizational development and resource allocation.

In addition, the Data BD will be responsible for statewide impact for the following policies:

- Protection of the taxpayer's private data in alignment with the statewide privacy policies and preventive efforts to avoid data breaches.
- Data retention and archive policies
- Partnering with IT security on data security and privacy policies
- Partnering with research and statistics on publishing data on open data portal for the state and policies in alignment with statewide effort for data transparency.

C. ROLE IN POLICY INFLUENCE (continued)

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

The Data BD will be responsible for directly impacting the formulation of software quality assurance policies, strategic decision-making, program effectiveness of IT services provided to the FTB and the public. As a member of the executive management team, the Data BD will provide strategic policy advice that ultimately may have a profound impact on the department's automated systems. The Data BD will continuously evaluate and monitor system performance and quality to ensure the integrity and stability of the code being produced (networks, servers, databases, etc.). By providing oversight, this will ensure the proper policies are developed and protocols are followed by the data development staff in creating code that meets quality standards from the origination of the data source; administration and delivery of data loading, storage and retention, as well as the final consumption by business end users and customers and any data exchanges with other state departments or third party sources.

The Data BD will identify trends and issues impacting development and integrity and make decisions on staffing levels, classifications, and training and performance standards. The Data BD assesses risk, establishes policy and direction on system changes, and implements business process changes and proposed legislation to facilitate efficient processes and equitable treatment for taxpayers and improved customer experience.

As the Data BD, the incumbent is ultimately responsible for certifying the readiness of the systems that supports over 6,000 employees, over 20 million tax returns filed and generates over \$93 billion or 76% of California's general fund annually. The consequence of error is high and attention to detail and ability to assess risk, evaluate readiness, and make decisions promptly and judiciously are critical for this position to be effective.

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

The Data BD will play a critical role in developing, implementing, and interpreting new and existing policies. The Data BD will strategize on impacts and develop solutions with the CIO, executive management, as well as senior management in the recommendation, development, and implementation of policies, standards, processes, and procedures as it relates to IT service management and the TSD's mission and strategic goals.

As TSD continues to move towards a service management organization, the Data BD will develop consistent methodologies and standards for the comprehensive SDLC, common tools, expand shared services, etc. Further, the Data BD will be tasked with leading, interpreting and implementing new policy, which must be complimentary and compatible with existing policies, ensuring the most optimal outcomes for the FTB are achieved. Currently, there are four new policies being developed.