

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/Initiation Bureau

4. CEA Position Title

Initiation 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 Initiation Bureau Director within the Technology Services Division (TSD). The Initiation Bureau Director will set policy, plan, organize and direct the Franchise Tax Board's (FTB) centralized technology planning in the areas of portfolio management and budget, technology project management, enterprise intake, release planning and disaster recovery services for technology. The Franchise Tax Board's Information Technology (IT) systems support over 20 million taxpayers, and over 200 systems, 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, Chief Information Officer (CIO), the Initiation Bureau Director (Initiation BD) will establish policy in the area of IT Release and Deployment, IT Change Management, and Free Use of Products and Services, as well as plan and organize the department's centralized technology in the following areas:

Portfolio management which selects, controls, and evaluates IT related work to determine the appropriate combination of projects needed to achieve the FTB's missions and goals by working in collaboration with business and technical partners across the enterprise to achieve a balanced IT portfolio that includes ongoing maintenance activities and new strategic initiatives.

TSD divisional budget of over \$100 million and for approximately 1000 IT professional staff, including establishing budgetary goals and policies, developing costing strategies, participating in enterprise costing drills and efforts, and tracking positions, hours and dollars.

Technology project management of the most complex projects using industry-standard project management methodologies in alignment with CalTech's CA-Project Management framework and policies.

Enterprise and release planning, which is the process where thousands of customer requests for technology services are analyzed, prioritized and scheduled into quarterly releases for the department's most critical foundational systems responsible for all core business functions.

The Initiation BD is also responsible for technology recovery services, including establishing policies for technology recovery activities, ensuring the department adheres to statewide technology recovery policies and reporting requirements, managing the department's master technology recovery plan, and overseeing remote recovery facility contracts and exercises.

The Initiation 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 including policy development in support of Security Information Management (SIM) and Software Asset Management (SAM) directives. All program work is performed within the framework of the FTB's mission and values with the objectives of optimizing processes, products, services and resources to better serve our customers.

In addition, the Initiation BD will 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 efficiency and effectiveness from an automated systems perspective. For instance, facilitating discussions and policy development to address critical departmental challenges such as responding to legislative mandates, balancing the portfolio of mandatory operational work against the needs for customer innovation demands, strategically evaluating organizational strengths, and considering political optics and organizational goals.

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 Initiation BD is responsible for managing and prioritizing the inventory of all software change requests over the IT systems that provide automated return processing, cashiering, auditing, collections and assorted administrative functions. It is critical that the highest priority requests are identified, assigned for analysis, developed, tested, and ultimately scheduled into the appropriate releases to ensure the FTB meets legal mandates, revenue goals and service levels.

The TSD supports the IT framework 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 facilitate all of its core business functions. For example, the FTB uses technology 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 cost, 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 has been further, validated by industry research from McKinsey, Gartner, Forrester and Federal GAO (U.S. Government Accountability Office) reports. 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. The California Consumer Privacy Act (Assembly Bill 375) requires our attention to the security of our taxpayers' data as well as transparency. Further, the FTB shares its data with other agencies and also receives data, which requires additional protections to isolate potential threats.

The Initiation BD is critical to developing, implementing and maturing our service management organization goals and leading a comprehensive software development organizational effort that will support all of the FTB through leadership, mentoring and necessary policy development. For example, the Initiation BD will establish policy in partnership with CEAs from the FTB's business areas to ensure critical system requests are managed and implemented in the most appropriate timeframe and manner, ensuring that the enterprise service view held by the FTB's governance bodies is translated into steps that result in an outcome compatible with that view.

In addition, the Initiation BD will now have a decisive role in the department's governance structure, and will regularly partner with other CEA positions and the FTB's senior management. For example, the Initiation BD will set policies governing enterprise technology processes and tool sets that support all critical departmental systems and IT system support services. A tool set can be described as a set of software routines or a complete integrated set of software utilities that are used to develop and maintain applications and databases.

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 Initiation BD will exercise independence and authority in developing, implementing, directing and evaluating the FTB's statewide policies relative to the Initiation Bureau and its direct impact to the TSD and the FTB. Examples of these policies are IT Release and Deployment policy and IT Change Management policy. The Initiation 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 all 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 Initiation 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.

The Initiation BD will review proposed legislation and recommend new policy creation and/or amend existing policies to ensure IT solutions meet 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. Policies include 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 impacting 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, and 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. Some specific examples of enterprise-wide policies for the Initiation BD include policy development on items such as security audit logging, cloud data storage, and project initiation, funding and approval policies. The Initiation 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 Initiation BD will be responsible for providing direct support on major issues requiring external review and approval as well as policy issues impacting the FTB's business programs. For instance, the Initiation BD will represent the FTB on external committees and task forces on issues with statewide impact, input on statewide policies or tools, and opportunities to collaborate and share services.

The Initiation BD establishes policy that determines how the FTB prioritizes its work. This includes how to score and schedules the 1000's of system change requests and projects, taking into consideration attributes such as legislative mandates, revenue generation potential, improved efficiency or customer experience. Examples of external committees and task forces include the Department of Technology's Project Management Advisory Council as well as project initiation, funding and approval policies, and the statewide data exchange.

The Initiation BD will also establish and monitor project management policies for Initiation Bureau staff to follow to ensure maximum performance, system availability, IT stability and quality measures are in order to meet the FTB's program goals in support of tax administration. This includes project management principles, prioritization methodology, and risk management methodologies. The Initiation BD manages in an environment where consequence of error is extremely high and impacts the highest levels of state government. The Initiation BD represents the FTB on committees and task forces outside of the FTB on issues with statewide impacts, such as IT best practices, input on statewide policies or tools regarding infrastructure frameworks from the Department of Technology, and opportunities to collaborate and share services.

C. ROLE IN POLICY INFLUENCE (continued)

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

The Initiation BD will be responsible for directly impacting the formulation of software development policies, strategic decision-making, program effectiveness and the quality of IT services provided to the FTB and the public. As a member of the executive management team, the Initiation BD will provide strategic policy advice that will have a profound impact on the department's automated systems. The Initiation 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 to ensure the proper policies are developed and protocols are followed by staff to ensure system change requests are documented and analyzed for cross system impacts and prioritized accordingly to meet legal and business requirements and quality standards.

The Initiation BD will identify trends and issues impacting development and integrity and make decisions on staffing levels, classifications, and training and performance standards for the Initiation Bureau. The Initiation BD 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.

The Initiation BD is responsible for systems that support over 6,000 employees, over 20 million tax returns filed and over \$93 billion in revenue collected annually, which represents 76% of California's General Fund. Consequence of error is high and attention to detail and ability to react 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 Initiation BD will play a critical role in developing, implementing, and interpreting new and existing policies. The Initiation 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 Initiation BD will develop consistent methodologies and standards for the comprehensive SDLC, common tools, expand shared services, etc. Further, the Initiation 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 two new policies being developed.