

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

7-XX-2020

2. Department

California High-Speed Rail Authority

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

Financial Office

4. CEA Position Title

Project Financial Director

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

The Project Financial Director (PFD) of the California High-Speed Rail Authority (Authority) reports to the Chief Financial Officer (CFO) and is responsible for assisting the CFO with the creation and establishment of fiscal management policies and procedures for conducting the Financial Office's review, validation, and overall accuracy of the High-Speed Rail Program (Program)'s Baseline, which encompasses the Budget, schedule, and scope of the \$80 billion Phase 1 Program. The PFD establishes new policies and/or procedures for change control management and administration of the Program's Baseline data elements. The Program's Baseline encompasses thousands of rows of data for budget, planned expenditures of discrete activities of the capital program, the timing of those expenditures, and the range of scope to be performed. The PFD assists the CFO in developing policy to govern the design and implementation of these data flows and databases, for innovative management reporting, and for all capital expenditure processes; along with the administration of these functions.

6. Reports to: (Class Title/Level)

Chief Financial Officer

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): While not a member of the executive team, this position will have frequent interaction with Authority executives.

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 PFD develops, manages, and administers the Authority's fiscal policies and procedures governing the review, validation, and overall accuracy of the Program's Baseline. The PFD will establish new policies and/or procedures to address the Financial Office's control management, and administration of the Program's Baseline Program data elements. The PFD also will develop policies to govern the design and implementation of data flows and databases, for innovative management reporting, and for all capital expenditure processes; along with the administration of these functions. The PFD also assists the CFO with policy development for capital outlay reporting to the Authority's Board of Directors and to the Federal Railroad Administration (FRA).

The PFD organizes and oversees the operations of the Project Financial Branch (PFB), including fiscal policy development, staff management, retention and recruitment and provides effective oversight of capital outlay reporting to executive management, the Authority's Board of Directors and the FRA. The position is responsible for monthly oversight of the Program's Baseline reconciliation file prepared by Project Controls; reviewing and validating the Program's Baseline titling and funding allocations that require continuous maintenance, and validating the liquidation and transfer of baseline allocations for assigned purposes, as prescribed through Business Oversight Committee (BOC) actions or within delegated executive authority. In conjunction with the Assistant CFO, develops and manages the Authority's annual capital outlay budget and appropriation needs through the state budget process and the mid-year budget plan, including periodic budget maintenance activities and accrual adjustments and forecast changes. The PFD is also responsible for articulating the performance of the project relative to budgets and forecasts, including establishing new policies and procedures throughout the various phases of the Program's lifecycle. The PFD is responsible for management of the PFB staff and resolves PFB human resources issues and concerns.

The PFD provides day-to-day administration and management of all assigned contracts and ensures that assigned contracts and agreements are administered and managed in accordance with the applicable policies and procedures of the Authority, the State Contracting Manual (SCM) and the California Government Code (GC). In addition, the PFD will a Task Manager on assisting the Contract Manager with the Authority's Rail Delivery Partner contract. The PFD effectively monitors and maintains control of contractors' progress and performance to ensure compliance with all contract provisions including, but not limited to, quality, schedule, scope, budget and appropriate compensation. The PFD provides effective oversight of subordinate contract managers, holding them accountable for ensuring that assigned contracts and agreements are administered and managed in accordance with the applicable policies and procedures of the Authority, the SCM and the GC.

The PFD prepares briefing materials for Board meetings and attends Board meetings, and acts as an advisor to the BOC for appropriate utilization of the Program Baseline reserve and contingency funds.

The PFD also supports Ad hoc deliverables for the Administration, Department of Finance (DOF), and other control agencies. Attends FRA and Authority Risk meetings and provides financial data inputs as necessary and reports to control and regulatory agencies, including the FRA, to satisfy statutory and regulatory 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: This position has primary responsibility for conducting and preparing the Financial Office's review, validation, and recommendations for the funded portion of the Program's Baseline, which is currently \$15.6 billion of the Phase I estimate of \$80 billion. In addition, this position is responsible for assisting the CFO with incorporating into the Program's Baseline (budget and appropriation) an additional \$4.2 Billion in capital funding. Funding of this magnitude will require the PFD to create new Work Breakdown Structures for each additional discrete project funded with the new \$4.2 billion appropriation. The position has agency-wide responsibility for financial activities and projects, which includes the recommendation, implementation, and monitoring of processes which are specific to the management of the Program's Baseline. The incumbent is expected to make sound decisions and take appropriate actions to reach the Authority's goals and objectives. Consequence of errors can result in loss of funding, resources and support from stakeholders, the Legislature, the Governor's Office, and the Federal Government.

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 Authority's Form-to-Function BCP (FTF) approved by the Legislature and the Governor as budgeted, effective FY20-21, outlines the transition of certain consultant resources to State staff. The Project Financial Branch will play a pivotal role in Project financial management of a multi-billion-dollar program. Previously, the Authority maintained a two-consultant high-level management team, a Project Financial Director (Consultant) and a Controller (Consultant). Through the FTF effort an opportunity was identified to re-arrange the branch with state positions supported by a consultant resources rather than the reverse and save limited funds by have one high level state position at the helm. This setup is better aligned with Authority goals as the new CEA will be setting policy objectives for the future and the position being a state resource maintains a higher level of state oversight. The Controller (Consultant) position is eliminated as part of this transition, as referenced in the request. The Project Financial Manager (Consultant) is still necessary as the RDP contract will continue to have responsibilities for supplying project fiscal data to the Financial Office for review and approval. The Project Financial Manager will work under the direction of the Project Financial Director on baseline and change control management, project capital cost reconciliation and data flows, international/industry experience for financial project management and reporting, and establishing financial management practices of the Work Break Down Structure of the program. The Authority has broad funding delegation through existing statute and must have high-level administrators to ensure the proper tracking, monitoring, data flows, and change management occurs as the Program expands. Additionally, because of the nature of the program, the vast amount of strategic planning and policy setting that will need to take place (as shown above), tax payer funding in the billions of dollars, the unique level of scrutiny, and the offsetting consultant positions the Authority eliminated in lieu of receiving a higher level administrator position is why a CEA level B is necessary. In addition, the placement of this new CEA in the organization is at a deputy level further justifying the CEA B level.

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 PFD is responsible for assisting the CFO with the establishment of policies and procedures for the Financial Office's review, validation, and overall accuracy of the Program's Baseline. The PFD will establish new change control management and administration policies for the Program's Baseline data elements as the Program develops and evolves to deliver the \$80 billion high-speed rail system connecting the Northern California area with Southern California with clean, fast transportation.

The PFD assists the CFO in developing data flows and databases, innovative management reporting, and capital expenditures policies to govern the design, implementation and administration of these functions. The PFD will also assist the CFO with policy development for capital outlay reporting to the Board of Directors of the Authority and to the FRA.

The project is changing daily with tasks beginning, advancing, and completing. Additionally, the PFD must effectively track and report on such changes. The PFD must review future implications and advise the CFO of future fiscal implications regarding the Capital Budget and forecast. The PFD is responsible for articulating the performance of the project as compared to budgets and forecasts, including establishing new policies and procedures throughout the various phases of the program's lifecycle.

In addition to the above, the new CEA will be the key resource to help craft, monitor, and change as the capital Program progresses the following policies currently identified, but more are likely:

- The Baseline has historically been amended annually, aligning with the State budget and project objective changes. There are several layers of approval that must take place prior to presenting the Board of Directors a revised Baseline and the FRA. Failures to ensure proper procedures and policies in place could lead to adverse actions against the Program.
- The Baseline once adopted will require continuous maintenance and administration, within delegated authority, therefore policies on the documentation, processes, approvals and appropriate use of line items (Thousands of rows of data are broken down into discrete levels of assets per the Authority's WBS). Failure here could lead to certain activities not being allocated funding and result in delays to the project—leading to additional costs for delays.
- The Program Management Plan was adopted in October 2018, that defines certain governance processes for managing the capital program. Within that governance is a Business Oversight Committee, or BOC, that is the executive team that reviews and approves changes to the Program's Baseline, as specified in the BOC Charter and related Board and CEO delegations. The Authority is in the process of developing an additional level of detail beyond the BOC Charter through the development of a BOC Procedures Manual.
- The new CEA help edit and finalize more detailed policies and guidance related to the Financial Office reports and processes to ensure consistency and accuracy in reporting the Board of Directors, the FRA, and the Legislature/Governor/Public.

C. ROLE IN POLICY INFLUENCE (continued)

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

Reporting to the CFO, the PFD is responsible for assisting the CFO with the establishment of policies and procedure creation for the Financial Office's review, validation, and overall accuracy of the Program's Baseline. The PFD will establish new policies and/or procedures for change control management and administration within the Financial Office for the Program's Baseline data elements as the Program develops. The Program's Baseline encompasses thousands of rows of data for planned expenditures of discrete activities of the Capital program. The PFD assists the CFO in developing policy to govern the design and implementation of data flows and databases, innovative management reporting, and processes for all capital expenditures; along with the administration of these functions.

The PFD will assist the CFO with policy development for capital outlay reporting to the Board of Directors of the Authority and to the FRA. The PFD will support the CFO and the Assistant CFO, as voting BOC members, with fiscal policy development, financial impact analysis and review (Project budgets and cash flow), procurement strategies (lead time/scheduling and accordance with the latest Business Plan), and bottoms-up workload justifications of each request of the BOC.

The project is changing daily with tasks beginning, advancing, and completing. Additionally, the PFD must effectively track and report on such changes. The PFD must review future implications and advise the CFO of future fiscal implications regarding the capital budget and forecast. The PFD is responsible for articulating the performance of the project as compared to budgets and forecasts, including establishing new policies and procedures throughout the various phases of the Program's lifecycle.

The PFD works closely with Authority's Project Management Office (PMO) to ensure fiscal data is timely, accurate, and reconciled to the systems of record. The PFD will assist the CFO and the Assistant CFO in the management of financial operations for the organization in accordance with the principles and standards of the State of California and the Government Accounting Standards Board, and with advising the executive management team on capital outlay matters.

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

The PFD is responsible for developing and implementing new policies, specifically the establishment of policy for the Financial Office's review and validation processes and for maintaining overall accuracy of the Program's Baseline. The PFD will establish new policies and/or procedures for change control management and administration within the Financial Office for the Program's Baseline data elements as the Program advances.

The PFD assists the CFO in developing policy to govern the design and implementation of data flows and databases, innovative management reporting, and processes for all capital expenditures; along with the administration of these functions.

The PFD will assist the CFO with policy development for capital outlay reporting to the Authority's Board of Directors and to the FRA. The project is changing daily with tasks beginning, advancing, and completing which the PFD must effectively track and report on such changes. The PFD must review future implications and advise the CFO of future fiscal implications regarding the capital budget and forecast. The PFD is responsible for articulating the performance of the project as compared to budgets and forecasts, including establishing new policies and procedures throughout the various phases of the Program's lifecycle.