

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

2025-02-14

2. Department

Department of Financial Protection and Innovation (DFPI)

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

Administration Division

4. CEA Position Title

Deputy Commissioner of Administration

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

The DFPI proposes updates to the Deputy Commissioner of Administration at the CEA B level to better align with the Department's growth, increased funding complexities, and strategic priorities. The Deputy Commissioner of Administration, at the CEA B level, will oversee the entire Administration Division, including Human Resources Office (HRO), the Fiscal Management Office (FMO), and the Business Operations Office (BOO). This role focuses on developing and implementing high-level strategic policies, ensuring compliance, and providing oversight for departmental operations and resources.

The Department is requesting to establish a CEA A position that will report to the Deputy Commissioner of Administration (CEA B). The proposed CEA A position will focus on managing specific operational areas within the Fiscal Management Office (FMO) and the Business Operations Office (BOO), requiring changes to the CEA B concept.

6. Reports to: (Class Title/Level)

Chief Deputy Commissioner

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 CEA B, Deputy Commissioner of Administration, serves as the principal architect of high-level strategic oversight and policy development for the Department of Financial Protection and Innovation (DFPI). This executive-level position provides leadership across the Administration Division, overseeing Human Resources, Fiscal Management, and Business Operations, and ensures alignment with the Department's mission, legislative mandates, and organizational priorities.

As the primary advisor to the Chief Deputy Commissioner and Commissioner, the CEA B develops and implements department-wide administrative policies to enhance operational efficiency, resource allocation, and compliance. The position is responsible for setting performance benchmarks and accountability metrics, leading cross-divisional initiatives, and evaluating plans to optimize resources and improve departmental operations.

Governance and compliance are critical aspects of the CEA B's role, which includes ensuring adherence to state and federal regulations across fiscal, human resource, and operational policies. The CEA B spearheads risk management strategies, addressing systemic challenges and ensuring the department's readiness for internal audits, external evaluations, and corrective actions. The position also facilitates interdepartmental collaboration, liaising with state-level stakeholders, including the Governor's Office and legislative bodies, to achieve integrated policy outcomes.

The CEA B leads modernization efforts, adopting innovative tools and practices to improve administrative frameworks. This includes overseeing strategic investments in technology to enhance efficiency and positioning the Department for long-term operational success. The CEA B's strategic leadership and decision-making ensure the Administration Division operates effectively and supports the broader goals of the DFPI.

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 Administration Division is critical to the DFPI mission of protecting consumers and fostering integrity in California's financial services market. The division ensures the efficient management of the department's financial, operational, and human resources, enabling the organization to fulfill its regulatory and enforcement responsibilities effectively.

The division's responsibilities spanning fiscal management, business operations, and human resources are foundational to the department's ability to execute its programs and deliver on its goals. For example, accurate budget planning and financial oversight ensure that resources are allocated efficiently to support high-priority initiatives such as consumer protection and industry oversight. Similarly, robust procurement and contracting policies allow the department to secure the necessary tools, services, and expertise to address emerging challenges in the financial sector.

The Administration Division also plays a vital role in maintaining compliance with state and federal regulations, mitigating risks, and ensuring operational continuity. Its contributions directly impact the department's ability to adapt to regulatory changes, respond to external audits, and maintain public trust. Without the division's strategic and operational support, the DFPI would face significant challenges in achieving its mission-critical objectives.

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 2020-21 California State Budget marked a pivotal expansion in the scope and responsibilities of the DFPI. The enactment of the Consumer Financial Protection Law (CCFPL) introduced new regulatory authority, market monitoring and research functions, and targeted outreach to key populations such as seniors, students, military members, and new Californians. This expansion increased the Department's budget by over \$13 million and created 50 positions, necessitating the establishment of strategic policies and governance frameworks to manage these enhanced responsibilities effectively.

The Department's growth continued with the 2021-22 California State Budget, which established a program to regulate Debt Collectors. This initiative added another \$12 million to the budget and created 60 additional positions. The introduction of the Financial Empowerment Fund and the authorization to allocate penalty and settlement revenues further complicated funding streams, requiring advanced policy decisions and strategic oversight to ensure appropriate and effective use of resources. These expansions created a need for a high-level position to lead department-wide policy formulation, coordinate cross-divisional strategies, and oversee operational alignment.

Looking ahead, the implementation of the Digital Financial Assets Law (DFAL) in FY 2024/25 will phase in 41 new positions over three years and expand the Department's regulatory scope to include digital financial asset transaction kiosks. These legislative changes demand enhanced governance to secure funding, manage interdivisional impacts, and establish cohesive department-wide strategies to address the complexities of this rapidly evolving sector. The strategic leadership required to navigate these challenges further underscores the need for a CEA B to provide direction across multiple divisions, ensuring long-term planning and seamless integration of new initiatives.

The Department's continued growth has also increased operational complexity, necessitating a distinct focus on high-level strategic policy development and oversight. The CEA B is essential for addressing challenges such as multi-division alignment, workforce space allocation, and cross-divisional resource optimization. These responsibilities require a position that operates at a strategic level, distinct from the CEA A, which is focused on implementing policies specific to the FMO and the BOO. For example, the CEA B oversees department-wide initiatives, such as telework and hoteling policies, that align workforce strategies with organizational goals and maximize operational efficiency.

By clearly distinguishing the CEA B's focus on department-wide strategic leadership from the CEA A's operational management role, this structure ensures that the Department can effectively manage its expanding responsibilities. The added responsibilities of the CEA B position is critical for maintaining DFPI's leadership in consumer protection and for addressing the growing complexity of its programs, funding streams, and legislative mandates.

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.

Department-Wide Strategic Policy on Revenue Management

The CEA B will develop policies for the strategic use of penalty and settlement revenues, ensuring alignment with legislative mandates and departmental priorities. This includes directing funds to programs such as the Financial Empowerment Fund, which supports outreach, education, and market monitoring efforts. These policies will ensure sustainable funding and enhance transparency, directly benefiting California consumers and businesses while reinforcing public trust in the Department's financial stewardship.

Statewide Policy for Resource Allocation and Optimization

The CEA B will establish policies to optimize resource allocation across the Department's growing divisions. For example, implementing a comprehensive budget prioritization framework will direct funding to high-impact initiatives such as the DFAL and the Debt Collectors Program. This policy will strengthen fiscal discipline, improve program outcomes, and ensure the Department's ability to oversee financial service providers and protect consumers effectively.

Comprehensive Risk Management Policy

The CEA B will lead the development of a department-wide risk management framework to address operational risks related to compliance, financial integrity, and program delivery. By standardizing internal controls and establishing robust protocols for risk identification and mitigation, this policy will minimize audit findings and legal challenges. The framework will safeguard consumer protection programs and support a stable regulatory environment for financial service providers across California.

Workforce Modernization and Hybrid Work Policies

The CEA B will craft strategic policies for workforce modernization, focusing on telework and hybrid work arrangements. These policies will align with state priorities for flexible working environments, optimize workforce performance, and reduce the Department's physical office footprint. By improving employee satisfaction and productivity, these policies will set a statewide standard for resource efficiency and workplace adaptability.

Facilities Management and Space Optimization Policy

As the Department expands, the CEA B will develop data-driven policies for facilities management and space allocation. These policies will optimize office space utilization, accommodate new positions, and align with sustainability goals. Statewide, these policies will enhance government infrastructure management and ensure operational efficiency, supporting the Department's ability to respond to future growth and challenges.

C. ROLE IN POLICY INFLUENCE (continued)

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

The CEA B holds broad, department-wide decision-making authority that is focused on high-level strategic oversight, policy development, and cross-divisional coordination. This position plays a pivotal role in establishing and implementing policies that impact multiple divisions, ensuring alignment with the DFPI mission, legislative mandates, and long-term objectives. The CEA B's authority is distinct from the operational focus of the CEA A, concentrating on governance, strategic resource allocation, and department-wide initiatives.

Strategic Policy Formulation

The CEA B develops and approves department-wide policies addressing critical areas such as fiscal oversight, resource allocation, and risk management. These high-level policies set the framework for operational policies implemented by the CEA A, ensuring alignment with state and federal requirements while supporting the Department's overarching goals.

High-Level Collaboration and Coordination

As the principal decision-maker for cross-divisional initiatives, the CEA B facilitates seamless integration of new legislative programs, such as the DFAL, and departmental priorities. This authority ensures that strategic objectives are consistently achieved across all divisions and programs.

Governance and Compliance Oversight

The CEA B establishes overarching governance frameworks to ensure compliance with state financial, operational, and administrative standards. This includes evaluating the implications of new laws and regulations on department-wide operations and ensuring that policies are effectively integrated into the Department's governance structure.

Strategic Initiatives and Resource Planning

The CEA B is responsible for determining the strategic allocation of resources to ensure long-term sustainability for the Department's programs. This includes guiding financial planning for initiatives funded by penalty and settlement revenues, ensuring that resources are prioritized effectively to maximize program outcomes and operational efficiency.

Stakeholder and Legislative Engagement

The CEA B represents the DFPI in high-level engagements with legislative bodies, state agencies, and external stakeholders. This role ensures that department-wide policies reflect the broader goals of the State of California and align with stakeholder expectations. The CEA B's engagement helps build consensus and secure support for critical programs and initiatives.

By focusing on these areas, the CEA B ensures that department-wide strategies and policies are effectively aligned with legislative priorities and organizational goals, maintaining the DFPI's leadership in consumer protection and regulatory excellence.

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

The CEA B position is responsible for both developing and implementing new policies while interpreting and ensuring compliance with existing ones. This role focuses on crafting strategic policies to address emerging challenges, such as resource allocation for new programs, governance and risk management frameworks, and workforce modernization initiatives like telework. Simultaneously, the CEA B ensures the effective application of existing policies to align with evolving departmental priorities, such as compliance with state financial and operational standards. This balanced approach enables the CEA B to drive innovation while maintaining adherence to established guidelines, ensuring the Department remains responsive, efficient, and aligned with its mission.