

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

2026-02-27

2. Department

Department of Industrial Relations

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

Office of the Director

4. CEA Position Title

Chief Operating Officer

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

Under the general direction of the Chief Deputy Director, the Chief Operating Officer (COO) develops strategic goals and objectives for the Department of Industrial Relations. The COO plans, organizes, directs, and reviews the work of the following disciplines: human resources, fiscal services, information services, business management, training and policy, self insurance plans, policy and research, and equity and risk management.

6. Reports to: (Class Title/Level)

Chief Deputy Director

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 general direction of the chief deputy director, the chief operating officer (COO) would serve as the Department's executive coordinator, providing strategic integration and alignment across the divisions under their purview, ensuring cohesive implementation of policy and advancing organizational priorities in support of the Department's mission. The COO would provide executive leadership, policy direction, and oversight of all administrative programs and services within the Department of Industrial Relations (DIR), as well as the Office of Self Insurance Plans (OSIP), the Office of Equity and Risk, and the Office of the Director's research division. The incumbent would plan, organize, direct, and evaluate the activities of these divisions, provide strategic direction, ensure compliance with state and federal laws and policies, promote accountability, and foster collaboration across divisions to support DIR's mission. Finally, the incumbent would also serve as a member of the Department's executive leadership team and act as a key advisor to the Director on administrative and operational matters.

The COO would develop and implement department-wide policies and strategies to ensure effective operations, risk management, fiscal accountability, and workforce excellence; advise the Director and Chief Deputy Director and executive leadership on matters related to fiscal management, business management, human resources, information technology, equal employment opportunity, research, and self-insurance plans. The COO would also provide executive leadership to the divisions it oversees to ensure they are aligned with the department's mission, priorities, and statutory mandates.

The COO would provide oversight on all budgetary matters. Specifically, the COO would oversee preparation, administration, and development of the governor's budget; develop and direct the annual operating budget for the department; monitor revenues and set the annual employer assessment which constitutes the primary source of revenue for DIR; monitor fund solvency; review proposed legislation for fiscal impact; develop cost accounting methodologies that form the basis for cost recovery; review and make recommendations for budget change proposals for consideration in the governor's budget; and testify at budget and oversight hearings regarding issues affecting the department. In addition, the COO is responsible for overseeing all accounting functions, including accounts payables, accounts receivable, accounting system maintenance, collections, and general ledger, The incumbent would also oversee year-end closing processes, ensuring they are completed in a timely manner and are accurate.

The incumbent would also provide leadership in all human resource matters. This includes labor relations, staff training and development, workforce planning, recruitment, and employee benefit, medical management, talent management, and performance management. The incumbent also oversees policy development on all HR matters.

The COO would also oversee all business management functions of DIR. This includes management of a portfolio of 55 offices that are both privately- and state-owned. In addition, the incumbent would oversee all procurement and contract management activities, business continuity planning; records management, asset management, safety and security, forms management, fleet management, and forms management.

The incumbent would oversee such IT functions as information security, asset management, help desk, project management, system development and maintenance, and procurement. The incumbent would serve in a key role in overseeing technology platforms retiring existing platforms and addressing the most complex vendor issues.

The COO would oversee the Office of Self Insurance Plans, proposing policy on the promulgation of regulations and legislation to ensure that private employer applicants meet all requirements to self insure and post adequate security to cover estimated future liabilities.

The incumbent would provide leadership to the Equal Employment Opportunity (EEO) Office, which conducts the independent and objective audits and investigations, and enterprise risk management functions, including employment discrimination, workforce diversity, workforce analysis, Americans with Disabilities Act (ADA), Upward Mobility program, Employee Mediation Program (EMP), Bilingual Language Services program, Whistleblower Protection Act program, compliance review, special investigations, the Uniform Services Employment and Reemployment Rights Act, EEO-related mandatory training and compliance.

The COO would also provide leadership to the Office of the Director's Research Division, with a primary emphasis on the public works/prevailing wage program. This requires making policy decisions in highly complex situations and making recommendations to the Director or Chief Deputy Director for their executive decision.

The COO would represent DIR before the Legislature, Labor and Workforce Development Agency, Department of Finance, Department of Technology, State Controller's Office, Department of Human Resources, Department of General Services, and other control agencies on issues related to administration, budget, finance, human resources, equal employment opportunity, business management, and information technology. In addition, the incumbent would serve as a liaison with external stakeholders to ensure sound fiscal, technology, and administrative practices; advise and provide testimony before legislative committees and external oversight bodies; represent the director at legislative budget hearings and pre-hearings; and work closely with external stakeholders on key policy matters.

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: DIR's mission is to protect and improve the health, safety, and economic well-being of workers and ensure fair labor practices across California. DIR accomplishes its mission through four divisions: the Division of Occupational Safety and Health (Cal/OSHA), the Division of Labor Standards Enforcement (DLSE), the Division of Workers' Compensation (DWC), and the Division of Apprenticeship Standards (DAS). These divisions perform a diverse set of services involving worker safety and health, worker pay, workers' compensation programs, and apprenticeship programs.

The COO ensures the operational functions of DIR run efficiently and securely and align with strategic goals. The COO would serve as the key decision maker offering a unified strategy for tackling issues that face OFS, OAS, OIS, OSIP, Research, and Equity and Risk. This would ensure that mission-critical systems are prioritized appropriately and cross-departmental IT projects are executed efficiently across varying offices and divisions.

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.

DIR has substantially grown and evolved over the past five years. For example, the number of authorized positions grew from approximately 3,200 in Fiscal Year 2020-21 to more than 3,800 in Fiscal Year 2025-26, an increase of approximately 18 percent. During this same period, the annual operating budget has nearly doubled from \$850 million to \$1.5 billion. Similarly the number of offices has increased from 50 across the state to a projected 60 in Fiscal Year 2026-27, an increase of approximately 20 percent. DIR has also seen a substantial increase in multi-million dollar projects across all divisions, including DWC, DLSE, DOSH, and Administrative Services designed to meet emerging business needs and have significant consequences if they fail. All of these changes are attributable partly to new statutory mandates affecting the core division that significantly expanded their authority and years of failing to adjust organizationally to growing demands of the support functions.

Currently, individual CEAs oversee each function: OAS, OFS, and OIS, OSIP, Research, and Equity and Risk. All six offices report directly to the director and chief deputy director of DIR. This constitutes a significant risk to the organization, as the director must serve as the coordinator and approver on a variety of administrative and program functions. The absence of integration slows the decision making process, relies on an individual who often lacks the experience in these areas, often has limited bandwidth to weigh-in on projects or issues, and limits their ability to focus on the broad policy issues affecting DIR.

This proposal seeks to change the reporting relationship of the contacts for the six aforementioned functions. Specifically, DIR proposes to create a CEA-C (COO) that would report directly to the chief deputy director, and be the main point of contact for these six functions, consolidating information and making recommendations based on input from all six divisions. This would allow for clearer and more prompt decision-making. The COO position would also improve crossdivisional integration for large-scale projects that require input and compliance from all three divisions in order to be carried out and implemented effectively. Further, the COO would ensure these administrative efforts are coordinated, eliminating duplication of efforts and competing priorities. The COO would also serve to evaluate projects and priorities, ensuring resources are focused where they provide the most value.

The proposed organizational structure under the COO would serve to relieve the director and chief deputy director of disparate administrative functions so they can focus on policy, leadership and strategic directives of DIR, while the COO manages the internal execution of these high level initiatives. Furthermore, as DIR grows in complexity in technology modernization, fiscal transparency, and workforce challenges, having a COO would provide additional executive capacity to address these challenges without overburdening the director.

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 proposed COO would serve as a principle policy maker for department-wide operational and administrative functions within DIR. The COO would serve to consolidate multiple administrative, fiscal, technology, research, regulatory support, and Equal Employment Opportunity (EEO) functions under unified executive policy direction and coordination across the department. The COO would have authority to establish, implement, and interpret policies that have direct statewide operational, fiscal, regulatory, governance and compliance impact. Decisions made by the incumbent would carry department-wide and statewide implications, affecting regulatory integrity and fiscal stewardship, technology security, research credibility, and equity compliance for programs that impact millions of California workers and employers.

The COO would develop and coordinate departmental fiscal policy that aligns budget development, expenditure controls, position management, and fund monitoring across all operational divisions. This would ensure that fiscal strategy supports DIR's technology needs, research priorities, compliance requirements, and regulatory oversight in a coordinated manner. The COO would be responsible for making decisions regarding the highest level budget priorities. With an operating budget of over \$1.5 billion dollars and millions of dollars in budget change proposals (BCPs), this is a significant responsibility that is currently placed on the Director's Office. The COO would make recommendations as to which BCPs DIR approves and the cost of those BCPs, and serve as a primary point of contact with the Department of Finance and the Legislative Analyst's Office. The COO would testify at budget hearings and meet with individual legislators as necessary.

The COO would also establish cross-functional technology and data governance policies that integrate system modernization, security standards, records management, and data requirements. This would ensure security consistency and shared IT governance standards to align IT security, data usage, and departmental expenditure. The COO would serve as the decision-making authority on which IT projects move forward, which projects are not necessary, and then prioritize the projects appropriately according to departmental needs and Director's Office established priorities. This is a significant fiscal responsibility, as DIR has many cross divisional, multi-million dollar IT projects, including HRSD, EAMS, and Cal/OSHA Data Modernization Project.

The COO's broad policy authority would ensure that multiple high-impact operations function under a coordinated, department-wide policy structure rather than individual divisions functioning unilaterally,. The COO would establish and enforce statewide operational business processes and functions focused on strengthening consistency and risk management, while integrating administrative, fiscal, technological, research, regulatory support, and compliance policies.

C. ROLE IN POLICY INFLUENCE (continued)

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

The COO would exercise executive leadership and broad policy authority over DIR's administrative, fiscal, information services, research, equity and risk, and self-insurance plan functions. This entails setting priorities, directing initiatives, and ensuring that these operations align with DIR's strategic plan. The COO's scope extends across all DIR programs, as the administrative functions support every program within the Department.

The COO would make high-level decisions concerning the prioritization of projects that impact multiple mission critical support functions, establishing policies and operational standards for these support services to ensure consistency, efficiency, and compliance with statewide requirements. The COO would resolve conflicts that arise as a result of conflicting priorities and make decisions about what projects will move forward. While the director has the ultimate authority and decision-making power, the COO would serve as the Department's principal advisor on the operations under its purview, providing the Director with unified recommendations.

Beyond these general areas of the COO's authority, the COO would oversee 522 positions and every aspect of administrative operations. This includes a fleet of more than 500 vehicles, 55 offices, and millions of dollars in grants and contracts.

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

The COO will be doing both. As a newly-established executive level policy and program coordinator, the COO will determine which policies under its purview require updating and revision from a mindset of coordination and efficiency between programs. Furthermore, the COO will determine what challenges the department is facing that can be resolved with a stronger and more unified policy structure that considers multiple program needs and conflicting priorities. This means that the COO will not only be developing new policy to meet those needs, but also reviewing, interpreting, revising, and implementing existing policy in ways that improve operational efficiency.