

STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
 DF-46 (REV 10/20)

Fiscal Year 2022-2023	Business Unit 7501	Department Human Resources (CalHR)	Priority No. 1
Budget Request Name 7501-004-BCP-2022-GB		Program Various	Subprogram Click or tap here to enter text.

Budget Request Description
 California Leads as an Employer Implementation

Budget Request Summary

The Department of Human Resources (CalHR) is requesting 43.0 permanent positions and \$7,614,000 (\$6,327,000 General Fund, \$1,037,000 Reimbursement, and \$250,000 other funds) for fiscal year 2022-2023, and \$6,761,000 (\$5,536,00 General Fund, \$986,000 Reimbursement, and \$239,000 other funds) for 2023-2024 and ongoing. This request will allow CalHR to begin implementing the recommendations of the "California Leads as an Employer" taskforce.

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed Click or tap here to enter text.	
Does this BCP contain information technology (IT) components? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO Chad Crowe	Date 9/15/2021

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), and the approval date.

Project No. Click or tap here to enter text. **Project Approval Document:** Click or tap here to enter text.

Approval Date: Click or tap to enter a date.

If proposal affects another department, does other department concur with proposal? Yes No
 Attach comments of affected department, signed and dated by the department director or designee.

Prepared By Brendan Murphy	Date 9/15/2021	Reviewed By Brendan Murphy	Date 9/15/2021
Department Director Eraina Ortega	Date 1/10/2022	Agency Secretary Yolanda Richardson	Date 1/10/2022

Department of Finance Use Only

Additional Review: Capital Outlay ITCU FSCU OSAE Dept. of Technology

PPBA Evelyn Suess	Date submitted to the Legislature 1/11/2022
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A. Budget Request Summary

The State of California, as an employer, has a responsibility to serve all Californians by upholding the principles and practices of merit, respect, dignity, and equity through the recruitment, retention, and promotion of a workforce that reflects California's diversity. To become an employer of choice, the state must act as a model for public and private employers by providing a working environment free from bias and harassment; addressing gender and racial pay equity; and promoting opportunity for all. The California Leads initiative will allow CalHR to act on making state agencies and departments more respectful, diverse, and equitable through operations, processes, and policies.

B. Background/History

CalHR is a small control agency and is responsible for issues related to employee salaries and benefits, job classifications, civil rights, training, exams, recruitment and retention. The organization is composed of three primary branches, Labor, Legal, and Operations, and 16 business areas:

- Labor Relations Division
- Legal Division
- Administrative Services Division
- Benefits Division
- Childcare Providers Labor Relations Division
- Communications
- Financial Management Division
- Information Technology Division
- Legislative Affairs
- Office of Civil Rights
- Pre-Employment Division
- Personnel Management Division
- Savings Plus Program
- Selection Division
- Statutory Appeals Unit
- Workforce Development Programs Division

In September 2019, a forum was held where the Governor convened Secretaries, Undersecretaries, Department Directors, and Chief Deputy Directors to reflect and learn about ways to create a more inclusive, respectful, and equitable workplace. Forum attendees volunteered to participate in four task forces addressing the following topics: Sexual Harassment and Discrimination Prevention and Response, Diversity and Inclusion, Public Safety Diversity, and Racial and Gender Pay Equity. These task forces were overseen by the Government Operations Agency (GovOps) with assistance from CalHR, the State Personnel Board (SPB), and Department of Finance (DOF). Final recommendations of the task forces were presented to the Governor's Office in July 2021. The state utilized these recommendations to shape a bold vision to make the state workforce more inclusive and diverse; entailing core reforms to how the state recruits, onboards, develops, manages, and retains talent. CalHR's program areas have begun efforts to align with the Governor's "California Leads as an Employer" (California Leads) recommendations and this budget change request represents the first request of a multi-year approach to begin implementing those California Leads recommendations.

C. State Level Consideration

This proposal is in line with CalHR's mission and is consistent with the Strategic Plan.

Equity and diversity in the workplace are essential factors in a business environment and go beyond race, ethnicity, and gender. Religious and political beliefs, cultures, sexual orientation,

education, socioeconomic background, age, and disabilities are also factors to consider in terms of equity and diversity. Research shows that diverse organizations have higher retention rates and lower turnover, are better at recruiting top talent, and produce higher economic results. CalHR continuously works to successfully implement numerous initiatives that directly relate to improving and modernizing state government human resource services to achieve among other things better equity and diversity in the workforce.

The mission of CalHR is to provide all state departments with exceptional Human Resources (HR) leadership and services. All state departments rely on CalHR for expert HR policy direction, oversight, and consultation regarding numerous personnel management issues and HR topics including, but not limited to: compensation; benefits; working conditions; bargaining; examination; hiring; classification; workforce planning and succession management; training; civil rights/equal employment opportunity (EEO) related topics such as diversity, equity, and inclusion, discrimination and harassment, and employment of Persons with Disabilities; and barriers to Upward Mobility. In its capacity, CalHR is uniquely positioned to provide these HR services and support the state's efforts to build and maintain a talented and diverse workforce with the capability to serve the needs of all Californians.

D. Justification

The “California Leads as an Employer” taskforce generated recommendations and suggestions across Sexual Harassment and Discrimination Prevention and Response, Diversity and Inclusion, Public Safety Diversity, and Racial and Gender Pay Equity. CalHR took those recommendations, and attempted to institutionalize the ideas and suggestions embedded in the document. As part of this process CalHR has identified many areas where additional resources are needed to implement recommendations related to Sexual Harassment and Discrimination Prevention and Response, Diversity and Inclusion, and Racial and Gender Pay Equity. Additionally, we have identified areas that will enable CalHR to aid the public safety initiatives.

Anonymous Hiring

3.0 positions and \$430,000

Anonymous hiring will allow CalHR to begin to implement initiatives from the Diversity and Inclusion and Racial and Gender Pay Gap recommendations. Anonymous hiring is a technique that redacts the personal information about the candidate from a hiring manager or recruiter that can lead to implicit bias negatively impacting the candidate. Implicit bias during the recruitment, hiring, or selection process occurs when the brain makes quick judgments about a particular group(s) of people based on stereotypes, in a way that is either in favor or against the candidates. Demographic information on a candidate's job application or resumé may produce implicit bias from the application reviewers, which has an effect on the merit of the selection process. Table 1 shows the common implicit bias that can stem from different demographic factors.

TABLE 1. IMPLICIT BIAS

Demographic Factor	Possible Source of Implicit Bias
Name	Often reveals race and gender. Studies show that “black-sounding” names result in fewer callbacks than “white-sounding” names on resúmes with identical credentials.
Address	Possible proxy for race or income.

Demographic Factor	Possible Source of Implicit Bias
Dates, particularly for educational milestones	Often indicates age. Older candidates are less likely than younger ones to be called in for an interview, research indicates.
Hobbies and interests	Could reveal religion, age, or whether the person has children (think Little League coach).
Volunteer work	May indicate religion, race, or political affiliation.
Name of college	Some experts point to unconscious biases around non-Ivy-League schools or institutions that are rivals of the hiring manager. Could also be linked to race.

Currently, in CalCareers, candidates can complete the state standard application (STD. 678) by inserting information in the predesignated fields. Candidates can also upload supplemental documents such as resumé, statement of qualifications (SOQs), educational degrees, certification of completion, etc. The uploaded documents can be in various file formats such as, PDF or MS Word. Currently, Examination and Certification Online System (ECOS) does not have the built-in features that can address anonymous hiring needs. Specifically, ECOS does not have the option to redact bias-provoking information. In addition, ECOS currently does not have capability to redact certain information from uploaded documents. Without the technology tools within ECOS, departments that desire the anonymous hiring approach would require the HR staff to manually download or print the applications and redact information prior to providing the hiring managers with the application package to review.

The implementation of this proposal will allow the following:

- Design, develop, test, and maintain an anonymous hiring process in ECOS
- Train and support departmental personnel units with the new features
- Develop policies to assist with navigation of application and hiring processes

One Information Technology Specialist I (Software Developer) - This position will assist in the reworking of the job application handling process to accommodate anonymous hiring which will include withholding information in certain fields from hiring managers. This position will assist with requirements gathering, design, and development of system modifications and will integrate any tool/subsystem within ECOS to redact potential bias-inducing information from documents uploaded by job seekers. This position will be responsible for ongoing maintenance of the new functionality and features within the system on an ongoing basis.

One Staff Services Manager I (ECOS Business Development Specialist) – This position will guide development needs and on-going maintenance and improvements of business requirements for the anonymous hiring functions within ECOS. Furthermore, the ECOS Business Development Specialist will research operating functionality in accordance with policy, laws, rules, and regulations while developing tutorials, how-to guides, user guides, etc., to assist with navigation of application, examination, and hiring processes.

One Staff Services Analyst (Policy Analyst) – This position will review, develop, and update processes, procedures, and standards of operations to align with the anonymous hiring practices. The Policy Analyst will be working with internal stakeholders as well as partnering with GovOps, SPB, and other departments to accomplish the tasks.

CalCareers

3.0 positions and \$476,000

CalCareers represents the main point of contact with prospective employees online and, as such, should provide applicants with a high level of usability. The CalCareers updates will help lead California to a more Diverse and Inclusive workforce. CalCareers is used by all state departments to interact with potential and current state employees to recruit and hires. Making and keeping the state jobs website user-friendly, secure, accessible, and maximized for efficiency, benefits all departments.

The following challenges need to be overcome to ensure CalCareers becomes and then maintains the status as a tool to ensure California can recruit a more diverse and inclusive workforce:

- Limited security for user account creation, access, and data
- Difficulty improving the ease-of-use
- Limited job and exam search capabilities
- Inability to match an applicant's skills and education with all available jobs for which they may be suited
- Difficulty ensuring mobile friendly design
- Difficulty ensuring the site is accessible for all users
- Difficulty providing quick and responsive assistance
- Inability to engage users to continually improve user satisfaction
- Inability to provide data to CalData, Open Data, and Data.Ca.Gov
- Inability to ensure consistency of departments posting job information
- Inability to share job posting with industry leading job sites, to drive more applicants to the CalCareers website
- Inability to show and guide applicants the progression from entry level through higher levels on their career path
- Inability to completely correlate all jobs to its appropriate exams
- Lack of dedicated website content monitoring and analysis
- Inability to provide hiring managers with the necessary tools to help identify the best candidates

The following permanent positions are requested to implement the CalCareers changes:

Two Information Technology Specialist I's - Database Administrator. This position will perform dedicated database administration work including data modeling, updating of indexes and data dictionaries, modifications to data tables, and report generation. Reporting could include dashboards which show time-to hire per successful candidate broken down by Department. Without this position, adequate care will not be given to essential functions.

Software Developer. This position will perform programming work required to ensure that system enhancements and bug fixes are accomplished timely including thorough unit testing. Without this position, there will not be adequate programming staff to make changes in a timely manner. The CalCareers web application has approximately 100 user-interface screens which require more work than a single developer can do without falling behind.

One Associate Personnel Analyst - This position will participate in the creation of business requirements, creation of User Acceptance Testing (UAT) scripts and the performance UAT.

In addition, they will lead in the division's analysis of the recommendations for the ECOS system focusing on the public-facing CalCareers website. This position will participate in the development of business recommendations by facilitating meetings with various stakeholders to collect feedback, analyze the data received and provide recommendations of prospective business solutions that increase functionality and effectiveness of the system. It is necessary that this position be familiar with California State Civil Service Merit system laws and rules, including

examination and certification policies and procedures, standards, and guidelines for state hiring. This position will review, analyze, and test proposed changes, potential issues, and business recommendations and requirements. To maintain a compliant and user-friendly system, this position will make sure that any proposed recommendations are in accordance with appropriate policy, laws, rules, and regulations. This team member will assist in the development of user system resources, including but not limited to, tutorials, how-to-guides, user guides etc., for navigation of the application, examination and hiring processes.

This position will proactively explore and provide recommendations to the team to improve and enhance the system for the benefit of prospective and current state employees. They will be responsible for verifying and testing any reported system concerns and potential issues and will appropriately report them, using the designated tracking system. This position will be involved in process improvement, problem identification, documenting recommendations or known issues, and facilitating completion of troubleshooting and improving processes. They will independently conduct research and formulate recommendations and solutions for complex business cases. They will assist in the development of written procedures, including user acceptance test scripts and scenarios and/or other related documentation. This position will facilitate UAT test sessions to compare and verify accurate display and functionality to meet design specifications included in the business rules and requirements. This position will assist in the assessment of business problems that result in system changes to create business requirements. This team member will assist in the development of appropriate training curriculum and guidance material related to CalCareers functionality. They will be responsible for providing technical assistance, consultation and training to CalCareers stakeholders. This position is critical in the progress and prioritization of CalCareers continuous development and maintenance.

Key Data Initiative

7.0 positions and \$1,224,000

CalHR lacks the staff to take both the data we have access to now and the information we want to gather to make informed decisions. The Key Data Initiative (KDI) will allow CalHR to add one more unit to our Financial Management Division to begin the process of using our current civil service related data in new and inventive ways, such as responding to many of our Cal Leads initiatives with data analysis and transparency.

CalHR requests three positions and \$520,000 in 2022-23 and ongoing to ensure the creation of Cal Leads data analysis unit to ensure we are making data driven decisions and providing transparency.

Additionally, the KDI will immediately focus on gender and racial pay equity analysis across all classifications and departments. In this process CalHR will collect, report and analyze detailed state employee data including race/ethnicity, gender identity, sexual orientation, age, and disability. Additionally, CalHR will be required to readily slice and dice data associated with comparable civil service and exempt classifications, pay history, demographic makeup and department usage trends. Currently, the information necessary to perform the analysis at the heart of this gender and pay analysis is scattered across many sources that are not computer-consumable, and the technology used to maintain and analyze such data has not been modernized in roughly 30 years. Furthermore, CalHR's data collection is currently limited by what is captured in the State Controller's Office legacy payroll system that houses most state employee information. There are gaps in employee data collection, analysis, and reporting; therefore, it is difficult to track measurable progress or regression on racial and gender pay equity issues. We in State government are hindered in our efforts to assess our current demographics and monitor performance objectives due to the limited available data. Until CalHR invests time and resources into a solution to its data collection, analysis and reporting issues, we will not be able to satisfy the

Administration's goals of gender and racial pay equity, and making the State a model of inclusive, diverse, respectful workplaces.

Additional staffing is requested for the Personnel Management Division (PMD) to perform the initial data compilation and pay equity analysis, and the Information Technology Division (ITD) to design, create, implement, support and maintain databases and user interfaces as well as provide advanced reporting solutions and services and continual reporting database functionality enhancements as needs increase. This will be the first step to enable CalHR to carry out the recommendations of the Cal Leads task forces related to decreasing racial and gender pay gaps. To complete these analyses CalHR requests two Staff Personnel Program Analysts and one Personnel Program Advisor to lead the business side of the data compilation and pay equity analysis project. ITD requests one Information Technology Specialist II position to support database design, implementation, data oversight, system support, and reporting solution and service's needs, as well as enhancements on-going.

For the Pay equity analysis portion of the KDI CalHR requests 4.0 positions and \$1,704,000 in 2022-23 and ongoing.

Learning Management System and Data Sharing Projects

3.0 positions and \$877,000

The Learning Management System (LMS) Data Sharing and Reporting projects will provide solutions for promoting statewide training data sharing and reporting across departments. A critical success factor for statewide HR automation is to have secure, accessible, and quality HR data. Problems with the current HR data include: unclear data ownership for cross-agency data (i.e., employee data); lack of core HR data availability at the statewide level; data quality issues (i.e., incomplete and inconsistent data); and complex data governance and regulatory compliance due to the cross-agency HR data ownership and the regulations required for different data sets. The HR Data Management Roadmap and Data Governance needs to be established to lay the common data architecture, standards and processes for automating additional HR technology solutions in the future.

There is currently not a way for departments having no LMS solution to share their employee training information, and thus, no way to gather and report statewide training data from all departments. The proposed solutions will allow departments utilizing their own LMS outside of the vendor hosted subscription services (VHSS)-LMS to share their employee training data with centralized LCR database allowing statewide collection and reporting on compliance of mandated employee training.

The statewide LMS Data Sharing and Reporting projects will create agency-level and statewide reports on the training data collected from departments. It will allow departments to track their employees are compliant with mandated trainings (e.g., Sexual Harassment Prevention training), and will provide analytical and dashboard capabilities at the department, agency, and statewide levels to track and report statewide training data. It will also make it easier to share and scale recommended, but not required trainings, such as Identifying and Reducing Implicit Bias.

One Information Technology Supervisor II - Technical Lead. This position will lead the technical analysis, plan, design, and implementation of the LMS Data Sharing and Reporting project. They will oversee the software programmer, data analyst and provide relevant information to the project manager for successful planning and execution of the projects, and coordinate technical impact analysis and implementation with CalHR Business and CDT technical teams on the scope,

changes, and enhancements requested by the departments and/or LMS vendors. This position will establish data governance cross-organizationally to gather and govern data requests.

One Information Technology Specialist I - Programmer/Developer. This position will perform the programming and unit testing of the work needed to develop the LMS Data Sharing and Reporting project. They will support the ongoing Maintenance and Operations and work on the changes and enhancements for the statewide VHSS-LMS, and will handle the development integration with CDT, vendors, and departments.

One Information Technology Associate - Data Analyst. This position will gather the data and technical requirements for statewide training data gathering and reporting. They will enhance the ECR and LCR databases for statewide training data collection, management, and create a data and reporting architecture. They will define data and reporting requirements, evaluate the reporting solutions, data needs to implement the statewide reporting solution, data inventory, data quality analysis, data cleanup coordination cross-agency with SCO, business intelligence, and reporting implementation tasks.

On-going software and hosting costs of \$370,000 is required to implement and host the system at CDT. This is the initial cost identified for the software needed based on the high-level analysis of the concept in Stage 1 Business Analysis.

Equal Employment Opportunity Academy

4.0 and \$617,000

In order to ensure a diverse, inclusive and respectful workplace CalHR requires additional staff to re-establish a statewide Equal Employment Opportunity (EEO) Academy, which will be centralized within CalHR's Office of Civil Rights (OCR). The EEO Academy will establish standards and provide necessary training to all state EEO professionals and other relevant disciplines. It will develop competent EEO professionals who will lead departments in their statutorily mandated affirmative duty to take reasonable steps to prevent and promptly address discrimination and harassment in the workplace. The establishment of an EEO Academy will have a direct, proactive impact in reducing the millions of dollars the state spends annually on EEO case settlements, judgements, litigation, and the cost of contracting with private firms for investigations and training. The EEO academy will focus on preventing discrimination and harassment in the workplace, while also addressing it promptly and appropriately when it occurs.

In addition to the continual flow of EEO complaints, the state is in the midst of a continually growing and deepening awareness of and involvement in civil rights issues. The pandemic has presented unprecedented challenges in meeting disability and religious-based reasonable accommodation requests. Employment and civil rights laws are continually changing and state departments need ongoing guidance and monitoring to ensure that their policies and practices also evolve.

The implementation of this proposal will create an EEO Academy with the responsibility of developing and maintaining the following EEO courses:

- The Role of the EEO Officer
- EEO Investigations
- Reasonable Accommodation Coordinators (Disability and Religious Accommodations)
- Upward Mobility Coordinators
- Language Access Coordinators
- Limited Examination and Appointment Program Coordinators
- Diversity, Equity, and Inclusion Officer and/or other DEI Staff

These four Staff Services Manager I - Specialists are needed to develop, and maintain the technical and complex courses and resources identified above for all current and any newly appointment EEO professionals. This includes updating the courses as laws and policies are added and changed. In addition to being responsible for the EEO Academy courses and materials, the SSM I's will serve as subject matter experts with whom the EEO professionals will consult with on a regular basis regarding EEO policies, practices, and resources, and any questions they have regarding the subject matter.

Statewide Apprenticeship Program

10.0 positions and \$1,484,000

In order to create a more diverse and inclusive workforce, CalHR will create a new Statewide Apprenticeship Programs. In addition to division specific positions and efforts described below, CalHR will develop an aligned civil rights and workforce development approach to supporting departments statewide. This will include, but not be limited to, jointly creating or strengthening policy and accountability measures, enhancing data collection capacity (e.g., methods for identifying and collecting demographic data), leveraging data to report outcomes, establishing guidelines for departments to conduct their own comprehensive program evaluation, and exploring the feasibility of updating classification specifications/career paths, identifying additional resources (e.g., Federal and private grant funding), and other opportunities for departments to leverage in both of these areas.

Office of Civil Rights

1.0 – Staff Services Manager I – Specialist, 1.0 – Research Data Specialist II, and 1.0 Associate Personnel Analyst

These resources will allow CalHR to:

- Increase resource levels for addressing the monitoring and compliance of statewide state employment of PWD.
- Further develop program infrastructure to train and support upward mobility coordinators statewide.
- Begin to operationalize statewide civil rights related CA Leads recommendations and align statewide civil rights and statewide workforce development efforts.

Workforce Development Division

1.0 – Staff Services Manager I – Specialist, 1.0 – Research Data Specialists II, and 2.0 Associate Personnel Analysts

These resources will allow CalHR to:

- Return to previous resource levels for addressing statewide workforce planning and succession management challenges.
- Further develop program infrastructure to support statewide a non-traditional civil service apprenticeship program.
- Begin to operationalize statewide workforce development related CA leads recommendations and align statewide civil rights and statewide workforce development efforts.

Selection Division: Examination and Certification Online System (ECOS) Consultation and Support

2.0 – Staff Services Manager I - Specialists and 1.0 – Associate Personnel Analyst

To support a statewide non-traditional civil service apprenticeship program, CalHR will make enhancements to and leverage an existing centralized application solution for monitoring and tracking of applications, data collection and reporting, review and analysis of data, and identification of statewide trends, to include:

- ECOS Consultant (SSMI Specialist) will be the primary point of contact for all business user escalations for the program, training for all ECOS business users including training creation and delivery.
- ECOS Business Development Specialist (SSM I Specialist) will be the primary point of contact for the Information Technology Division and outside consultants (e.g., system enhancements, ongoing user acceptance testing, etc.).
- ECOS Upward Mobility and Exam Maintenance Consultant (Associate Personnel Analyst) will complete ongoing programming of the application criteria and parameters in the system that will determine eligibility to apply.

Statewide Engagement Program

3.0 positions and \$487,000

CalHR is requesting dedicated resources to establish a Statewide Engagement Program as a part of the Cal Leads Respectful Workplace initiative, and secure contract dollars to establish a cloud based virtual conference platform to support several half days, themed trainings throughout the year as well as the annual conference – \$50,000/one-time, \$10,000 annual license renewal.

This request provides the necessary resources to develop a cohesive Statewide Engagement Program that will provide direction, training, and guidance to state departments by combining the Wellness, Recognition, and Employee Assistance Programs. This program, which will include the topic of employee engagement, will be utilized by 285,000+ state employees. This will assist the state in adapting to the change in needs of the state's workforce and establish the necessary policy, direction, oversight, and consultation for state departments to maintain a talented and diverse workforce with the capability to serve the needs of all Californians.

A survey of state departments identified engagement and a need for additional training topics beyond what the law requires. Employee engagement is a key element of creating a respectful workplace. CalHR administers the statewide essential benefits and services for employees, retirees, and dependents designed to support the state in attracting and retaining a qualified workforce. These benefits include: employee assistance, wellness, recognition, dental, vision, flexible spending accounts, COBRA, affordable care act, life insurance, long-term disability insurance, travel, legal workers compensation, and retirement services.

Absent from these essential benefits and services is a Statewide Engagement Program. CalHR recognizes the need to expand the current benefit programs to add a benefit program specific to employee engagement, that will enhance the state's ability to holistically (and individually) support state employees. However, current staffing levels limit the ability of CalHR to adequately support stakeholder collaboration initiatives, perform in-depth and comprehensive quality improvement activities, or provide the intensity of training, guidance and direction, and other functions that are needed.

Diversity, Equity and Inclusion Strategic Plan

5.0 positions and \$1,307,000

The Cal Leads Taskforce had many discussions around increasing diversity in state service. This is CalHR's attempt to begin to make equity and inclusion part of every aspect of state operations. The recommendations focus on hiring, training, pay equity, reasonable accommodations, and data transparency. The department is not sufficiently staffed to handle the workload associated with the recommendations; without additional resources to organize and drive the work, CalHR will fall short of implementing them. If CalHR cannot properly implement the recommendations, then the state, as an employer, will fall behind in recruiting and retention which will impact the service provided to the public.

A September 2020 study by Glassdoor and the Harris Poll found that 32 percent of job seekers would not apply to an organization that lacked diversity in its workforce. The same study found that 37 percent of job seekers would not apply to a company where there are disparities in employee satisfaction rates among different racial/ethnic groups. When it comes to individuals who are already employed, 63 percent of those polled said their company could be doing more to increase diversity within its workforce. These statistics demonstrate that diversity, equity, and inclusion is important to current and potential employees. If California seeks to be an employer of choice to attract and retain top talent, then DEI must be adopted as a business strategy; a DEI strategic plan is the first step toward this goal.

The DEI strategic plan will guide the agency's efforts in implementing the CalHR-related CA Leads recommendations. CalHR will both hire our own internal team and engage a contractor to ensure that this important work begins as soon as possible and is institutionalized statewide through our internal staff. The advantage of building an internal team is that members will be savvy about state processes and government codes, which will aid in predicting and navigating roadblocks. Additionally, through the planning process, the internal team will hone their skills in strategic planning and consulting, and become subject matter experts in DEI.

During the creation of the DEI plan the consulting firm and the CalHR team will collect data, coordinate departmental efforts. Post-implementation, the team would assess the effectiveness of the plan and adjust as needed. Because of the complexity of the work, the minimum classification of the positions should be SSM I specialist. Much of the work will involve coordinating with other state departments to gather data and information, make recommendations. Therefore, the person leading the team should have a high level of authority, so the SSM III classification is appropriate. Creating and implementing a DEI strategic plan is a long-term project that could take up to 12 months to develop and at least another 12 months to fully implement. Ultimately, employing a team to develop a DEI strategic plan will create a uniform approach to addressing taskforce recommendation and will ensure full project completion.

CalHR requests 5.0 staff (1 staff Services Manager III and 4 Staff Services Manager I Specialists) and \$1,307,000 in 2022-23 and ongoing to create a DEI strategic plan and begin to embed the plan into the fabric of all human resources decisions statewide.

E. Outcomes and Accountability

In response to the ever-changing workforce, the "California Leads as an Employer" taskforce created many recommendations to ensure the state creates the best work environment for our employees. The taskforce was led by state employees from throughout government including participation from dozens of state employees representing the ideas of dozens of state departments. As CalHR begins to implement many California Leads recommendations we have built in data components to guide our policy making, inform our decision, and to track our progress. This reliance on informed decision making will allow us to assess outcomes and accountabilities of this request and our future Cal Leads requests.

F. Analysis of All Feasible Alternatives

Alternative 1 – Approve this request.

Pros:

- Would begin the process of implementing many of the Cal Leads recommendations.
- Will allow CalHR to gain the resources needed to better inform policy making and decision making while increasing diversity and inclusion.

Cons:

- Additional cost to the state.

Alternative 2 – Approve the data portion of this request to ensure a more robust conversation about appropriate policy direction.

Pros:

- This would allow CalHR to accomplish some of the work necessary to implement Cal Leads recommendations around ensuring the state has correct data.
- Will allow for informed policy decisions.

Cons:

- Data is only small aspect to the overall implementation of the Cal Leads proposals that strive to create the best workforce and environment for our employees.
- This alternative would leave our systems and policies waiting until data can be analyzed to inform next steps.
- Some of the Cal Leads recommendations proposed here do not need a data backbone those proposals would be left to languish for a budget year.

Alternative 3 – Deny the request.

Pros:

- Requires no additional resources.

Cons:

- The implementation of Cal Leads recommendations would be limited to only aspects that can be accomplished from existing resources.
- For CalHR, this would result in not implementing most Cal Leads recommendations.

G. Implementation Plan

ACTIVITY	DATE
Recruit, hire, onboard state staff	July 2022 – December 2022
Obtain and Onboard Consultants	September 2022 – November 2022
Begin Data Collection and Analysis	November 2022 and ongoing
Begin Implementing new Statewide Policy	March 2023 and ongoing
First new EEO Academy	Spring 2023

H. Supplemental Information

\$120,000 – Software and \$250,000 – Hosting at Department of Technology

This is the initial cost identified for the software needed based on the high-level analysis of the concept in Stage 1 Business Analysis.

\$50,000 – Consultant and \$10,000 Licenses (annual)

This is to establish a cloud based virtual conference platform to support several half days, themed trainings throughout the year as well as the annual CalHR conference.

\$500,000 – Consultant

This is to hire a consulting firm to collect data, coordinate departmental efforts, and write and implement the strategic plan, which would include addressing each Cal Leads taskforce recommendation.

I. Recommendation

Approve Alternative 1. This will allow CalHR to begin implementation of Cal Leads task force recommendations.

BCP Fiscal Detail Sheet

BCP Title: California Leads as an Employer Implementation

BR Name: 7501-004-BCP-2022-GB

Budget Request Summary

	FY22					
	CY	BY	BY+1	BY+2	BY+3	BY+4
Personal Services						
Positions - Permanent	0.0	43.0	43.0	43.0	43.0	43.0
Total Positions	0.0	43.0	43.0	43.0	43.0	43.0
Salaries and Wages						
Earnings - Permanent	0	3,726	3,726	3,726	3,726	3,726
Total Salaries and Wages	\$0	\$3,726	\$3,726	\$3,726	\$3,726	\$3,726
Total Staff Benefits	0	2,120	2,120	2,120	2,120	2,120
Total Personal Services	\$0	\$5,846	\$5,846	\$5,846	\$5,846	\$5,846
Operating Expenses and Equipment						
5301 - General Expense	0	129	129	129	129	129
5302 - Printing	0	43	43	43	43	43
5304 - Communications	0	43	43	43	43	43
5320 - Travel: In-State	0	86	86	86	86	86
5322 - Training	0	107	107	107	107	107
5324 - Facilities Operation	0	301	0	0	0	0
5340 - Consulting and Professional Services - Interdepartmental	0	500	0	0	0	0
5344 - Consolidated Data Centers	0	250	250	250	250	250
5346 - Information Technology	0	309	257	257	257	257
Total Operating Expenses and Equipment	\$0	\$1,768	\$915	\$915	\$915	\$915
Total Budget Request	\$0	\$7,614	\$6,761	\$6,761	\$6,761	\$6,761
Fund Summary						
Fund Source - State Operations						
0001 - General Fund	0	6,327	5,536	5,536	5,536	5,536
0821 - Flexelect Benefit Fund	0	59	56	56	56	56
0915 - Deferred Compensation Plan Fund	0	7	7	7	7	7
0995 - Reimbursements	0	1,037	986	986	986	986
9740 - Central Service Cost Recovery Fund	0	184	176	176	176	176
Total State Operations Expenditures	\$0	\$7,614	\$6,761	\$6,761	\$6,761	\$6,761
Total All Funds	\$0	\$7,614	\$6,761	\$6,761	\$6,761	\$6,761

Program Summary

Program Funding

6200 - Human Resources Management	0	6,949	6,176	6,176	6,176	6,176
6205 - Local Government Services	0	33	31	31	31	31
6210 - Benefits Administration	0	632	554	554	554	554
9900100 - Administration	0	2,294	2,210	2,210	2,210	2,210
9900200 - Administration - Distributed	0	-2,294	-2,210	-2,210	-2,210	-2,210
Total All Programs	\$0	\$7,614	\$6,761	\$6,761	\$6,761	\$6,761

Personal S

Personal Services Details

Salary Information

Positions	Min	Mid	Max	<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
1401 - Info Tech Assoc (Eff. 07-01-2022)				0.0	1.0	1.0	1.0	1.0	1.0
1402 - Info Tech Spec I (Eff. 07-01-2022)				0.0	4.0	4.0	4.0	4.0	4.0
1404 - Info Tech Supvr II (Eff. 07-01-2022)				0.0	1.0	1.0	1.0	1.0	1.0
1414 - Info Tech Spec II (Eff. 07-01-2022)				0.0	1.0	1.0	1.0	1.0	1.0
1741 - Accounting Techn (Eff. 07-01-2022)				0.0	1.0	1.0	1.0	1.0	1.0
4800 - Staff Svcs Mgr I (Eff. 07-01-2022)				0.0	16.0	16.0	16.0	16.0	16.0
4802 - Staff Svcs Mgr III (Eff. 07-01-2022)				0.0	2.0	2.0	2.0	2.0	2.0
5142 - Assoc Pers Analyst (Eff. 07-01-2022)				0.0	6.0	6.0	6.0	6.0	6.0
5157 - Staff Svcs Analyst (Gen) (Eff. 07-01-2022)				0.0	1.0	1.0	1.0	1.0	1.0
5313 - Staff Pers Program Analyst (Eff. 07-01-2022)				0.0	2.0	2.0	2.0	2.0	2.0
5393 - Assoc Govtl Program Analyst (Eff. 07-01-2022)				0.0	4.0	4.0	4.0	4.0	4.0
5758 - Research Data Spec II (Eff. 07-01-2022)				0.0	2.0	2.0	2.0	2.0	2.0
7500 - C.E.A. (Eff. 07-01-2022)				0.0	1.0	1.0	1.0	1.0	1.0
VR00 - Various (Eff. 07-01-2022)				0.0	1.0	1.0	1.0	1.0	1.0
Total Positions				0.0	43.0	43.0	43.0	43.0	43.0

Salaries and Wages	<u>CY</u>	<u>BY</u>	<u>BY+1</u>	<u>BY+2</u>	<u>BY+3</u>	<u>BY+4</u>
1401 - Info Tech Assoc (Eff. 07-01-2022)	0	76	76	76	76	76
1402 - Info Tech Spec I (Eff. 07-01-2022)	0	376	376	376	376	376
1404 - Info Tech Supvr II (Eff. 07-01-2022)	0	111	111	111	111	111
1414 - Info Tech Spec II (Eff. 07-01-2022)	0	111	111	111	111	111
1741 - Accounting Techn (Eff. 07-01-2022)	0	45	45	45	45	45
4800 - Staff Svcs Mgr I (Eff. 07-01-2022)	0	1,387	1,387	1,387	1,387	1,387
4802 - Staff Svcs Mgr III (Eff. 07-01-2022)	0	224	224	224	224	224
5142 - Assoc Pers Analyst (Eff. 07-01-2022)	0	450	450	450	450	450
5157 - Staff Svcs Analyst (Gen) (Eff. 07-01-2022)	0	56	56	56	56	56
5313 - Staff Pers Program Analyst (Eff. 07-01-2022)	0	181	181	181	181	181

5393 - Assoc Govtl Program Analyst (Eff. 07-01-2022)	0	300	300	300	300	300
5758 - Research Data Spec II (Eff. 07-01-2022)	0	181	181	181	181	181
7500 - C.E.A. (Eff. 07-01-2022)	0	123	123	123	123	123
VR00 - Various (Eff. 07-01-2022)	0	105	105	105	105	105
Total Salaries and Wages	\$0	\$3,726	\$3,726	\$3,726	\$3,726	\$3,726
Staff Benefits						
5150900 - Staff Benefits - Other	0	2,120	2,120	2,120	2,120	2,120
Total Staff Benefits	\$0	\$2,120	\$2,120	\$2,120	\$2,120	\$2,120
Total Personal Services	\$0	\$5,846	\$5,846	\$5,846	\$5,846	\$5,846