

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

Fiscal Year 2023-2024	Business Unit 7501	Department Human Resources (CalHR)	Priority No. 1
Budget Request Name 7501-005-BCP-2023-GB		Program 9900100/9900200	Subprogram Click or tap here to enter text.

Budget Request Description
 CalHR Privacy Officer

Budget Request Summary

The Department of Human Resources (CalHR) is requesting 1.0 permanent position and \$172,000 (\$65,000 General Fund, \$71,000 Reimbursement, \$22,000 Central Service Cost Recovery, \$2,000 Flex, and \$12,000 Deferred Comp) for fiscal year 2023-2024, and \$165,000 (\$63,000 General Fund, \$68,000 Reimbursement, \$21,000 Central Service Cost Recovery, \$1,000 Flex, and \$12,000 Deferred Comp) ongoing. This will allow CalHR to have a dedicated Privacy Officer to develop and manage the department's, policies, procedures, and compliance with California requirements on privacy laws and standards.

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 No	Code Section(s) to be Added/Amended/Repealed Click or tap here to enter text.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 Click or tap here to enter text.	Date Click or tap to enter a date.

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 Tadesse Chekol	Date Click or tap to enter a date.	Reviewed By Click or tap here to enter text.	Date Click or tap to enter a date.
Department Director Eraina Ortega	Date Click or tap to enter a date.	Agency Secretary Amy Tong	Date Click or tap to enter a date.

Department of Finance Use Only

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

PPBA Danielle Brandon	Date submitted to the Legislature 1/10/2023
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Analysis of Problem

A. Budget Request Summary

The Department of Human Resources (CalHR) is requesting 1.0 permanent position and \$172,000 (\$65,000 General Fund, \$71,000 Reimbursement, \$22,000 Central Service Cost Recovery, \$2,000 Flex, and \$12,000 Deferred Comp) for fiscal year 2023-2024, and \$165,000 (\$63,000 General Fund, \$68,000 Reimbursement, \$21,000 Central Service Cost Recovery, \$1,000 Flex, and \$12,000 Deferred Comp) ongoing. This will allow CalHR to have a dedicated Privacy Officer to develop and manage the department's policies, procedures, and compliance with California requirements on privacy laws and standards.

B. Background/History

The Information Technology Division (ITD) has the responsibility of providing information technology services for both CalHR and State Personnel Board (SPB). ITD maintains web sites, applications, and sensitive and confidential data sets that serve state departments, state employees, and the public.

Within ITD is the Information Security Office which is responsible for planning, oversight, and coordination of information security program activities to effectively manage risk, provide for the protection of information assets, and prevent illegal activity, fraud, waste, and abuse in the use of information assets in accordance with State Administrative Manual (SAM) Section 5300 and State Information Management Manual (SIMM) 5305-A. These manual sections are the state policies and standards for information security. (Attachment 1)

State entity heads are required to direct the establishment of an entity-specific Privacy Program as an outcome of the Information Practices of 1977 (Civil Code Section 1798 et seq.), prioritizing the commitment to protect the privacy, and security of all personal information of individuals. The Privacy Program and privacy coordinators shall ensure the requirements contained in the California Information Practices Act, state privacy policies, and the associated standards, are adhered to by the State entity and its personnel. The legislature continues its commitment to the Privacy of its citizens by making enhancements to the California's Privacy Rights Act (CPRA) delivering new and broadened consumer rights to Californians.

The Information Security Office has one dedicated Security Officer, that is currently performing the duties of both security officer and privacy officer. A dedicated Privacy Officer will enable the Information Security Office to more effectively protect the security and privacy of personal information for CalHR, SPB, state departments, state employees, and the public.

C. State Level Consideration

This proposal addresses identified security deficiencies and will enable CalHR to comply with state privacy policy requirements under State Administrative Manual (SAM), Section 5310 which states, "State entity heads shall direct the establishment of an entity-specific Privacy Program. The Privacy Program shall ensure, and privacy coordinators shall confirm, that the requirements contained in the California Information Practices Act, this policy and the associated standards are adhered to by the state entity and its personnel."

D. Justification

Currently, the duties of the Privacy Officer are being performed by the Security Officer, which is an overlapping of two key roles, and is in conflict with state policy guidelines. CalHR's Security Officer is tasked with the management and oversight of the information security program, which includes, but is not limited to: 1) development of information security plans, policies, procedures, and standards to ensure the confidentiality, integrity, availability, and appropriate use of CalHR and SPB information assets; 2) security risk assessments; 3)

Information security audits and assessments; 4) managing risk register and plan of action addressing security deficiencies; 5) incident management and reporting; and 6) information security awareness program.

In addition, the Security Officer is tasked with the responsibility of acting as the Privacy Officer for CalHR and SPB. This results in: 1) deficiencies of IT security backup resources, as there is no security management redundancy in the event of a planned or unplanned absence of the Security Officer; 2) creating a separation of duties conflict in accord with state policy guidelines, which specifies that each role supports one critical program and requires at least one full-time position; and 3) risk of failure to meet security and privacy compliance mandates.

Information Technology Specialist I (Privacy Officer) – 1.0 position: This resource will be responsible for ensuring the department collects, uses, maintains, discloses, and disposes of personal or confidential information in accordance with privacy laws, and relevant privacy regulations and standards. They will also serve as a privacy subject matter expert and will be responsible for ensuring compliance of the California Information Practices Act, as well as compliance with other required privacy laws and regulations.

Without this resource CalHR and SPB will continue to be in danger of failing to meet its security and privacy compliance mandates and/or obligations, as well as, challenges protecting the confidentiality, integrity, and availability of the department's critical information assets.

E. Outcomes and Accountability

The requested resource will enable CalHR's Information Security Office to meet state security, policies, and standards. It will also ensure CalHR has a dedicated resource to ensure compliance with the privacy requirements contained in the California Information Practices Act, state privacy policies, and that associated standards are adhered to by CalHR, SPB, and its personnel.

F. Analysis of All Feasible Alternatives

Alternative 1: Approve this request.

Pros: This alternative will ensure CalHR's compliance with the requirements contained in the California Information Practices Act, state privacy policies, and that associated standards are adhered to by CalHR, SPB, and its personnel.

Cons: There would be an increased cost to the state and increase to the workforce.

Alternative 2: Contract with a consultant for one year.

Pros: This alternative would allow CalHR to hire an Information Technology firm that specializes in dealing with and providing instructions on information privacy policy and standards.

Cons: Without a dedicated resource to handle the privacy functions of the Information Security Office, the department would be in the same position – out of compliance with separation of duty functions of the Security Officer. Hiring a consultant would not be cost effective for the state.

Alternative 3: Do not approve.

Pros: There would be no increased cost to the state.

Cons: CalHR and SPB will continue to be in danger of failing to meet its security and privacy compliance mandates and/or obligations, as well as, challenges protecting the confidentiality, integrity, and availability of the department's critical information assets.

G. Implementation Plan

Time Frame	Action/Outcome
May – June 2023	Advertise and recruit for Information Technology Specialist I
July – August 2023	Interview and hire

H. Supplemental Information

N/A

I. Recommendation

Approve Alternative 1. This will allow CalHR, to hire staff to ensure compliance with the requirements contained in the California Information Practices Act, state privacy policies, and that associated standards are adhered to by CalHR, SPB, and its personnel.

BCP Fiscal Detail Sheet

BCP Title:

BR Name:

Budget Request Summary

Personal Services

Personal Services	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
Positions - Permanent	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	1.0	1.0	1.0	1.0	1.0
Salaries and Wages Earnings - Permanent	0	96	96	96	96	96
Total Salaries and Wages	\$0	\$96	\$96	\$96	\$96	\$96
Total Staff Benefits	0	54	54	54	54	54
Total Personal Services	\$0	\$150	\$150	\$150	\$150	\$150

Operating Expenses and Equipment

Operating Expenses and Equipment	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
5301 - General Expense	0	3	3	3	3	3
5302 - Printing	0	1	1	1	1	1
5304 - Communications	0	1	1	1	1	1
5320 - Travel: In-State	0	2	2	2	2	2
5322 - Training	0	5	5	5	5	5
5324 - Facilities Operation	0	7	0	0	0	0
5346 - Information Technology	0	3	3	3	3	3
Total Operating Expenses and Equipment	\$0	\$22	\$15	\$15	\$15	\$15

Total Budget Request

Total Budget Request	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
Total Budget Request	\$0	\$172	\$165	\$165	\$165	\$165

Fund Summary

Fund Source

Fund Source	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
State Operations - 0001 - General Fund	0	65	63	63	63	63
State Operations - 0821 - Flexelect Benefit Fund	0	2	1	1	1	1
State Operations - 0915 - Deferred Compensation Plan Fund	0	12	12	12	12	12
0995 - Reimbursements	0	71	68	68	68	68
State Operations - 9740 - Central Service Cost Recovery Fund	0	22	21	21	21	21
Total State Operations Expenditures	\$0	\$172	\$165	\$165	\$165	\$165
Total All Funds	\$0	\$172	\$165	\$165	\$165	\$165

Program Summary

Program Funding

Program Funding	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
6200 - Human Resources Management	0	129	123	123	123	123
6205 - Local Government Services	0	7	6	6	6	6
6210 - Benefits Administration	0	36	36	36	36	36
9900100 - Administration	0	172	165	165	165	165
9900200 - Administration - Distributed	0	-172	-165	-165	-165	-165
Total All Programs	\$0	\$172	\$165	\$165	\$165	\$165

Personal Services Details

Positions

Positions	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
1402 - Info Tech Spec I (Eff. 07-01-2023)	0.0	1.0	1.0	1.0	1.0	1.0
Total Positions	0.0	1.0	1.0	1.0	1.0	1.0

Salaries and Wages

Salaries and Wages	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
1402 - Info Tech Spec I (Eff. 07-01-2023)	0	96	96	96	96	96
Total Salaries and Wages	\$0	\$96	\$96	\$96	\$96	\$96

Staff Benefits

Staff Benefits	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
5150900 - Staff Benefits - Other	0	54	54	54	54	54
Total Staff Benefits	\$0	\$54	\$54	\$54	\$54	\$54

Total Personal Services

Total Personal Services	FY23 Current Year	FY23 Budget Year	FY23 BY+1	FY23 BY+2	FY23 BY+3	FY23 BY+4
Total Personal Services	\$0	\$150	\$150	\$150	\$150	\$150