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Thank you for this opportunity to share our work and some of our Agency's experiences during the past two years. We appreciate the attention you've shown our work and the confidence you have in the dividends it will pay to the people and government of this state.

The Government Operations Agency (GovOps) was created in 2012 and began operations July 1, 2013. The agency has nine departments and independent boards, including three "control agencies:" the Department of General Services, the Department of Technology, and the Department of Human Resources. These three departments primarily serve other state departments, providing direct services, policy direction and oversight.

The mission of GovOps is to modernize government, improve management and accountability of government programs, increase efficiency and promote better and more coordinated operational decisions. GovOps has undertaken several initiatives to accomplish this mission, organizing its efforts around People, Processes and Technology:

- o Our **People** efforts have been led by a statewide Civil Service Improvement initiative (CSI). The main goal of the initiative is simplifying and modernizing the system by reducing and consolidating the number of state job classifications. In addition, the Agency has overhauled and deepened its leadership and management training, which required a change in statute and new policy guidelines.

- o Our **Processes** work has the ultimate goal of improving program management and outcomes. It includes Lean Process Improvement training, which can count more than 2,000 state employees trained, and our Data-Driven Management Improvement initiative, that uses data from operations to drive better outcomes, now under development through a pilot in two agency departments.

- o Our **Technology** work has focused on changing the way the state procures large technology projects. The heart of this effort has been the demonstration of user-centered design, agile development and modular procurement of a new case management system for the Child Welfare System.

These efforts are more fully described below.

People:

State government is facing a wave of retirements and must recruit, develop and retain a new generation of employees whose views of work have been shaped by different expectations and different experiences. The state's need for develop future managers is especially acute, as our manager ranks already have been thinned by the 2007-2009 recession. Of our current managers, a third is eligible to today. This has created the need to prepare more employees for leadership and management roles.

CSI: The goal of the wide-ranging Civil Service Improvement initiative, encompassing 70 different work teams, is to produce a modern and nimble civil service system, designed to produce a capable and engaged state workforce. This workforce should be able to adapt to new challenges in serving the people of California and reflect the population of the people that it serves. In doing so, an improved civil service system should make California state government an employer of choice.

To date, the CSI has eliminated more than 600 job classifications, allowed people who have no prior state service to be appointed to career executive assignments, eliminated outdated exam rules, and made it easier for persons with disabilities to be hired. In addition, the agency conducted the first statewide employee engagement survey, the results of which were fed back to CSI work groups and used byCalHR to help departments improve their employee recognition programs.

Apart from eliminating unused job classifications, the CSI separately is working to consolidate and update job classifications. Doing so will make it easier for applicants to find openings appropriate to their skills, reduce barriers to transferring to different departments and simplify the examination process, eliminating duplication. In increasing transparency about what positions are open, clarifying potential career paths and reducing hurdles to transferring for advancement, these improvements should help reduce the gender pay gap. A majority of the state jobs that pay less than $70,000 are held by women, many of whom are in job classifications that do not allow easy advancement without additional education or certification to skilled, higher paying jobs. GovOps is working to ensure that departments are using the existing individual development planning and upward mobility programs to create more opportunities for women in these classifications to become qualified for better-paying jobs.

Leadership Training: In an early CSI project, the CSI team formed a partnership with Google's People Operations team to reinvent the statewide leadership program. This started with learning about the data-driven approach Google uses, and led to a research-based needs assessment. The team concluded that the greatest deficit was in

the area of supervisor training. In addition, the group saw the need for and subsequently developed a statewide Leadership philosophy and values – based on research and employee focus groups – that can help build a culture of leadership so that staff-level employees can more easily visualize a leadership role for themselves in their career planning.

In refreshing the existing 80-hour supervisor training required by statute, the group designed learning objectives and curriculum, then tested and reworked them with contracted trainers. Through evaluating students before and after the training, and surveying their own managers, the group was able to further refine, or iterate, its approach.

Enhancing supervisor training was the first step. Last year the administration added statutory training requirements for people who have moved into management. In addition, CalHR is developing curriculum for employees taking on career executive assignments. These positions, at the top level of the civil service, require still different leadership and management skills. As part of developing the curriculum, CalHR is integrating learnings from other projects, for example, making new managers and executives aware of tools and training for program improvement..

At each level, curriculum is built around our leadership philosophy: "Our leaders develop and inspire our workforce to deliver great results for Californians."

Earlier this month, CalHR released its new leadership training policy and its new Statewide Leadership Development Model, which establishes a comprehensive framework for meeting the training requirements as well as guidance on the new changes in the statutory leadership training requirements.

Processes

In assessing its highest priorities in modernizing government, GovOps saw that departments could improve efficiency and improve employee engagement by tackling obsolete work processes that defined the work day and work content of many state employees.

Lean: GovOps saw great promise in the application of Lean process improvement techniques to the public sector as it helped the Governor's Office of Economic and Business Development start a Lean Six Sigma training pilot, a rigorous, statistically based approach to process improvement.

Lean is a continuous improvement methodology based on five key principles, designed to eliminate waste and increase value by improving processes and quality from the point of view of the customer.

Studies prove that 85 percent or more of improvement opportunities can be found by targeting processes. Lean, refined over decades in the manufacturing and service sectors, offers a simple but highly effective system that can be implemented in all areas of an organization using the expertise of the organization's own employees to improve processes, innovation and performance.

Though recognizing the value of the six-month Lean Six-Sigma training, GovOps was looking for a way to introduce Lean principles to a broader audience more quickly. It learned about a Lean-only approached used by the city of Denver that had demonstrated success.

The training involves engaging staff-level employees to identifying each step in a process they use, and determining whether it adds value to the end user, the customer. After isolating and analyzing each step, they then reconstruct the process to eliminate steps that add no value. Having employees involved is key; it provides first-hand experience and makes them the agent of the changes to their work process.

GovOps ultimately rewrote Denver's program to create a California-specific curriculum and developed a series of Lean training programs that range from a one-day program to the full Lean Six Sigma training. The "California Lean Academy" offerings include a train-the-trainer program so that departments can integrate standardized lean training into their own training schedules. The programs have trained more than 2,000 employees in more than 20 departments.

GovOPs' work with Lean put a focus on using data more intensively for program improvement. The agency's experience in launching its pilot statewide open data portal showed that departments were interested in using their data for collaboration and sharing it. The growing importance of data, and how it is organized and shared, led to the creation of the Chief Data Officer position. The state's first Chief Data Officer, hired in 2016, is charged with, among other things, creating a culture of using data for decision making and improving program outcomes. This month, the Chief Data Officer re-launched the Open Data Users Group as CalData, broadening the group's focus from open data to strategic use of data to improve government operations.

Data for Decision-Making: Beyond Lean process improvement and modernizing the civil service system, GovOps is interested in using routine operational data from departments to improve broader departmental performance. GovOps currently is developing organizational performance dashboards using data from the State Controllers' Office and CalHR to provide operational indicators that better inform

decision-makers on the overall health and performance of their organizations. Initial work is focused on human resources metrics, such as vacancy rates, leave balances and time required to fill openings. In a related effort, GovOps is developing a data-driven management improvement initiative that will include working with departments to create performance dashboards, This effort also will include creating a tool-kit of training and best practices to create a culture of data-informed continuous improvement in departments.

Technology

GovOps and its departments are in the middle of several projects that are changing how the state thinks about buying and using technology and how it designs that technology to better serve end users. The projects have been important opportunities to learn about user-centered design, agile procurement, open data and the possibilities of open source code. GovOps also has seen how other governments have successfully used these approaches to build digital services and is looking for ways to implement such strategies here.

Procurement: GovOps is engaged in a demonstration of a new approach to large information technology system procurement, replacing the Department of Social Services' aging Child Welfare System case management system. The system is responsible for more than 50,000 vulnerable children in foster care and each year is used to investigate hundreds of thousands of cases of neglect or abuse. A replacement system had been in the works for more than a decade.

In late 2015, however, GovOps and the California Health and Human Services Agency decided that the risk of failure in using the state's traditional procurement approach was large enough to require evaluating other approaches. The two agencies pulled together a workgroup whose members had expertise in the child welfare program, agile development, systems integration, contract law and technology procurement oversight.

Based on the workgroup's recommendation, GovOps and CHHS decided to try the new approach, proven elsewhere, which promised to provide improved working technology that better fit end-users needs more quickly, and presented a lower risk of project failure.

User-Centered, Agile Development and Open Source Code: The demonstration is using user-centered design and agile modular development approach for designing and building software. User-centered design is a process that builds in the needs, wants and limitations of the end user at each stage of the design process using research, interviews and continuous user feedback. It naturally aligns with Lean thinking's focus on creating value for the customer. In this project, the end users – county social workers – are part of the design team. Agile development is a process in which software is built

incrementally, in time-bound "sprints," where requirements and solutions evolve through repeated refinements, or iterations, of software modules. Agile development uses cross-functional teams that work collaboratively. The state team relied on the expertise and counsel of outside advisors from 18F, which is part of the U.S. Government Services Administration, and Code For America, a non-profit organization that promotes civic engagement and helps state and local governments integrate new technology and design practices to improve service to users.

The user-centered design approach ensures that the project does not veer from user needs, ensuring alignment of design and function. Agile practices serve to break down risk into smaller pieces of software modules. Breaking down the Child Welfare System project into modules has allowed the state to bid out the modules separately, in a sequence that allows pieces to be put to work in a far shorter time frame and reduces risk of a failed overall system.

The Child Welfare System project naturally breaks out into distinct pieces, separate activities such as Intake, Children's Residential Licensing, Case Management, Resource Management, Court Processing, Eligibility, Financial Management, and Administration. Many of these components are common to other programs. Open source solutions delivered for these components mean solutions would now exist for other systems at other programs, whether in California or another state.

The project's design, contract and software development are in the hands of the Department of Social Services and CHHS' Office of Systems Integration.   The Department of Technology provides oversight and, with the Department of General Services, has created a new-to-the-state procurement tool, a prequalified vendor pool. This tool now is being used by OSI and DSS.

Before a vendor may bid on a module, it must demonstrate its expertise by building a working software prototype in open source code and posting it in a public venue. A team already has produced a small piece of software that county social workers can use, just over a year from when the first proposals were released. More proposals for modules will be released to the 11 prequalified vendors in coming months.

The state's experience with the Child Welfare System has shaped its approach to developing IT management systems to regulate medical and recreational cannabis, an organizationally complex challenge. Several agencies have different but intertwined responsibilities for regulating and licensing the cultivation, harvesting, shipping and sale of cannabis, requiring a high degree of collaboration and coordination among them.

The Department of Technology used a workgroup like that formed for the Child Welfare System project to determine whether an agile approach to procurement and

development would be appropriate. The workgroup concluded that an agile framework was appropriate and will use it for the cannabis licensing and track and trace solutions.

The Department of Public Health, the Department of Food and Agriculture and the Department of Consumer Affairs, each charged with developing different but related sets of regulations, have separately contracted with vendors and this month, each is starting the agile software development process.

Digital Services: GovOps used similar thinking to redesign and re-launch the state web portal, ca.gov. For the project, GovOps began applying user-centric design while reviewing and analyzing other government websites and gathering research on successful approaches. The previous state portal had focused on how the state was organized and promoted department-sponsored messaging. The new portal asks visitors what they need and organizes digital services offered by different departments in a way that they can be searched and queried. Not only is this a vast improvement, it is a starting point for subsequent conversations about how departments can use their websites as places to engage Californians and deliver services to them digitally. The ultimate goal is to allow users to start and complete a transaction, such as applying for a license or paying a fee, entirely online, or true digital service.

Civic Engagement and Prototyping: In late 2015, GovOps used a code-a-thon format for a two-day Sustainability Innovation Challenge. The goal was to encourage participants to use open data sets from GovOps' then-new pilot statewide open data portal to help the Department of General Services meet two of Governor Brown's executive orders on state government sustainability. One of the code-a-thon's requirements: Submissions for the challenge had to be written in open source code. As with the Child Welfare System software development, using open source code would allow others to refine the software, and in this case, allow a prototype to be handed off to others to be developed, through an iterative process, into a working tool.

Two of the winners built prototypes that now are in development at the Department of Technology for DGS. One, Green Fleet, helps DGS track vehicles in their fleet and in departments' fleets by age and mileage and computes a department's overall vehicle greenhouse gas emissions. When finished, it can help departments see how the purchase of zero-emission vehicles can help them meet state green-house gas emission goals, and see which vehicles they own should be sold. The other tool, Green Buyer, will help DGS track purchases of environmentally preferable goods and measure the level of recycling at departments, based on their procurement and recycling reports.

Each focus of our work – People, Process and Technology – has informed and reinforced our learnings in the others. Our work with Lean process improvement,

leadership development, open data and data for decision-making all have benefitted from the ongoing work with user-centered design, agile development's focus on iteration and the modular approach to the Child Welfare System case management procurement. Likewise, our Civil Service Improvement initiative has been informed by these experiences, and what they imply for California's future state workforce.

These efforts have challenged us and those with whom we've worked to think differently, particularly about risk and about whom we serve – the end users, the people of California.

We have made a start, but there is considerable work ahead, both in developing capacity within state government to do things in a new way, and in fueling culture change that replaces fear of failure with the excitement and profound satisfaction of doing something better, and then, better still.

Thank you for this opportunity to share our story.

CIVIL SERVICE IMPROVEMENT (CSI)

Background

The goal of the Civil Service Improvement initiative is to produce a modern human resource system that will allow state departments to find and quickly hire the best candidates through a fair and merit-based process. Departments will be able to systematically determine their workforce needs and will be equipped to train and develop their employees to maximize their individual potential to better serve their departments' mission. An improved civil service system will produce a capable and engaged state workforce that is able to adapt to new challenges in serving the people of California, and will reflect the diversity of the population it serves.

This improved civil service system will make California an employer of choice, not only for people who want to make a career of public service but also for those who want to make public service a chapter of a broader career. Essential to creating this environment is cultivating a leadership culture committed to developing and inspiring employees to achieve great results.

Managers will be supported in this effort with modern online tools and programs to recruit, track and develop employees throughout their careers in state service. Potential employees will be able to use modern tools to submit applications to all positions for which they qualify. Applicants seeking state jobs will be able to easily assess what careers exist in state government, what positions match their skills and interests, and what available openings fit that profile. These changes will allow departments to be more efficient and responsive in the hiring process.

Once hired, employees will be properly onboarded, and taught critical information about their departments and job duties, so that they are set up for success and can immediately start contributing. Employees will have opportunities to learn new skills and will earn recognition for doing good work. As opportunities and new technologies emerge, employees will have clear paths for upward mobility and continued professional development.

Ensuring that employees bring value to their work and that their work adds value to the lives of Californians supports employee engagement and attracts motivated candidates. The test of the system's success will be in its ability to get the right people in the right jobs at the right time, and ensuring they have the tools and work processes to complete high quality work.

What Has CSI Achieved?

1. **Eliminated Outdated Examination Rules**
   Effective September 2015, three hiring certification rules were eliminated to streamline the civil service certification processes and increase job candidate pools.
   - Rule of 3 Names: Used for clerical classifications' promotional lists
   - Managerial Rule of 6 Ranks: Management exams had to be 6 ranks
   - Rule of 1 Rank: Used for supervisorial classifications' promotional lists

   Changed Law or Regulation: SB 99, Chapter 322, Statutes of 2015
   Implementation: PML 2015-030

2. **Career Executive Assignment (CEA) Rules Changed**
   Laws governing career executive assignments were modified to allow the appointment of external job applicants and streamline the process for employees returning to state service after separation. This change benefits job seekers who are new to state service as well as those who are returning from other employment.

   Changed Law: SB 99, Chapter 322, Statutes of 2015
   Implementation: PML 2015-031

3. **Created New Human Resource Policy Website**
   A CSI team reviewed more than 1800 Personnel Management Liaisons (PMLs) memos and consolidated them down to 106 clear, concise and topically organized policy statements. Additionally, the Department of Human Resources (CalHR) enhanced online search capabilities and added legal authorities for ease of reference by the state's human resource community.

   Website: http://hrmanual.calhr.ca.gov/Home/ManualItem

4. **Limited Examination and Appointment Program (LEAP)**
   LEAP is an alternate examination and appointment process for the recruitment and hiring of individuals with disabilities into state service. Effective June 2016, the law was modified to:
   - Eliminate the probation period
   - Merge LEAP and non-LEAP lists to eliminate pre- identification of LEAP candidates, with the goal of reducing discrimination against persons with disabilities in the hiring process while at the same time increasing job opportunities and the number of LEAP hires.

   Changed Law: SB 848, Chapter 35, Statutes of 2016
   Implementation: PML 2016-028

5. **First Statewide Employee Engagement Survey**
   The Government Operations Agency (GovOps) asked 5,000 randomly selected state employees at all levels about their job satisfaction and level of work engagement. Some notable findings:

- A majority of employees believe what they do is important to the lives of Californians.
- Employees feel they do not receive recognition for good work.

In response to the first Statewide Employee Engagement Survey's findings, CalHR led the development of an Employee Recognition Toolkit, highlighted the existing Merit Award Program's ability to support engagement, collaborated with GovOps to provide a webinar, and committed to the foundation of a work group to build more resources through June 2017. Departments were also encouraged to support flexible work arrangements for its employees when they meet the needs of both the department and the employee.

Survey Results: http://www.govops.ca.gov/govops/Civil-Svc-Improvement/Emp-Engagement-Survey.aspx
Implementation: PML 2016-013

6. Human Resource Delegation

Many human resource practices and processes have been delegated to departments. Delegation allows departments to meet their mission and objectives in a more nimble way. CalHR monitors consistency in practice and ensures that applicable personnel law and rules are being administered.

Website: http://www.calhr.ca.gov/state-hr-professionals/Pages/delegation.aspx

7. Eliminated the six-month Vacant Position Rule

Originally, Department of Finance eliminated positions that had been vacant for six consecutive months. Managing this process contributed to an onerous number of staff hours throughout all departments. CSI eliminated this law, recognizing that it did not contribute to effective workforce planning, drove unnecessary use of resources, and provided no value to Californians.

Changed Law: SB 99, Chapter 322, Statutes of 2015
Implementation: Budget Letter 15-22

8. Abolishing Classes Vacant for Two Years

Effective January 1, 2016, SPB adopted a regulation that sets forth a process for automatically abolishing classifications that have been vacant for two years.

Changed Regulation: CCR Title 2, Division 1, Chapter 1, Article 2, Section 90
List of Abolished Classes: http://www.calhr.ca.gov/state-hr-professionals/Pages/abolished-classification-listing.aspx

9. Created the Human Resources (HR) Credentialing Program

This program was created to recognize seasoned HR professionals (available to HR and Equal Employment Opportunity practitioners with 3+ years of experience) and is a vehicle for professional growth for HR professionals. The program provides professional recognition, career advancement, continuous learning, and development of future HR professionals. Close to 300 credentialing exams were held as of mid-September and over 98 individuals have received at least one HR credential.

Website: http://www.calhr.ca.gov/state-hr-professionals/Pages/HR-Credentialing-Program.aspx
Implementation: PML 2016-019

10. **New Dental Benefits Form**

The form used by state employees to enroll in dental benefits was revised and automated to reduce errors and eliminate re-work. CalHR implemented this revision in advance of the open enrollment period in September and October of 2016. Erroneous, incomplete, or illegible dental enrollment forms that cannot be processed by the State Controller's Office (SCO) are returned to departments for correction. This delays enrolling employees and dependents in dental benefits. Measured error rates from 2015 were over 14 percent. Reducing errors and re-work through the use of an automated dental form should result in more efficient use of SCO and departmental HR resources, and provide better service to our employees.

11. **Lean Training**

To date, GovOps, CalHR, and participating state agencies have trained more than 2,000 people in a process improvement methodology using the Toyota Production System (Lean). A Lean approach provides tools and techniques to reduce waste and increase efficiency in how the state delivers services to the people of California. Additionally, GovOps and GoBiz have successfully partnered on the delivery of three Lean Six-Sigma cohorts (advance training) with a 4th scheduled for 2017.

Website: http://www.govops.ca.gov/Civil-Svc-Improvement/Eureka-Lean.aspx

12. **Revised State's Workforce Planning Model**

Workforce planning is the business process that aligns staffing with the strategic mission and anticipated critical needs of an organization. In 2015, CalHR revised its workforce planning model to reflect modern methods and is currently working with state departments to support development of their workforce plans. CalHR will be issuing a new policy in early 2017, requiring departments to have workforce plans.

Website: http://www.calhr.ca.gov/state-hr-professionals/Pages/workforce-planning.aspx

13. **New Employee Performance Management/Progressive Discipline Forum**

This new human resource forum meets monthly so departmental staff can share best practices around employee discipline issues. Currently the group is updating CalHR's *Supervisors Guide to Progressive Discipline.*

14. **Exempt Return Rights – Simplified**

Upon termination of their appointment, Exempt employees now have the ability to take a deferred examination (for any class that has a current eligible list) that the employee meets the minimum qualifications for. Additionally exempt employees are no longer restricted to select only one promotional exam and can now apply for multiple exams. CalHR is revising the CEA and Exempt Return Rights material and posting it online.

Changed law: SB 848, Chapter 35, Statutes of 2016
Implementation: PML 2016-028

15. **Clarified Leave Overpayments**
The state typically has up to three years from the date of an overpayment to take action to recover the overpayment. When the overpayment involved leave credits it was unclear when the three year statute of limitations started. As a result the process of recovering the overpayments of leave credits was inconsistent based on departments own internal practices. It has now been clearly established that the date that an overpayment of leave credits occurs is the date that the employee uses (receives compensation) for the erroneously credited leave, based on a "first in, first out" accounting method, and not the date the leave was erroneously credited to an employee's leave balance.

Changed Law: SB 848, Chapter 35, Statutes of 2016
Implementation: PML 2016-028

16. **Abolished 24 Pay Differentials**
A comprehensive review was conducted on the state's existing pay differentials. The review found that 24 differentials were unnecessary and were eliminated.

Implementation: Pay Letter 16-21

17. **Expanded Leadership Training**
In an effort to further develop supervisors, managers and CEAs in the State of California, leadership training was expanded in June 2016 to include defined competency based training. In addition, new requirements for leadership are now in law:
   - Supervisors: 80 hours of mandatory training within 6 months of initial appointment,
   - Managers: 40 hours within 12 months of initial appointment;
   - CEAs: 20 hours within 12 months of initial appointment.

All supervisors, managers and CEAs are now required to complete 20 hours of leadership and development training every two years as prescribed by CalHR. CSI teams have evaluated and piloted new 80 hour supervisor curriculum and additional leadership training options are being created to meet the new manager and executive leadership development requirements. A new statewide leadership philosophy, values and competency model, with learning objectives associated with each level of leadership, have been created to provide departments with guidance on how to progressively develop leaders from supervisor to executive level positions.

SPB began auditing basic supervisor training in August 2016 and will incorporate the changes in law with future audits.

Changed Laws: SB 848, Chapter 35, Statutes of 2016
Implementation: PML 2016-028

18. **Increased Multi-Departmental Exams**
Article VII, Section 1 of the California Constitution requires that "permanent appointment and promotion shall be made under a general system based on merit ascertained by competitive examination." The administration has encouraged departments to collaborate on exams in order to: a) eliminate duplicative testing

efforts; b) establish one hiring list for service-wide classifications and c) allow job seekers to compete for vacancies in various departments for the same classification. To date, more than 100 multi-departmental exams are in use.

Implementation: PML 2016-07

19. **Launched a Job Analysis Library**
Job Analysis is the process of examining and assessing data about a particular job's tasks and responsibilities. In September 2015, a library was created to provide departmental personnel staff access to previously completed job analysis reports. This library is designed to:
   * Provide departments with an understanding of the information and components used during a job analyses.
   * Provide departments an additional resource for conducting archival research.
   * Shorten the amount of time it takes to complete research.
   * Reduce job analyses costs.

Website: http://www.calhr.ca.gov/state-hr-professionals/Pages/servicewide-and-consortium-examinations.aspx

20. **Revised Upward Mobility Guidance**
Upward Mobility (Gov. Code § 19400) directs departments to provide assistance "…which will allow employees in low paying occupations to develop and advance to their highest potential." Guidance on Upward Mobility was revised in November 2016 to encourage departments to support robust Upward Mobility opportunities. A PML will be released in early 2017.

Website: http://hrmanual.calhr.ca.gov/Home/ManualItem/1005
Implementation: PML 2017-01

21. **Created New Employee Orientation Information**
A new employee website was created in August 2015 to provide new state employees' information about employer benefits, forms to complete, and union information and employee rights.

Website: http://www.calhr.ca.gov/employees/pages/Employee-Orientation.aspx

22. **Created New Onboarding Website**
A new onboarding manual was completed in November 2016 and posted to CalHR's website to offer a consistent approach and help departments' effectively onboard new staff. Employer onboarding programs have a positive impact on engagement, productivity, job satisfaction and retention.

Website: http://www.calhr.ca.gov/state-hr-professionals/pages/Onboarding.aspx

23. **Enhanced Leave-Buy Back Program**
The Leave Buy Back Program was enhanced this year to allow excluded employees with vacation or annual leave balances in excess of 640 hours the option to transfer future leave accruals into a 457(b) or 401(k) Plan account. The Program is

contingent upon the state extending the Leave Buy Back Program for the 2016/17 fiscal year and each department's authorization to offer the Program.

Implementation: PML 2016-32

24. **Increased Flexibility with the State's 457(b) and 401(k) Retirement Plans**
Savings Plus modified the tax advantaged plans to allow participants the ability to convert a portion or all of their pre-tax 457(b) and 401(k) Plan retirement assets to Roth after-tax assets. This provides participants more flexibility for their retirement planning.

25. **Equal Employment Opportunity (EEO) and Human Resource (HR) Training**
CalHR provided a comprehensive training seminar to EEO and HR professionals regarding the collaboration of EEO and HR roles and how to avoid the most common mistakes during discrimination and harassment investigations. The full day of training was attended by more than 250 statewide EEO and HR professionals

What's Happening Now?

1. **Class Consolidation –** The state's current classification system is antiquated. A modernized and simplified classification system that reduces the number of classifications and uses standard industry language will allow:
   - An understanding of the various career paths.
   - Job seekers and employees to understand the state's classification structure.
   - The elimination of duplicative exams and hiring processes.
   - Promotional opportunities with appropriate probationary periods between salary ranges.

   Since June 1, 2014, CalHR and the State Personnel Board have abolished 656 unused classifications. Currently CalHR is working on consolidating classifications in these occupational groups:
   - Information Technology/Legal/Generalists/Scientists/Actuaries/Medical/Education

2. **Reducing Employee Leave Balances – An Unfunded Liability**
   The Administration continues to reduce employee excess leave balances by:
   - Encouraging departments to pay employees for overtime in lieu of offering Compensatory Time Off (CTO).
   - Cashing out CTO when employees transfer to another department.
   - Requiring departments to develop a leave management policy and ensure employee's with excessive leave have a leave reduction plan.
   - Enhancing the Leave Buy-Back Program with an option to allow employees transfer up to 80 hours of excessive leave to their 457(b) or 401(k) plan account.
   - Negotiating leave buy-back programs for rank-and-file employees in the most recent collective bargaining agreements.
   - Offering a leave calculator and other resources for staff to use to reduce high leave balances.

   Website: http://calhr.ca.gov/pmd/Pages/leave-reduction-plan.aspx
   Implementation: PML 2016-29

3. **State Personnel Board Regulatory Changes**
   The SPB extensively reviewed its regulations and developed the most comprehensive human resource regulatory package in 20 years. Currently the regulations are in a comment period. SPB intends to have final package for print and file with the Secretary of State by early 2017.

4. **Alternative Exams**
   A pilot is being developed with the Department of Finance, the Energy Commission and the Air Resources Board to explore an abbreviated assessment and hiring process similar to the private sector

5. **Organizational Performance Dashboards**
   GovOps is developing organizational performance dashboards using data from the SCO, CalHR and the Department of Finance to provide operational indicators that better inform decision-makers on the overall health and performance of their organizations.

6. **New Performance Evaluation for Managers and Supervisors**
   Establishing a performance culture in the state is foundational to the CSI effort. To that end, a CSI team has created a new performance evaluation form for managers and supervisors which will be piloted in January 2017 at the California Department of General Services, Franchise Tax Board, and CalHR. The form serves as both a development tool and method to evaluate employees applying the newly developed core competencies and the state's leadership values as a standard.

7. **New Statewide Recruitment Manual**
   A CSI team has developed a manual with tools and guidelines to help departments in their recruitment efforts. This manual will address social media, building talent pipelines, and focused recruitment in underrepresented communities and higher education. This comprehensive manual will be published on CalHR's website in early 2017. CalHR is using the content from the online recruiting manual to create new training for departments seeking to create effective recruitment programs.

8. **Jobs Website Redesign**
   Jobs.Ca.Gov is being redesigned within an agile software development lifecycle approach. The first phase of this redesign will launch in January 2017. This phase will include the following updates: an update to the look and feel of the website by using a new California State template, a user-centric website design, an audience based navigation with audience focused information, an improved job search, the ability to search for jobs by career path, and an emphasis to use less state jargon and more industry standard language.

9. **Employee Wellness**
   CalHR is continuing to build on the Healthier U wellness pilot project by:
   - Establishing Healthier U pilot sites at Napa State Hospital, Covered CA, and the Office of Statewide Health Planning and Development.

- Supporting the California Department of Public Health (CDPH) and the California Department of Health Care Services (DHCS) in expanding Health U to all CDPH/DHCS worksites statewide.
- Procuring a wellness program online service to support departmental wellness coordinators statewide (funded by fiscal year 2016-17 BCP).
- Creating online wellness coordinator toolkit for use by departmental wellness coordinators statewide.

10. **Statewide Training**
    CSI teams have helped CalHR create a new competency model that identifies those core competencies that are essential to all state employees. CalHR has expanded its training offerings to several new regions across the state, specifically focusing on providing training on topics associated with the new core competency model. These same CSI teams are also creating a new online training manual to provide departments with tools, resources and guidance on how to create and implement effective training programs.

What's Next?

1. **Hiring More Veterans**
   A CSI team is currently working with the U.S. Marine Corps to better transition Marines from active duty service to state jobs. Strategies under consideration include establishing apprenticeship programs for select civil service occupations, providing on-site state exams and developing better career counseling at Camp Pendleton. Once successfully piloted with the Marines, these new programs will be offered to other branches of the service. Tools and resources associated with these Veteran programs will be made available in CalHR's new online recruitment manual and in recruiting workshops.

2. **Developing Apprenticeship/Internship Programs**
   A CSI team is working with the Division of Apprenticeship Standards and the Department of Technology to develop non-traditional apprenticeship programs for information technology and healthcare jobs with the state. Additionally, GovOps is collaborating with Sacramento's Office of the Mayor to help develop a robust high school internship program.

3. **Combating Implicit Bias**
   Promoting diversity and inclusion in the state's workforce is paramount. An area of focus for 2017 will be educating the state's managers and supervisors on implicit or unconscious bias. GovOps plans to collaborate with senior leaders and develop strategies for advancing inclusive environments and strengthening upward mobility in departments through partnerships with labor unions, the private-sector and academia.

2. **Reviewing Layoff Process**
   A CSI effort is underway to review the state's current layoff process and recommend improvements to streamline, simplify and provide flexibility in the process to accommodate department's diverse circumstances. Proposed changes may require amending laws and regulations, and would be subject to collective bargaining.

3. **Mapping Enterprise Human Resource Information Systems**
   A CSI governance group was formed that includes all departments that oversee human resource functionality; this includes the SCO, CalHR, Department of Technology, the Department of Finance, and GovOps to look at human resource technology solutions for the State of California. Solutions could include:
   - Learning management system
   - Timekeeping and Payroll system
   - Position control
   - Employee benefits portal
   - Performance Management
   - Succession Planning portal

   This governance group is set to meet in early 2017 to establish an automation roadmap for statewide enterprise HR solutions that will include a common architecture between all automated systems and a set of common data elements. This will vastly improve access to data, the ability to report at a statewide level and consistency across departments.

4. **Creating California "Employer of Choice" Campaign**
   GovOps and CalHR are partnering with California State University Sacramento to create a new "look and feel" for statewide recruitment and marketing materials. Materials include a general brochure that highlights the benefits of working for the state and provides an overview of how to get a state job, as well as physical items to be used at recruiting events. The look and feel will be incorporated with the redesigned jobs.ca.gov site and can be customized by departments for future use.

5. **Reviewing Family Care Employer Program**
   A CSI team is evaluating the current law established in 1980 to measure the effectiveness of the current child care program and exploring cost effective options to improve accessibility, availability and affordability of child/family care. Additionally, this effort is being aligned with the state's Ten-Year Sequencing Plan for state owned facilities to appropriately accommodate design and build as needed.

6. **Developing Mentoring Opportunities**
   CSI teams will be creating new statewide tools, resources and guidance to help departments create mentoring programs. While these programs will initially focus on leaders, the vision will be to create a culture of mentoring and coaching at all levels of state organizations.

7. **Supporting Job Rotation Programs**
   A CSI team will be creating resources to help departments benefit from job rotation programs. With the loss of talent from impending retirements, it becomes more critical for organizations to have strategies in place to ensure new employees are well-rounded in their experience. The CSI team will identify the best practice techniques for maximizing the knowledge transfer benefits associated with job rotation programs.

Resources

Through the course of the CSI efforts over the last two years, there have been more than 40 CSI teams assembled with subject matter experts from dozens of departments. These teams are typically lead or staffed by existing resources from GovOps or CalHR. In budget year 2016-17, CalHR received 16 positions that are fully dedicated to CSI efforts. Additionally, there are a dozen CalHR staff fully dedicated or partially dedicated to ongoing CSI initiatives.