

INITIAL STATEMENT OF REASONS

INTRODUCTION

The Department of Public Health (Department), pursuant to the authority set forth in Section 87306 of the Government Code, proposes to amend its Conflict of Interest Code (COIC). The purpose of this amendment is to implement the requirements of Sections 87300 through 87302, and Section 87306, of the Government Code.

The Political Reform Act (Gov. Code, § 81000 et seq.) requires each government agency to adopt a COIC, and agency personnel covered by the code to periodically file a financial disclosure statement known as a Statement of Economic Interest, more commonly referred to as a "Form 700." (See Gov. Code, §§ 87300 & 87302.)

Among other things, an agency's COIC must enumerate employee positions with the agency that involve the making of or participation in the making of decisions that may foreseeably have a material financial effect on any economic interest of the employee, and for each enumerated position, the specific types of investments, business positions, interests in real property, and sources of income and gifts which are required to be disclosed on the Statement of Economic Interest. (Gov. Code, § 87302.)

BACKGROUND/OVERVIEW

This regulatory action constitutes an amendment to the Department's COIC that took effect on October 21, 2016. Since that date, the Department has been reviewing feedback from staff, and combined with experience gained during the intervening Form 700 filing cycles, seeks to improve on the original COIC by adopting the changes described in this document and the Notice of Proposed Rulemaking to which it pertains.

The Department proposes to adopt this COIC amendment to cover its officers and employee positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of Section 87302 of the Government Code.

The proposed changes and the reasons therefore, are as follows.

NEWLY DESIGNATED JOB CLASSIFICATIONS TO ADD/REMOVE

1. Add recently created Information Technology (IT) job classifications while removing obsolete IT job classifications from the COIC.

The State Personnel Board (SPB), in January 2018, approved an IT class consolidation that created 9 new IT classifications while abolishing 36 existing IT classifications. SPB also approved the creation of 6 broad Domains which describe current or emerging IT specializations. These six Domains include: Business Technology Management, Client

Services, Information Security Engineering, Information Technology Project Management, Software Engineering, and Systems Engineering.¹

The Department has determined that all employees in Information Technology Manager I or II and Information Technology Supervisor II classifications are subject to the COIC reporting requirements. In addition, all employees in an Information Technology Supervisor I, or Information Technology Specialist I, II, or III who work in the Domains of Business Technology Management and/ or Information Technology Project Management are subject to the COIC reporting requirements. The proposed amendment would add these new Information Technology classifications identified, and would assign to these newly designated classifications the existing disclosure category 8, which relates specifically to information technology.

The proposed additional Information Technology job classifications identified, along with the appropriate state Cal-HR identification number are:

- a. 1402 Information Technology Specialist I (Domain Dependent)*
- b. 1414 Information Technology Specialist II (Domain Dependent)*
- c. 1415 Information Technology Specialist III (Domain Dependent)*
- d. 1403 Information Technology Supervisor I (Domain Dependent)*
- e. 1404 Information Technology Supervisor II (All Domains)
- f. 1405 Information Technology Manager I (All Domains)
- g. 1406 Information Technology Manager II (All Domains)

2. Delete obsolete IT job classifications that have been replaced by the new Information Technology Series.

Effective January 31, 2018, the SPB abolished the below classifications and replaced them with the new Information Technology series. The Department proposes to delete the following now-obsolete classifications from the COIC:

- a. Assistant Information Systems Analyst
- b. Associate Information Systems Analysts (Specialist)
- c. Associate Programmer Analyst (Specialist)
- d. Data Processing Manger I/II/III/IV
- e. Information Systems Technician Specialist I/II
- f. Information Systems Technician Supervisor II
- g. Programmer I/II
- h. Senior Information Systems Analyst Specialist
- i. Senior Information Systems Analyst Supervisor
- j. Senior Programmer Analyst Specialist

¹ To view a complete description of duties and responsibilities of each domain see: California Department of Human Resources, *Information Technology Series: California State Personnel Board Specification* (Jan. 26, 2018) <<http://www.calhr.ca.gov/state-hr-professionals/Pages/1400.aspx>> (as of Mar. 27, 2018).

*Only those employees in the Domains of Business Technology Management and/or Information Technology Project Management are required to report.

- k. Staff Information Systems Analyst Specialist
- l. Staff Information Systems Analyst Supervisor
- m. Staff Programmer Analyst Specialist
- n. Systems Software Specialist I (Technical)
- o. Systems Software Specialist II (Supervisory)
- p. Systems Software Specialist II (Technical)
- q. Systems Software Specialist III (Supervisory)
- r. Systems Software Specialist III (Technical)

3. Consolidate all Attorney reporting classes under a single entry to ensure that the new Attorney V classification is included in the COIC.

The new classification of Attorney V was established in January 2015 and is not currently included in the COIC for reporting purposes.

The Department proposes modifying the COIC to cover all employees working in the Department in the Attorney, Attorney III, IV, and V classifications. The Attorney, III & IV will be deleted as these positions will be covered by the revised Attorney, All Classifications category.

The Department proposes clarifying the COIC to require all employees working in the Assistant Chief Counsel (ACC) classification, appointed through a Career Executive Assignment (C.E.A.) or Civil Service, to report under disclosure categories 2,4, and 6. This amendment is intended to clarify that ACCs with C.E.A. appointments are not required to report under disclosure categories 3, 5, and 7 as "Assistant Chiefs." This amendment ensures that employees in the ACC classification have the same reporting requirements as the Chief Counsel and the all other Attorneys.

The Department is proposing the following modifications to the COIC:

- a. Attorney, All ~~Ranges~~ Classifications
- b. ~~Attorney, III & IV~~
- c. Assistant Chief Counsels (CEA and Civil Service)

4. Delete the classifications of Personnel Supervisor I and II from the current COIC. Employees in these classifications have no responsibility for making or participating in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of Section 87302 of the Government Code.

5. Add the Special Investigator classification to the COIC reporting provisions. Employees in this position will be required to report under disclosure category 7. Employees in this classification may have responsibility for making or participating in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of Section 87302 of the Government Code.

6. Add Staff Service Analysts [2/2], working in the Budget Section, to the COIC reporting provisions. Employees in these positions will be required to report under disclosure categories 3, 5, and 7. Employees in these classifications may have responsibility for making or participating in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of Section 87302 of the Government Code.

EFFECTIVE DATE

The Department proposes an effective date of December 31, 2018 for these proposed changes to the COIC. The Department chose this date to ensure that the revised COIC is in place prior to the beginning of the annual Form 700 filing period which begins in February.