

## Cradle-to-Career Governing Board Staff Report

Date Report Issued: July 26, 2023  
Attention: Members of Cradle-to-Career Governing Board  
Subject: **FY 2024-25 Draft Budget Change Concept**  
Staff Contact: Lesley Taylor, Director of Operations

At this meeting, the Governing Board (Board) will have the opportunity to provide feedback on the Fiscal Year (FY) 2024-25 draft budget change concept prepared by the Office of Cradle-to-Career Data (Office).

### Requested Action:

For this item, Staff recommends the Board approve the budget change concept and authorize the Office to work with the Board Chair and Chair Elect to finalize a formal budget change proposal submission, in collaboration with GovOps leadership and the Department of Finance.

- ❖ Move to approve the proposed budget change concept as specified in the staff report.

### Background:

In FY 2022-23, the budget for Cradle-to-Career (C2C) consisted of \$10.26M ongoing funding, and \$13.3M one-time start-up funding reappropriated from the prior year. One-time funds were available to encumber until June 30, 2023.

At its August 2022 meeting, the Board approved a [budget change concept for FY 2023-24](#). The budget change concept was refined based on feedback from the Board and developed into a [budget change proposal](#) (BCP) that was incorporated into the Governor's Budget and ultimately approved by the Legislature and signed into law. As a result of this request, C2C received \$4.9M in additional ongoing funding, including ten new positions.

C2C's operating budget for FY 2023-24 is \$15.26M. Please review the attached budget change concept (Attachment A) and the staff report for Agenda Item 16 (eTranscript California Stakeholder Interviews).

The draft budget request defines the increased resources C2C requires relative to its current year appropriation. Specifically, the Office proposes to request authority for one new position, \$226,000 in ongoing funding, and \$600,000 in one-time funding for the following purposes:

- Establish a permanent Chief Information Security Officer (CISO) position; and
- Create a detailed implementation roadmap for the expansion of eTranscript California, a standing taskforce of higher education and other partners, and planning for initial IT procurements.

Concurrent with a budget request, the Office will work on getting flexibility in the budget for the data system build ("project") to ensure it is fully resourced by requesting a mechanism be added to C2C's budget that allows the Department of Finance to increase the Office's expenditure authority for the project, to the extent project costs come in higher than anticipated or existing contracts are insufficient.

**GOVERNMENT OPERATIONS AGENCY  
BUDGET CHANGE PROPOSAL  
CONCEPT PAPER**

**Department: Government Operations Agency**

**Title of Proposed Change: Cradle-to-Career Data System Security and Practical Tools**

**Estimated Cost: \$826,000**

**Positions: 1.0**

**Problem:** The Office of Cradle-to-Career Data (“C2C”) is responsible for building California’s Cradle-to-Career Data System, which links data from more than a dozen state entities and non-state entities. This longitudinal data system will link more than 10 million Californians’ records from early learning through labor market earnings.

C2C has 26 authorized positions in FY 23–24. Fourteen established positions are filled; C2C also employs one retired annuitant (RA) and hosts one fellow. C2C is actively hiring for four additional positions and expects to be fully staffed by January 1, 2024.

Mike Arakji has served C2C as Chief Information Security Officer (CISO) in the Information Technology Manager II (RA) classification since April 2023. During an 18-month planning process led by the Governor’s Office, C2C’s data partners worked together across more than 100 public meetings to define detailed plans for the data system’s design and implementation. This included the C2C planning process Technology and Security Subcommittee, which included C2C’s current key data partners and staff who worked with Mike Arakji to develop security protocols for the planned data system. At the time, Arakji was the CISO for DGS, and C2C planned for DGS to provide CISO services via an interagency agreement. When he retired, C2C could not secure CISO capacity from any other state agency. GovOps, CDT, the California Military Department, and DGS all advised C2C that C2C requires its own CISO, given the complexity of the data system and the millions of person records the data system will steward.

C2C has a statutory charge to bring two practical tools for students to state-wide scale. One of these is eTranscript California. In FY 22–23, C2C conducted interviews and research to identify important insights for planning an expansion of eTranscript California. This includes topics like infrastructure specifications, content specifications, tools to support skills-based hiring, and social benefits eligibility as features.

**Proposed Solution:**

Approve 1.0 FTE and \$226,000 ongoing funding for C2C to establish a CISO position. The Information Technology (IT) Manager II classification is used by other state entities for their CISO positions. Given the complexity of building a large longitudinal data system and the reputational risk to the State, the GovOps Agency, and the Governor’s Office, the responsibilities of this position match those of the IT Manager II classification.

Approve \$600,000 in one-time funds to cover the creation of a detailed implementation roadmap for the expansion of eTranscript California, a standing taskforce of higher education and other partners, and planning for initial IT procurements. This includes developing service and permissions APIs, integrating support for nontraditional learning records, developing data dictionaries and models, and developing a business rules engine.