



# **COMPLIANCE REVIEW REPORT**

## **CALIFORNIA STUDENT AID COMMISSION**

Compliance Review Unit  
State Personnel Board  
April 29, 2016

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## INTRODUCTION

Established by the California Constitution, the State Personnel Board (the SPB or Board) is charged with enforcing and administering the civil service statutes, prescribing probationary periods and classifications, adopting regulations, and reviewing disciplinary actions and merit-related appeals. The SPB oversees the merit-based recruitment and selection process for the hiring of over 200,000 state employees. These employees provide critical services to the people of California, including but not limited to, protecting life and property, managing emergency operations, providing education, promoting the public health, and preserving the environment. The SPB provides direction to departments through the Board's decisions, rules, policies, and consultation.

Pursuant to Government Code section 18661, the SPB's Compliance Review Unit (CRU) conducts compliance reviews of appointing authority's personnel practices in five areas: examinations, appointments, equal employment opportunity (EEO), personal services contracts (PSC's), and supervisor training to ensure compliance with civil service laws and board regulations. The purpose of these reviews is to ensure state agencies are in compliance with merit related laws, rules, and policies and to identify and share best practices identified during the reviews. The SPB conducts these reviews on a three-year cycle.

The CRU may also conduct special investigations in response to a specific request or when the SPB obtains information suggesting a potential merit-related violation.

## EXECUTIVE SUMMARY

The CRU conducted a routine compliance review of California Student Aid Commission (CSAC) personnel practices in the areas of appointments, EEO, and mandated training from October 1, 2014, through June 30, 2015. There were no examinations conducted and no PSC's executed during the compliance review period. The following table summarizes the compliance review findings.

| Area                         | Finding   | Severity      |
|------------------------------|---|---------------|
| Appointments                 | Appointments Complied with Civil Service Laws and Regulations | In Compliance |
| Equal Employment Opportunity | No Active Upward Mobility Program                             | Serious       |
| Mandated Training            | Mandated Training Complied with Statutory Requirements        | In Compliance |

A color-coded system is used to identify the severity of the violations as follows:

- Red = Very Serious
- Orange = Serious
- Yellow = Non-serious or Technical
- Green = In Compliance

## **BACKGROUND**

The CSAC operates as the principal state agency responsible for administering financial aid programs for students attending public and private universities, colleges, and vocational schools in California. The CSAC provides financial aid policy analysis and leadership, in partnership with California's colleges, universities, financial institutions, and financial aid associations.

The CSAC administers five loan assumption programs for the State of California. These programs enable the state to assist students while encouraging them to enter into professions that are experiencing critical shortages. Additionally, the CSAC awards 22,500 Cal Grants through a competitive process each year, and administers the Cash for College, and California Student Opportunity and Access outreach programs. The CSAC employs 97 staff.

## **SCOPE AND METHODOLOGY**

The scope of the compliance review was limited to reviewing CSAC appointments, EEO program, and mandated training from October 1, 2014, through June 30, 2015. The primary objective of the review was to determine if CSAC personnel practices, policies, and procedures complied with state civil service laws and board regulations, and to recommend corrective action where deficiencies were identified.

The CSAC did not conduct any examinations during the compliance review period.

A cross-section of CSAC appointments were selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the CSAC provided, which included notice of personnel action (NOPA) forms, vacancy postings, application screening criteria, hiring interview rating criteria, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports.

The review of the CSAC EEO program included examining written EEO policies and procedures; the EEO Officer’s role, duties, and reporting relationship; the internal discrimination complaint process; the upward mobility program; the reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee (DAC).

The CSAC did not execute any PSC’s subject to the Department of General Services approval during the compliance review period.

On April 8, 2016, an exit conference was held with the CSAC to explain and discuss the CRU’s initial findings and recommendations. On April 15, 2016, the CRU received and carefully reviewed the response, which is attached to this final compliance report.

### **FINDINGS AND RECOMMENDATIONS**

#### **Appointments**

In all cases not excepted or exempted by Article VII of the California Constitution, the appointing power must fill positions by appointment, including cases of transfers, reinstatements, promotions, and demotions in strict accordance with the Civil Service Act and Board rules. (Gov. Code, § 19050.) Appointments made from eligible lists, by way of transfer, or by way of reinstatement, must be made on the basis of merit and fitness, which requires consideration of each individual’s job-related qualifications for a position, including his or her knowledge, skills, abilities, experience, and physical and mental fitness. (Cal. Code Regs., tit. 2, § 250, subd. (a).)

During the compliance review period, the CSAC made 29 appointments. The CRU reviewed 13 of those appointments, which are listed below:

| Classification                                     | Appointment Type   | Tenure    | Time Base | No. of Appointments |
|--|--------------------|-----------|-----------|---------------------|
| Associate Governmental Program Analyst             | Certification List | Permanent | Full Time | 2                   |
| Associate Information Systems Analyst (Specialist) | Certification List | Permanent | Full Time | 1                   |
| Program Technician II                              | Certification List | Permanent | Full Time | 1                   |
| Staff Services Manager I                           | Certification List | Permanent | Full Time | 1                   |

| Classification                              | Appointment Type        | Tenure    | Time Base | No. of Appointments |
|---|-------------------------|-----------|-----------|---------------------|
| Supervising Program Technician II           | Certification List      | Permanent | Full Time | 1                   |
| Staff Services Manager III                  | Mandatory Reinstatement | Permanent | Full Time | 1                   |
| Systems Software Specialist I (Technical)   | Mandatory Reinstatement | Permanent | Full Time | 1                   |
| Business Services Assistant (Specialist)    | Transfer                | Permanent | Full Time | 1                   |
| Management Services Technician              | Transfer                | Permanent | Full Time | 1                   |
| Program Technician II                       | Transfer                | Permanent | Full Time | 1                   |
| Research Analyst II                         | Transfer                | Permanent | Full Time | 1                   |
| Systems Software Specialist II (Supervisor) | Transfer                | Permanent | Full Time | 1                   |

**FINDING NO. 1 – Appointments Complied With Civil Service Laws and Board Regulations**

The CSAC measured each applicant’s ability to perform the duties of the job by conducting hiring interviews and selecting the best-suited candidates. For each of the six list appointments reviewed, the CSAC ordered a certification list of candidates ranked competitively. After properly clearing the certification lists including SROA, the selected candidates were appointed based on eligibility attained by being reachable within the first three ranks of the certification lists.

The CSAC made two appointments via mandatory reinstatement. A state agency is required to reinstate an employee to his or her former position if the employee is (1) terminated from a temporary or limited-term appointment by either the employee or the appointing power; (2) rejected during probation; or (3) demoted from a managerial position. (Gov. Code, § 19140.5.) The following conditions, however, must apply: the employee accepted the appointment without a break in continuity of service and the reinstatement is requested within ten working days after the effective date of the termination. (*Ibid.*) The CSAC complied with the rules and laws governing mandatory reinstatements.

The CRU reviewed five CSAC appointments made via transfer. A transfer of an employee from a position under one appointing power to a position under another appointing power may be made if the transfer is to a position in the same class or in

another class with substantially the same salary range and designated as appropriate by the Executive Officer. (Cal. Code Reg., tit. 2, § 425.) The CSAC verified the eligibility of each candidate to their appointed class.

The CRU found no deficiencies in the appointments that the CSAC conducted during the compliance review period. Accordingly, the CRU found that all the appointments the CSAC made during the compliance review period satisfied civil service laws and board rules.

### **Equal Employment Opportunity**

Each state agency is responsible for an effective EEO program. (Gov. Code, § 19790.) The appointing power for each state agency has the major responsibility for monitoring the effectiveness of its EEO program. (Gov. Code, § 19794.) To that end, the appointing power must issue a policy statement committed to equal employment opportunity; issue procedures for filing, processing, and resolving discrimination complaints; issue procedures for providing equal upward mobility and promotional opportunities; and cooperate with the California Department of Human Resources by providing access to all required files, documents and data. (*Ibid.*) In addition, the appointing power must appoint, at the managerial level, an EEO officer, who shall report directly to, and be under the supervision of, the director of the department to develop, implement, coordinate, and monitor the department's EEO program. (Gov. Code, § 19795.)

Because the EEO Officer investigates and ensures proper handling of discrimination, sexual harassment and other employee complaints, the position requires separation from the regular chain of command, as well as regular and unencumbered access to the head of the organization. In a state agency with less than 500 employees, like CSAC, the EEO Officer may be the Personnel Officer.

Each state agency must establish a separate committee of employees who are individuals with a disability, or who have an interest in disability issues, to advise the head of the agency on issues of concern to employees with disabilities. (Gov. Code, § 19795, subd. (b)(1).) The department must invite all employees to serve on the committee and take appropriate steps to ensure that the final committee is comprised of members who have disabilities or who have an interest in disability issues. (Gov. Code, § 19795, subd. (b)(2).)

The CRU reviewed the CSAC EEO program that was in effect during the compliance review period.

## FINDING NO. 2 – No Active Upward Mobility Program

**Summary:** The CSAC did not have an active Upward Mobility Program. Although the department provided a draft of an Upward Mobility Program Plan and stated that they are planning to implement an Upward Mobility Policy and Procedures Handbook, there was no active Upward Mobility Program in place at the time of the compliance review.

**Criteria:** Each appointing authority shall develop and maintain a written upward mobility plan as specified in the SPB “Guidelines for Administering Departmental Upward Mobility Employment Programs,” revised July 25, 2000.

The plan shall include: (a) A policy statement regarding the appointing authority's commitment to providing equal upward mobility opportunity for its employees in low-paying occupations. (b) A description of the components of its program consistent with Government Code section 19401, how employees may access the program, and where information about the program may be obtained. (c) The roles and responsibilities of the employee, the employee's supervisor, the coordinator, the personnel office, the training office, and the equal employment opportunity office regarding the mobility program. (d) Criteria for selecting employees in low-paying occupations to participate in the upward mobility efforts described in Government Code section 19401. (e) The number of employees in classifications in low-paying occupations used by the appointing authority; career ladders, bridging classes, and entry technical, professional, and administrative classes targeted for upward mobility; and planned upward mobility examinations. (Cal. Code Regs., tit. 2, § 599.983.)

**Severity:** Serious. The department did not have a plan to ensure it has an effective upward mobility program to develop and advance employees in low-paying occupations.

**Cause:** The CSAC states that due to severely limited personnel staff resources, they were unable to implement the upward mobility plan.

**Action:** The CSAC has submitted a written corrective action plan for instituting their upward mobility plan and policy; therefore, no further action is required at this time.

### **Mandated Training**

Each state agency shall offer at least semiannually to each of its filers an orientation course on the relevant ethics statutes and regulations that govern the official conduct of state officials. (Gov. Code, § 11146.1.) New filers must be trained within six months of appointment. (Gov. Code, § 11146.3.)

Each department must provide its new supervisors supervisory training within twelve months of appointment. (Gov. Code, § 19995.4 subd. (b) and (c).) The training must be a minimum of 80 hours, 40 of which must be structured and given by a qualified instructor. The other 40 hours may be done on the job by a higher-level supervisor or manager. (Gov. Code, § 19995.4 subd. (b).)

Additionally, each department must provide its supervisors two hours of sexual harassment training every two years. New supervisors must be provided supervisory training within six months of appointment. (Gov. Code § 12950.1 subd. (a).)

The CRU reviewed the CSAC mandated training program that was in effect during the compliance review period.

### **FINDING NO. 3 – Mandated Training Complied with Statutory Requirements**

The CSAC provided ethics training to its one new filer within six months of appointment, and semiannual ethics training to its seven filers during the two-year calendar year period commencing in 2013. The CSAC also provided supervisory training to its three new supervisors within 12 months of appointment. In addition, the CSAC provided sexual harassment prevention training to its three new supervisors within six months of appointment, and semiannual sexual harassment training to its existing seven supervisors. Thus, the CSAC complied with mandated training requirements within statutory timelines.

## **DEPARTMENTAL RESPONSE**

The CSAC's written response is attached as Attachment 1.

## **SPB REPLY**

Based upon the CSAC's written response, the CSAC will comply with the CRU recommendations and findings. The CSAC submitted a corrective action plan for the one departmental finding that was out of compliance. Therefore, no further action is required.

# CALIFORNIA STUDENT AID COMMISSION

## PERSONNEL SERVICES

April 13, 2016

State Personnel Board  
Alton Ford, Compliance Manager  
Policy and Compliance Review Committee  
801 Capitol Mall  
Sacramento, CA 95814



Dear Mr. Ford:

This letter is the California Student Aid Commission's (CSAC) response with regards to the State Personnel Board findings and recommendations for the compliance review period, October 1, 2014, through June 30, 2015.

**1. FINDING No. 1 - Appointments Complied with Civil Service Laws and Regulations**

DEPARTMENT'S RESPONSE: None required, department is in compliance.

**2. FINDING No. 2 – Equal Employment Opportunity, No Active Upward Mobility Program**

DEPARTMENT'S RESPONSE:

**CAUSE:** Due to severely limited personnel staff resources, CSAC has been unable to implement the upward mobility program.

**ACTION:** A draft of the upward mobility policy and plan for CSAC is completed. Personnel will finalize the plan and policy, ensuring an effective rollout occurs within 60 days, or no later than June 10, 2016, and it will be disseminated to all staff via email. The program and policy will also be posted on the CSAC intranet for reference.

**3. FINDING No. 3 – Mandated Training Complied with Statutory Requirements**

DEPARTMENT'S RESPONSE: None Required, department is in compliance.

If you have any further questions, please feel free to contact me at (916) 464-8087.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Donoho". The signature is written in a cursive style with a large, prominent "D" at the end.

Jennifer Donoho  
Personnel Officer  
Email: [jdonoho@csac.ca.gov](mailto:jdonoho@csac.ca.gov)

cc: Keith Yamanaka, Chief Deputy Director