



# **COMPLIANCE REVIEW REPORT**

## **CALIFORNIA EXPOSITION AND STATE FAIR**

Compliance Review Unit  
State Personnel Board  
December 23, 2022

# **TABLE OF CONTENTS**

INTRODUCTION.....	1
EXECUTIVE SUMMARY .....	2
BACKGROUND.....	3
SCOPE AND METHODOLOGY .....	3
FINDINGS AND RECOMMENDATIONS .....	6
EXAMINATIONS .....	6
APPOINTMENTS .....	7
EQUAL EMPLOYMENT OPPORTUNITY .....	9
PERSONAL SERVICES CONTRACTS.....	10
MANDATED TRAINING.....	15
COMPENSATION AND PAY .....	19
LEAVE .....	23
POLICY AND PROCESSES .....	29
DEPARTMENTAL RESPONSE .....	31
SPB REPLY.....	31

## 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 authorities' personnel practices in five areas: examinations, appointments, equal employment opportunity (EEO), personal services contracts (PSC's), and mandated 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.

Pursuant to Government Code section 18502, subdivision (c), the SPB and the California Department of Human Resources (CalHR) may "delegate, share, or transfer between them responsibilities for programs within their respective jurisdictions pursuant to an agreement." SPB and CalHR, by mutual agreement, expanded the scope of program areas to be audited to include more operational practices that have been delegated to departments and for which CalHR provides policy direction. Many of these delegated practices are cost drivers to the state and were not being monitored on a statewide basis.

As such, SPB also conducts compliance reviews of appointing authorities' personnel practices to ensure that state departments are appropriately managing the following non-merit-related personnel functions: compensation and pay, leave, and policy and processes. These reviews will help to avoid and prevent potential costly litigation related to improper personnel practices, and deter waste, fraud, and abuse.

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.

It should be noted that this report only contains findings from this hiring authority's compliance review. Other issues found in SPB appeals and special investigations as well

as audit and review findings by other agencies such as the CalHR and the California State Auditor are reported elsewhere.

### **EXECUTIVE SUMMARY**

The CRU conducted a routine compliance review of the California Exposition and State Fair (Cal Expo) personnel practices in the areas of examinations, appointments, EEO, PSC's, mandated training, compensation and pay, leave, and policy and processes. The following table summarizes the compliance review findings.

Area	Severity	Finding
Examinations	In Compliance	Examination Complied with Civil Service Laws and Board Rules
Appointments	Technical	Department Did Not Provide Benefit Information in Accordance with Civil Service Law
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied With All Civil Service Laws and Board Rules
Personal Services Contracts	Serious	Unions Were Not Notified of Personal Services Contracts <sup>1</sup>
Mandated Training	Very Serious	Ethics Training Was Not Provided for All Filers <sup>2</sup>
Mandated Training	Very Serious	Sexual Harassment Prevention Training Was Not Provided for All Employees <sup>3</sup>
Mandated Training	Very Serious	Supervisory Training Was Not Provided for All Supervisors, Managers, and CEAs <sup>4</sup>
Compensation and Pay	In Compliance	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Hire Above Minimum Request Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

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<sup>1</sup> Repeat finding. The July 24, 2020, Cal Expo Compliance Review Report identified unions were not notified prior to entering into three of the three PSC's reviewed.

<sup>2</sup> Repeat finding. The July 24, 2020, Cal Expo Compliance Review Report identified that Cal Expo did not provide evidence that any of its filers were provided ethics training as required.

<sup>3</sup> Repeat finding. The July 24, 2020, Cal Expo Compliance Review Report identified that Cal Expo did not provide evidence that any of its staff were provided sexual harassment prevention training as required

<sup>4</sup> Repeat finding. The July 24, 2020, Cal Expo Compliance Review Report identified that Cal Expo did not provide evidence that any of its supervisors were provided leadership training as required.

Area	Severity	Finding
Compensation and Pay	In Compliance	Pay Differential Authorization Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Leave	Serious	Positive Paid Temporary Employees' Work Exceeded Time Limitations <sup>5</sup>
Leave	In Compliance	Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	In Compliance	Leave Auditing and Timekeeping Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	In Compliance	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	In Compliance	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	In Compliance	Performance Appraisal Policy and Processes Complied with Civil Service Laws and Regulations and CalHR Policies and Guidelines

## **BACKGROUND**

The Cal Expo's mission is to create and provide a State Fair experience reflecting California including its industries, agriculture, and diversity of its people, traditions and trends shaping its future through competitions, exhibits, events, displays, entertainment, and education during the State Fair and throughout the year.

## **SCOPE AND METHODOLOGY**

The scope of the compliance review was limited to reviewing the Cal Expo's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes<sup>6</sup>. The primary objective of the review was to determine if the Cal Expo's personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR

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<sup>5</sup> Repeat finding. The July 24, 2020, Cal Expo Compliance Review Report identified 3 of 20 employees exceeded the 1,500-hour limitation in any 12-consecutive month period.

<sup>6</sup> Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

A cross-section of the Cal Expo's examinations were selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRU examined the documentation that the Cal Expo provided, which included examination plans, examination bulletins, job analyses, and scoring results. The Cal Expo did not conduct any permanent withhold actions during the compliance review period.

A cross-section of the Cal Expo's 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 Cal Expo provided, which included Notice of Personnel Action forms, Request for Personnel Actions, vacancy postings, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports. The Cal Expo did not conduct any unlawful appointment investigations during the compliance review period. Additionally, the Cal Expo did not make any additional appointments during the compliance review period.

The Cal Expo's appointments were also selected for review to ensure the Cal Expo applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the Cal Expo provided, which included employees' employment and pay history and any other relevant documentation such as certifications, degrees, and/or the appointee's application. Additionally, the CRU reviewed specific documentation for the following personnel functions related to compensation and pay: hire above minimum (HAM) requests and monthly pay differentials.

During the compliance review period, the Cal Expo did not issue or authorize red circle rate requests, arduous pay, bilingual pay, alternate range movements, or out-of-class assignments.

The review of the Cal Expo's EEO program included examining written EEO policies and procedures; the EEO Officer's role, duties, and reporting relationship; the internal discrimination complaint process; the reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee.

The Cal Expo's PSC's were also reviewed.<sup>7</sup> It was beyond the scope of the compliance review to make conclusions as to whether the Cal Expo's justifications for the contracts were legally sufficient. The review was limited to whether the Cal Expo's practices, policies, and procedures relative to PSC's complied with procedural requirements.

The Cal Expo's mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, that all supervisors, managers, and CEAs were provided leadership and development training, and that all employees were provided sexual harassment prevention training within statutory timelines.

The CRU reviewed the Cal Expo's monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely and ensure the department certified that all leave records have been reviewed and corrected if necessary. The CRU selected a small cross-section of the Cal Expo's units in order to ensure they maintained accurate and timely leave accounting records. The CRU reviewed a selection of the Cal Expo employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRU reviewed a selection of Cal Expo positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements.

During the compliance review period, the Cal Expo did not have any employees with non-qualifying pay period transactions.

Moreover, the CRU reviewed the Cal Expo's policies and processes concerning nepotism, workers' compensation, and performance appraisals. The review was limited to whether the Cal Expo's policies and processes adhered to procedural requirements.

The Cal Expo did not request an exit conference to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the Cal Expo's written response on December 6, 2022, which is attached to this final compliance review report.

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<sup>7</sup>If an employee organization requests the SPB to review any personal services contract during the SPB compliance review period or prior to the completion of the final compliance review report, the SPB will not audit the contract. Instead, the SPB will review the contract pursuant to its statutory and regulatory process. In this instance, none of the reviewed PSC's were challenged.

## FINDINGS AND RECOMMENDATIONS

### Examinations

Examinations to establish an eligible list must be competitive and of such character as fairly to test and determine the qualifications, fitness, and ability of competitors to perform the duties of the class of position for which he or she seeks appointment. (Gov. Code, § 18930.) Examinations may be assembled or unassembled, written or oral, or in the form of a demonstration of skills, or any combination of those tests. (*Ibid.*) The Board establishes minimum qualifications for determining the fitness and qualifications of employees for each class of position and for applicants for examinations. (Gov. Code, § 18931, subd. (a).) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) The advertisement shall contain such information as the date and place of the examination and the nature of the minimum qualifications. (*Ibid.*) Every applicant for examination shall file an application with the department or a designated appointing power as directed by the examination announcement. (Gov. Code, § 18934, subd. (a)(1).) The final earned rating of each person competing in any examination is to be determined by the weighted average of the earned ratings on all phases of the examination. (Gov. Code, § 18936.) Each competitor shall be notified in writing of the results of the examination when the employment list resulting from the examination is established. (Gov. Code, § 18938.5.)

During the period under review, November 1, 2021, through July 31, 2022, the Cal Expo conducted one examination. The CRU reviewed the examination, which is listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Account Manager, California Exposition and State Fair	Departmental Open	Education and Experience <sup>8</sup>	4/12/2022	3

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<sup>8</sup> In an Education and Experience examination, one or more raters reviews the applicants' Standard 678 application forms, and scores and ranks them according to a predetermined rating scale that may include years of relevant higher education, professional licenses or certifications, and/or years of relevant work experience.



IN COMPLIANCE	<b>FINDING NO. 1    EXAMINATION COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES</b>
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The CRU reviewed one open examination which the Cal Expo administered in order to create eligible lists from which to make appointments. The Cal Expo published and distributed an examination bulletin containing the required information for the examination. Applications received by the Cal Expo were accepted prior to the final filing date. Applicants were notified about the next phase of the examination process. After all phases of the examination process were completed, the score of each competitor was computed, and a list of eligible candidates was established. The examination results listed the names of all successful competitors arranged in order of the score received by rank. The CRU found no deficiencies in the examination that the Cal Expo conducted during the compliance review period.

**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.) The hiring process for eligible candidates chosen for job interviews shall be competitive and be designed and administered to hire candidates who will be successful. (Cal. Code Regs., tit. 2, § 250, subd. (b).) Interviews shall be conducted using job-related criteria. (*Ibid.*) Persons selected for appointment shall satisfy the minimum qualifications of the classification to which he or she is appointed or have previously passed probation and achieved permanent status in that same classification. (Cal. Code Regs., tit. 2, § 250, subd. (d).) While persons selected for appointment may meet some or most of the preferred or desirable qualifications, they are not required to meet all the preferred or desirable qualifications. (*Ibid.*) This section does not apply to intra-agency job reassignments. (Cal. Code Regs., tit. 2, § 250, subd. (e).)

For the purposes of temporary appointments, an employment list is considered not to exist where there is an open eligible list that has three or fewer names of persons willing to accept appointment and no other employment list for the classification is available. (Cal. Code Regs., tit. 2, § 265.) In such a situation, an appointing power may make a temporary appointment in accordance with section 265.1 (*Ibid.*) A Temporary Authorization Utilization (TAU) appointment shall not exceed nine months in a 12-month period. (Cal. Const., art. VII.) In addition, when a temporary appointment is made to a permanent position, an appropriate employment list shall be established for each class to

which a temporary appointment is made before the expiration of the appointment. (Gov. Code, § 19058.)

During the period under review, July 1, 2021, through March 31, 2022, the Cal Expo made 56 appointments. The CRU reviewed 17 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Chief, Law Enforcement & Security, Career Executive Assignment (CEA) B	CEA	Temporary	Intermittent	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	1
Information Technology Specialist II	Certification List	Permanent	Full Time	1
Maintenance Mechanic	Certification List	Permanent	Full Time	1
Office Technician (Typing)	Certification List	Permanent	Full Time	1
Personnel Specialist	Certification List	Permanent	Full Time	1
Sergeant, State Fair Police	Certification List	Permanent	Intermittent	3
Staff Services Manager I	Certification List	Permanent	Full Time	1
Staff Services Manager II (Managerial)	Certification List	Permanent	Full Time	1
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	1
State Fair Worker, (Casual Employment) (Various)	TAU	Temporary	Intermittent	4
Chief Engineer I	Transfer	Permanent	Full Time	1

<b>SEVERITY: TECHNICAL</b>	<b>FINDING NO. 2 DEPARTMENT DID NOT PROVIDE BENEFIT INFORMATION IN ACCORDANCE WITH CIVIL SERVICE LAW</b>
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**Summary:** The Cal Expo did not provide an explanation of benefits prior to the candidate's acceptance of appointment in 8 out of the 17 appointments reviewed by the CRU.

Further, the Cal Expo did not memorialize that the applicant received an explanation of benefits, prior to appointment, in a formal offer of employment in 13 out of the 17 appointments reviewed by the CRU.

**Criteria:** An appointing power, before offering employment to an applicant, shall provide the applicant, in writing, with an explanation of benefits that accompany state service. These documents shall include a

summary of the applicable civil service position with salary ranges and steps within them, as well as information on benefits afforded by membership in the Public Employees' Retirement System and benefits and protections provided to public employees by the State Civil Service Act. (Gov. Code, § 19057.2.)

**Severity:** Technical. An applicant is entitled to have all of the information regarding benefits relating to their potential employment prior to making a decision as to whether to accept or decline the appointment.

**Cause:** The Cal Expo acknowledges this step was not yet incorporated into the hiring process during the review time period.

**Corrective Action:** Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with the explanation of benefits requirements of Government Code section 19057.2. Copies of relevant documentation (including a template letter) demonstrating that the corrective action has been implemented must be included with the corrective action response.

### **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 EEO; issue procedures for filing, processing, and resolving discrimination complaints; and cooperate with the CalHR, in accordance with Civil Code section 1798.24, subdivisions (o) and (p), by providing access to all required files, documents and data necessary to carry out these mandates. (*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, subd. (a).)

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).)

IN COMPLIANCE	<b>FINDING NO. 3</b> <b>EQUAL EMPLOYMENT OPPORTUNITY PROGRAM COMPLIED WITH ALL CIVIL SERVICE LAWS AND BOARD RULES</b>
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After reviewing the policies, procedures, and programs necessary for compliance with the EEO program’s role and responsibilities according to statutory and regulatory guidelines, the CRU determined that the Cal Expo’s EEO program provided employees with information and guidance on the EEO process including instructions on how to file discrimination claims. Furthermore, the EEO program outlines the roles and responsibilities of the EEO Officer, as well as supervisors and managers. The EEO Officer, who is at a managerial level, reports directly to the Executive Director of the Cal Expo. The Cal Expo also provided evidence of its efforts to promote EEO in its hiring and employment practices and to increase its hiring of persons with a disability.

**Personal Services Contracts**

A PSC includes any contract, requisition, or purchase order under which labor or personal services is a significant, separately identifiable element, and the business or person performing the services is an independent contractor that does not have status as an employee of the state. (Cal. Code Regs., tit. 2, § 547.59.) The California Constitution has an implied civil service mandate limiting the state’s authority to contract with private entities to perform services the state has historically or customarily performed. Government Code section 19130, subdivision (a), however, codifies exceptions to the civil service mandate where PSC’s achieve cost savings for the state. PSC’s that are of a type enumerated in subdivision (b) of Government Code section 19130 are also permissible. Subdivision (b) contracts include, but are not limited to, private contracts for a new state function, services that are not available within state service, services that are incidental to a contract for the purchase or lease of real or personal property, and services that are of an urgent, temporary, or occasional nature.

For cost-savings PSC’s, a state agency is required to notify SPB of its intent to execute such a contract. (Gov. Code, § 19131.) For subdivision (b) contracts, the SPB reviews the adequacy of the proposed or executed contract at the request of an employee organization representing state employees. (Gov. Code, § 19132.)

During the period under review, November 1, 2021, through July 31, 2022, the Cal Expo had 200 PSC's that were in effect. The CRU reviewed 38 of those, which are listed below:

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification?
Actum CA Opco LLC	Public Strategy Services	11/8/21-12/31/21	\$9,980	Yes	No
Bar None Group, Inc.	Entertainment Lighting and Audio Services	7/1/22-8/30/22	\$128,000	Yes	No
Bar None Group, Inc.	Concert Sound Services	7/1/22 - 7/31/24	\$120,000	Yes	No
Carol Baker-Bauer	Lagoon Cleaning Services	7/13/22-8/3/22	\$4,800	Yes	No
CoNetrix Technology, LLC	Accounting Software Maintenance and Updates	1/1/22-12/31/22	\$35,000	Yes	No
Darby Flynn Consulting	Program and Event Management Consulting Services	3/2022-8/14/22	\$75,000	Yes	No
David Lichman Enterprises, Inc.	Horse Show Choreography	7/15/22-7/31/22	\$5,000	Yes	No
Diversified Stage, Inc.	Concert Video Services	7/10/22 - 8/3/24	\$208,890	Yes	No
Diversified Stage, Inc.	Concert Theatrical Lighting Services	7/1/22 - 7/31/24	\$149,130	Yes	No
Garrett Pedretti	Small Animal Coordinator	6/1/22-7/31/22	\$5,000	Yes	No
Gladstone, Inc.	Online Entry Program	3/1/22-8/1/22	\$7,149	Yes	No
Honey Jaks	Horse Arena Announcer	7/14/22-7/31/22	\$5,000	Yes	No
Integrity Data & Fiber, Inc.	Troubleshooting Ethernet Cable Services	4/1/22-12/31/22	\$9,990	Yes	No

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification?
Jack Davenport Sweeping Services, Inc.	Power Sweeping Services	5/1/22 - 4/30/25	\$212,250	Yes	No
James Herren dba Ace Asphalt LLC.	Asphalt Repairs: Overlay and Roll To Compaction	5/31/22-7/1/22	\$9,925	Yes	No
Juan Carlos Campos Jr.	Food Festival Photographer	7/10/22-8/20/22	\$4,900	Yes	No
Katina Costerisan	Livestock Photographer	7/15/22-7/31/22	\$4,995	Yes	No
Marilyn Langhorst	Administrative Services for Commercial Wine Competition	2/24/22-4/15/22	\$4,998	Yes	No
Marilyn Langhorst	Cheese Program Coordinator/ Chief Judge	4/18/2022 - 7/31/22	\$4,900	Yes	No
Mark Chandler	Chief Wine Judge	4/15/22-7/31/22	\$4,900	Yes	No
NINE13 Productions, LLC	Grounds Acts and Entertainment	3/15/22-8/14/22	\$34,000	Yes	No
OutAt Inc.	Out at the Fair Event	7/13/22-7/31/22	\$5,918	Yes	No
Oxford Fire Inc.	Fire Alarm Monitoring Services	5/15/22-12/31/22	\$9,990	Yes	No
Prolific Protection Group, Inc.	2022 SF Roving Security Services	7/10/22 - 7/31/22	\$135,000	Yes	No
Prolific Protection Group, Inc.	Concert Stage Security	7/13/22-7/31/22	\$65,000	Yes	No
Pyro Spectaculars North, Inc.	Firework Shows	7/13/22-7/31/22	\$47,496	Yes	No

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification?
Rob Rogers	Craft Brew Online Entry Management	5/12/22-8/2/22	\$6,000	Yes	No
Ruffhaus Design Studio	Graphic Design Services	5/20/22-8/1/22	\$7,600	Yes	No
Sacramento Stage Lighting	Carpet, Pipe & Drape Services	7/1/22-7/31/22	\$10,430	Yes	No
Sacramento Theatrical Lighting, Ltd.	Install Truss and Lighting Services	7/1/22-8/5/22	\$7,695	Yes	No
Shannon Scott O'Leary	Concert Production Manager	7/13/22-8/1/22	\$17,500	Yes	No
SMD Lighting	Livestock Sound Services	7/1/22-8/1/22	\$29,230	Yes	No
STATE33, LLC	Wine Competition Setup/Online Hosting Software	3/21/22-7/1/22	\$12,000	Yes	No
Steven Pozzi Commodities	Manure Removal	7/1/22-8/31/22	\$90,000	Yes	No
Steven Pozzi Commodities	Hay, Straw and Shavings Provider	7/13/22-8/1/22	\$14,000	Yes	No
Thor E. Artherton	Stage Manager Services	7/13/22-8/1/22	\$6,000	Yes	No
Tiffany L. Carter	Livestock Species Superintendent Captain and Chief Judge	7/13/22-7/31/22	\$9,900	Yes	No
USA Vision Systems, Inc.	Troubleshooting and Repair Services for Camera Surveillance	4/1/22-12/31/22	\$9,990	Yes	No

<b>SEVERITY:</b> <b>SERIOUS</b>	<b>FINDING NO. 4 UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACTS</b>
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**Summary:** The Cal Expo did not notify unions prior to entering into 38 of the 38 PSC's reviewed. This is the second consecutive time this has been a finding for the Cal Expo.

**Criteria:** The contract shall not be executed until the state agency proposing to execute the contract has notified all organizations that represent state employees who perform the type of work to be contracted. (Gov. Code, § 19132, subd. (b)(1).)

**Severity:** Serious. Unions must be notified of impending personal services contracts in order to ensure they are aware contracts are being proposed for the type of work that their members could perform.

**Cause:** The Cal Expo states that unions were not notified prior to entering into the PSCs because the Cal Expo had concluded that the nature and type of services provided were not available within civil service, could not be performed satisfactorily by civil service employees, or were of such a highly specialized technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system.

**SPB Reply:** Government Code section 19132, subdivision (b)(1), allows exemption from union notification only in cases where the contracted service is necessary due to a sudden and unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services. The Cal Expo did not provide evidence that the contracted services met this criteria. Furthermore, the CRU does not agree with the Cal Expo's assertion that the nature and type of services cannot be performed by civil servants. For example, the Cal Expo contracted out for videography and photography services. A Senior Photographer (class code 2843) is a civil service classification which performs this type of work.

**Corrective Action:** Departments are responsible for notifying all organizations that represent state employees who perform or could perform the type of work to be contracted prior to executing a PSC. The PSCs reviewed



during this compliance review involved several services and functions which various rank-and-file civil service classifications perform. Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with the requirements of California Code of Regulations section 547.60.2. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### **Mandated Training**

Each member, officer, or designated employee of a state agency who is required to file a statement of economic interest (referred to as “filers”) because of the position he or she holds with the agency is required to take an orientation course on the relevant ethics statutes and regulations that govern the official conduct of state officials. (Gov. Code, §§ 11146 & 11146.1.) State agencies are required to offer filers the orientation course on a semi-annual basis. (Gov. Code, § 11146.1.) New filers must be trained within six months of appointment and at least once during each consecutive period of two calendar years, commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3.)

Upon the initial appointment of any employee designated in a supervisory position, the employee shall be provided a minimum of 80 hours of training, as prescribed by the CalHR. (Gov. Code, § 19995.4, subd. (b).) The training addresses such topics as the role of the supervisor, techniques of supervision, performance standards, and sexual harassment and abusive conduct prevention. (Gov. Code, §§ 12950.1, subds. (a) and (b), & 19995.4, subd. (b).) Additionally, the training must be successfully completed within the term of the employee’s probationary period or within six months of the initial appointment, unless it is demonstrated that to do so creates additional costs or that the training cannot be completed during this time period due to limited availability of supervisory training courses. (Gov. Code, § 19995.4, subd. (c).)

Within 12 months of the initial appointment of an employee to a management or Career Executive Assignment (CEA) position, the employee shall be provided leadership training and development, as prescribed by CalHR. (Gov. Code, § 19995.4, subds. (d) & (e).) For management employees the training must be a minimum of 40 hours and for CEAs the training must be a minimum of 20 hours. (*Ibid.*) Thereafter, for both categories of appointment, the employee must be provided a minimum of 20 hours of leadership training on a biennial basis. (*Ibid.*)

New employees must be provided sexual harassment prevention training within six months of appointment. Thereafter, each department must provide its supervisors two hours of sexual harassment prevention training and non-supervisors one hour of sexual harassment prevention training every two years. (Gov. Code, § 12950.1, subds. (a) and (b); Gov. Code, § 19995.4.)

The Board may conduct reviews of any appointing power’s personnel practices to ensure compliance with civil service laws and Board regulations. (Gov. Code, § 18661, subd. (a).) In particular, the Board may audit personnel practices related to such matters as selection and examination procedures, appointments, promotions, the management of probationary periods, and any other area related to the operation of the merit principle in state civil service. (*ibid.*) Accordingly, the CRU reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

The CRU reviewed the Cal Expo’s mandated training program that was in effect during the compliance review period, August 1, 2020, through July 31, 2022.

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 5 ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS</b>
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**Summary:** The Cal Expo did not provide ethics training to 1 of 7 existing filers. However, the Cal Expo did provide ethics training to its two new filers reviewed within six months of their appointment. This is the second consecutive time this has been a finding for the Cal Expo.

**Criteria:** New filers must be provided ethics training within six months of appointment. Existing filers must be trained at least once during each consecutive period of two calendar years commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3, subd. (b).)

**Severity:** Very Serious. The department does not ensure that its filers are aware of prohibitions related to their official position and influence.

**Cause:** The Cal Expo states that due to the Covid-19 pandemic, significant vacancies within Human Resources, and the January 2021 layoff, the Cal Expo tracking process was not consistently utilized.

**Corrective Action:** Within 90 days of this report, the Cal Expo must submit to the SPB a written correction action response which addresses the corrections

the department will implement to demonstrate conformity with Government Code section 11146.3. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 6 SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES</b>
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**Summary:** The Cal Expo did provide sexual harassment prevention training to its two new supervisors reviewed within six months of their appointment. However, the Cal Expo did not provide sexual harassment prevention training to 1 of 10 existing supervisors every two years.

In addition, the Cal Expo did not provide sexual harassment prevention training to 56 of 85 existing non-supervisors every 2 years.

This is the second consecutive time this has been a finding for the Cal Expo.

**Criteria:** Each department must provide its supervisors two hours of sexual harassment prevention training every two years and non-supervisory employees one hour of sexual harassment prevention training every two years. New employees must be provided sexual harassment prevention training within six months of appointment. (Gov. Code, § 12950.1, subs. (a) and (b); Gov. Code § 19995.4.)

**Severity:** Very Serious. The department does not ensure that all new and existing employees are properly trained to respond to sexual harassment or unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature. This limits the department’s ability to retain a quality workforce, impacts employee morale and productivity, and subjects the department to litigation.

**Cause:** The Cal Expo states that due to the Covid-19 pandemic, significant vacancies within Human Resources, and the January 2021 layoff, the Cal Expo tracking process was not consistently utilized.

**Corrective Action:** Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that all employees are provided sexual harassment prevention training in accordance with Government Code section 12950.1. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING NO. 7 SUPERVISORY TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS, MANAGERS, AND CEAS</b>
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**Summary:** The Cal Expo did not provide biennial leadership training to 10 of 11 existing supervisors, managers, and/or CEAs. This is the second consecutive time this has been a finding for the Cal Expo.

**Criteria:** Each department must provide its new supervisors a minimum of 80 hours of supervisory training within the probationary period. Upon completion of the initial training, supervisory employees shall receive a minimum 20 hours of leadership training biennially. (Gov. Code, § 19995.4, subds. (b) and (c).)

Upon initial appointment of an employee to a managerial position, each employee must receive 40 hours of leadership training within 12 months of appointment. Thereafter, the employee shall receive a minimum of 20 hours of leadership training biennially. (Gov. Code, § 19995.4, subd. (d).)

Upon initial appointment of an employee to a Career Executive Assignment position, each employee must receive 20 hours of leadership training within 12 months of appointment. Thereafter, the employee shall receive a minimum of 20 hours of leadership training biennially. (Gov. Code, § 19995.4, subd. (e).)

**Severity:** Very Serious. The department does not ensure its leaders are properly trained. Without proper training, leaders may not properly carry out their leadership roles, including managing employees.

**Cause:** The Cal Expo states that due to the Covid-19 pandemic, significant vacancies within Human Resources, and the January 2021 layoff, the Cal Expo tracking process was not consistently utilized.

**Corrective Action:** Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that new supervisors, managers, and CEAs are provided leadership and development training within twelve months of appointment, and that thereafter, they receive a minimum of 20 hours of leadership training biennially, as required by Government Code section 19995.4. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

## **Compensation and Pay**

### **Salary Determination**

The pay plan for state civil service consists of salary ranges and steps established by CalHR. (Cal. Code Regs., tit. 2, § 599.666.) Several salary rules dictate how departments calculate and determine an employee's salary rate<sup>9</sup> upon appointment depending on the appointment type, the employee's state employment and pay history, and tenure.

Typically, agencies appoint employees to the minimum rate of the salary range for the class. Special provisions for appointments above the minimum exist to meet special recruitment needs and to accommodate employees who transfer into a class from another civil service class and are already receiving salaries above the minimum.

During the period under review, July 1, 2021, through March 31, 2022, the Cal Expo made 56 appointments. The CRU reviewed seven of those appointments to determine if the Cal Expo applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

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<sup>9</sup> "Rate" is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (Cal. Code Regs., tit. 2, section 599.666).

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Information Technology Specialist II	Certification List	Permanent	Full Time	\$7,700
Maintenance Mechanic	Certification List	Permanent	Full Time	\$4,999
Personnel Specialist	Certification List	Permanent	Full Time	\$3,502
Sergeant, State Fair Police	Certification List	Permanent	Intermittent	\$5,551
Staff Services Manager I	Certification List	Permanent	Full Time	\$7,076
Staff Services Manager II (Managerial)	Certification List	Permanent	Full Time	\$8,190
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	\$8,352

<b>IN COMPLIANCE</b>	<b>FINDING NO. 8 SALARY DETERMINATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the salary determinations that were reviewed. The Cal Expo appropriately calculated and keyed the salaries for each appointment and correctly determined employees' anniversary dates ensuring that subsequent merit salary adjustments will satisfy civil service laws, Board rules and CalHR policies and guidelines.

#### Hiring Above Minimum Requests

The CalHR may authorize payment at any step above the minimum limit to classes or positions to meet recruiting problems, or to obtain a person who has extraordinary qualifications. (Gov. Code, § 19836.) For all employees new to state service, departments are delegated to approve HAMS for extraordinary qualifications. (Human Resources Manual Section 1707.) Appointing authorities may request HAMS for current state employees with extraordinary qualifications. (*Ibid.*) Delegated HAM authority does not apply to current state employees. (*Ibid.*)

Extraordinary qualifications may provide expertise in a particular area of a department's program. (*Ibid.*) This expertise should be well beyond the minimum qualifications of the class. (*Ibid.*) Unique talent, ability or skill as demonstrated by previous job experience may also constitute extraordinary qualifications. (*Ibid.*) The scope and depth of such experience should be more significant than its length. (*Ibid.*) The degree to which a candidate exceeds minimum qualifications should be a guiding factor, rather than a determining one. (*Ibid.*) The qualifications and hiring rates of state employees already in the same class should be carefully considered, since questions of salary equity may arise

if new higher entry rates differ from previous ones. (*Ibid.*) Recruitment difficulty is a factor to the extent that a specific extraordinary skill should be difficult to recruit, even though some applicants are qualified in the general skills of the class. (*Ibid.*)

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Government Code section 3517.5, the memorandum of understanding shall be controlling without further legislative action.<sup>10</sup> (Gov. Code, § 19836, subd. (b).)

Appointing authorities may request and approve HAMs for former legislative employees who are appointed to a civil service class and received eligibility for appointment pursuant to Government Code section 18990. (Human Resources Manual Section 1707.) The salary received upon appointment to civil service shall be in accordance with the salary rules specified in the California Code of Regulations. (*Ibid.*) A salary determination is completed comparing the maximum salary rate of the former legislative class and the maximum salary rate of the civil service class to determine applicable salary and anniversary regulation. (*Ibid.*) Typically, the legislative employees are compensated at a higher rate of pay; therefore, they will be allowed to retain the rate they last received, not to exceed the maximum of the civil service class. (*Ibid.*)

Appointing authorities may request/approve HAMs for former exempt employees appointed to a civil service class. (Human Resources Manual Section 1707.) The salary received upon appointment to civil service shall be competitive with the employee's salary in the exempt appointment. (*Ibid.*) For example, An employee appointed to a civil service class which is preceded by an exempt appointment may be appointed at a salary rate comparable to the exempt appointment up to the maximum of the salary range for the civil service class. (*Ibid.*)

During the period under review, July 1, 2021, through March 31, 2022, the Cal Expo authorized one HAM request. The CRU reviewed the authorized HAM request to determine if the Cal Expo correctly applied Government Code section 19836 and appropriately verified, approved and documented candidates' extraordinary qualifications.

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<sup>10</sup> Except that if the provisions of the memorandum of understanding requires the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Classification	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Associate Governmental Program Analyst	Certification List	New to State	\$5,383-\$6,739	\$5,935

<b>IN COMPLIANCE</b>	<b>FINDING NO. 9 HIRE ABOVE MINIMUM REQUEST COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found that the HAM request the Cal Expo made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

### Pay Differentials

A pay differential is special additional pay recognizing unusual competencies, circumstances, or working conditions applying to some or all incumbents in select classes. A pay differential may be appropriate in those instances when a subgroup of positions within the overall job class might have unusual circumstances, competencies, or working conditions that distinguish these positions from other positions in the same class. Typically, pay differentials are based on qualifying pay criteria such as: work locations or shift assignments; professional or educational certification; temporary responsibilities; special licenses, skills or training; performance-based pay; incentive-based pay; or, recruitment and retention. (Classification and Pay Manual Section 230.)

California State Civil Service Pay Scales Section 14 describes the qualifying pay criteria for the majority of pay differentials. However, some of the alternate range criteria in the pay scales function as pay differentials. Generally, departments issuing pay differentials should, in order to justify the additional pay, document the following: the effective date of the pay differential, the collective bargaining unit identifier, the classification applicable to the salary rate and conditions along with the specific criteria, and any relevant documentation to verify the employee meets the criteria.

During the period under review, July 1, 2021, through March 31, 2022, the Cal Expo authorized one pay differential.<sup>11</sup> The CRU reviewed the pay differential to ensure compliance with applicable CalHR policies and guidelines. This is listed below:

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<sup>11</sup> For the purposes of CRU's review, only monthly pay differentials were selected for review at this time.



Classification	Pay Differential	Monthly Amount
Chief Engineer I	435	\$100

<b>IN COMPLIANCE</b>	<b>FINDING NO. 10</b>	<b>PAY DIFFERENTIAL AUTHORIZATION COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the pay differential that the Cal Expo authorized during the compliance review period. The pay differential was issued correctly in recognition of unusual competencies, circumstances, or working conditions in accordance with applicable rules and guidelines.

## Leave

### Positive Paid Employees

Actual Time Worked (ATW) is a method that can be used to keep track of a Temporary Authorization Utilization (TAU) employee's time to ensure that the Constitutional limit of 9 months in any 12 consecutive months is not exceeded. The ATW method of counting time is used in order to continue the employment status for an employee until the completion of an examination, for seasonal type work, while attending school, or for consulting services.

An employee is appointed TAU-ATW when he/she is not expected to work all of the working days of a month. When counting 189 days, every day worked, including partial days<sup>12</sup> worked and paid absences<sup>13</sup>, are counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day is not limited by this rule. (*Ibid.*) The 12-consecutive month timeframe begins by counting the first pay period worked as the first month of the 12-consecutive month timeframe. (*Ibid.*) The employee shall serve no longer than 189 days in a 12 consecutive month period. (*Ibid.*) A new 189-days working limit in a 12-consecutive month timeframe may begin in the month immediately following the month that marks the end of the previous 12-consecutive month timeframe. (*Ibid.*)

It is an ATW appointment because the employee does not work each workday of the month, and it might become desirable or necessary for the employee to work beyond nine calendar months. The appointing power shall monitor and control the days worked to

<sup>12</sup> For example, two hours or ten hours count as one day.

<sup>13</sup> For example, vacation, sick leave, compensating time off, etc.

ensure the limitations set forth are not exceeded. (Cal. Code Regs., tit. 2, § 265.1, subd. (f).)

For student assistants, graduate student assistants, youth aides, and seasonal classifications a maximum work-time limit of 1500 hours within 12 consecutive months may be used rather than the 189-day calculation. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

Additionally, according to Government Code section 21224, retired annuitant appointments shall not exceed a maximum of 960 hours in any fiscal year (July-June), regardless of the number of state employers, without reinstatement, loss or interruption of benefits.<sup>14</sup>

At the time of the review, the Cal Expo had 514 positive paid employees whose hours were tracked. The CRU reviewed 38 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Hours Worked
Security Officer	Retired Annuitant (RA)	7/1/21-6/30/22	1134.25
Sergeant, State Fair Police	RA	7/1/21-6/30/22	48.5
Sergeant, State Fair Police	RA	7/1/21-6/30/22	1048.5
Sergeant, State Fair Police	RA	7/1/21-6/30/22	961.5
Sergeant, State Fair Police	RA	7/1/21-6/30/22	1449
Sergeant, State Fair Police	RA	7/1/21-6/30/22	36.5
Sergeant, State Fair Police	RA	7/1/21-6/30/22	204.5
Sergeant, State Fair Police	RA	7/1/21-6/30/22	760.75
State Fair Police (Seasonal)	RA	7/1/21-6/30/22	347.5
State Fair Worker	RA	7/1/21-6/30/22	643
State Fair Worker	RA	7/1/21-6/30/22	289.75
State Fair Worker	RA	7/1/21-6/30/22	81.25
State Fair Worker	RA	7/1/21-6/30/22	628.5
State Fair Worker	RA	7/1/21-6/30/22	606
State Fair Worker	RA	7/1/21-6/30/22	684
State Fair Worker	RA	7/1/21-6/30/22	1049.5

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<sup>14</sup> Executive Order N-25-20, signed by Governor Newsom on March 12, 2020, suspended work hour limitations on retired annuitants' hours due to the Covid-19 emergency. This expired on June 30, 2021. Appointing authorities whose employees exceeded the established work hour limitations were required to notify CalHR of such. If a positive paid employee's hours exceeded limitations, and there was no notification to CalHR, then that would result in a finding.

Classification	Tenure	Time Frame	Hours Worked
State Fair Worker	RA	7/1/21-6/30/22	462.25
State Fair Worker	RA	7/1/21-6/30/22	747.25
State Fair Worker	RA	7/1/21-6/30/22	86.75
State Fair Worker	RA	7/1/21-6/30/22	94.5
State Fair Worker	RA	7/1/21-6/30/22	103.5
State Fair Activity Supervisor	Temporary	9/1/21-8/31/22	1527
State Fair Police (Seasonal)	Temporary	4/1/21-3/31/22	1165.5
State Fair Police (Seasonal)	Temporary	10/1/20-9/30/21	664.25
State Fair Worker	Temporary	6/1/21-5/31/22	888.5
State Fair Worker	Temporary	6/1/21-5/31/22	1269
State Fair Worker	Temporary	7/1/21-6/30/22	1342
State Fair Worker	Temporary	2/1/21-1/31/22	1015
State Fair Worker	Temporary	6/1/21-5/31/22	1356.25
State Fair Worker	Temporary	7/1/21-6/30/22	728.75
State Fair Worker	Temporary	9/1/21-8/31/22	1685.5
State Fair Worker	Temporary	6/1/21-5/31/22	1094.75
State Fair Worker	Temporary	6/1/21-5/31/22	1461.25
State Fair Worker	Temporary	6/1/21-5/31/22	941
State Fair Worker	Temporary	9/1/21-8/31/22	1923
State Fair Worker	Temporary	4/1/21-3/31/22	1417.5
State Fair Worker	Temporary	6/1/21-5/31/22	912.75
State Fair Worker	Temporary	6/1/21-5/31/22	1204

<b>SEVERITY:</b> <b>SERIOUS</b>	<b>FINDING NO.</b> <b>11</b>	<b>POSITIVE PAID TEMPORARY EMPLOYEES' WORK EXCEEDED TIME LIMITATIONS</b>
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**Summary:** The Cal Expo did not consistently monitor the actual number of hours worked in order to ensure that positive paid employees did not exceed the 1,500-hour limitation in any 12-consecutive month period.

Specifically, the following employees exceeded the 1,500-hour, limitation:

Classification	Tenure	Time Frame	Time Worked	Time Worked Over Limit <sup>15</sup>
State Fair Activity Supervisor	Temporary	Intermittent	1527	27
State Fair Worker	Temporary	Intermittent	1685.5	185.5
State Fair Worker	Temporary	Intermittent	1923	423

**Criteria:** If any employee is appointed to an intermittent time base position on a TAU basis, there are two controlling time limitations that must be considered. The first controlling factor is the constitutional limit of nine months in any 12 consecutive months for temporary appointments that cannot be extended for any reason. (Cal Const., art. VII, § 5.) Time worked shall be counted on a daily basis with every 21 days worked counting as one month or 189 days equaling nine months. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) Another controlling factor limits the maximum work time for student, youth, and seasonal classifications to 1,500 hours. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

**Severity:** Serious. The number of days or hours an individual may work in a temporary appointment is limited in the state civil service. TAU appointments are distinguished from other appointments as they can be made in the absence of an appropriate employment list.

**Cause:** The Cal Expo states that due to their involvement in statewide emergencies, the extra hours were required from the Police Department to assist security during Covid-19 testing.

**SPB Reply:** The Cal Expo did not provide any documentation that the employees whose hours exceeded limitations worked on Covid-19 related duties.

**Corrective Action:** Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the

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<sup>15</sup>Executive Order N-25-20, signed by Governor Newsom on March 12, 2020, suspended work hour limitations on RA's hours due to the Covid-19 emergency. This expired on March 31, 2022. Appointing authorities whose employees exceeded the established work hour limitations were required to notify CalHR of such. If a positive paid employee's hours exceeded limitations, and there was no notification to CalHR, then that would result in a finding. In this case, the Cal Expo provided the documentation to support that those RAs whose hours exceeded limitations were over due to Covid-19 related work.

corrections the department will implement to ensure conformity with California Code of Regulations, title 2, section 265.1. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Administrative Time Off

ATO is a form of paid administrative leave status initiated by appointing authorities for a variety of reasons. (Human Resources Manual Section 2121.) Most often, ATO is used when an employee cannot come to work because of a pending investigation, fitness for duty evaluation, or when work facilities are unavailable. (*Ibid.*) ATO can also be granted when employees need time off for reasons such as blood or organ donation, extreme weather preventing safe travel to work, states of emergency, voting, and when employees need time off to attend special events. (*Ibid.*)

During the period under review, May 1, 2021, through April 30, 2022, the Cal Expo authorized eight ATO transactions. The CRU reviewed seven of these ATO transactions to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	Amount of Time on ATO
Associate Governmental Program Analyst	04/12/2022-04/13/2022	2 Days
Business Service Officer I (Specialist)	08/23/2021-08/30/2021	6 Days
Groundskeeper	01/07/2022-01/16/2022	6 Days
Security Guard	6/11/2021	1 Day
Staff Services Manager I (Specialist)	01/12/2022-01/24/2022	8 Days
Staff Services Manager III	01/10/2022-01/14/2022	5 Days
State Fair Police Officer (Seasonal)	06/16/2021-06/28/2021	50 Hours

<b>IN COMPLIANCE</b>	<b>FINDING NO. 12</b>	<b>ADMINISTRATIVE TIME OFF AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the ATO transactions reviewed during the compliance review period. The Cal Expo provided the proper documentation justifying the use of ATO and adhered to applicable laws, regulations and CalHR policy and guidelines.

### Leave Auditing and Timekeeping

Departments must keep complete and accurate time and attendance records for each employee and officer employed within the agency over which it has jurisdiction. (Cal. Code Regs., tit. 2, § 599.665.)

Departments are directed to create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. (Human Resources Manual Section 2101.) Departments shall create an audit process to review and correct leave input errors on a monthly basis. The review of leave accounting records shall be completed by the pay period following the pay period in which the leave was keyed into the leave accounting system. (*Ibid.*) If an employee’s attendance record is determined to have errors or it is determined that the employee has insufficient balances for a leave type used, the attendance record must be amended. (*Ibid.*) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*) Accurate and timely attendance reporting is required of all departments and is subject to audit. (*Ibid.*)

During the period under review, February 1, 2022, through April 30, 2022, the Cal Expo reported 22 units comprised of 275 active employees. The pay periods and timesheets reviewed by the CRU are summarized below:

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
February 2022	100	4	4	0
February 2022	130	3	3	0
February 2022	760	4	4	0
February 2022	600	42	42	0
March 2022	150	3	3	0
March 2022	710	3	3	0
March 2022	250	31	31	0
April 2022	210	2	2	0

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
April 2022	760	21	21	0

<b>IN COMPLIANCE</b>	<b>FINDING NO. 13</b>	<b>LEAVE AUDITING AND TIMEKEEPING COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU reviewed employee leave records from three different leave periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines. Based on our review, the CRU found no deficiencies. The Cal Expo kept complete and accurate time and attendance records for each employee and officer employed within the department and utilized a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely.

## **Policy and Processes**

### **Nepotism**

It is the policy of the State of California to hire, transfer, and promote all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. Nepotism is expressly prohibited in the state workplace because it is antithetical to California's merit based civil service. (Cal. Code Regs., tit. 2, § 87.) (*Ibid.*) All appointing powers shall adopt an anti-nepotism policy that includes the following components: (1) a statement that the appointing power is committed to merit-based hiring and that nepotism is antithetical to a merit-based civil service system; (2) a definition of "nepotism" as an employee's use of influence or power to hire, transfer, or promote an applicant or employee because of a personal relationship; (3) a definition of "personal relationship" as persons related by blood, adoption, current or former marriage, domestic partnership or cohabitation; (4) a statement that prohibits participation in the selection of an applicant for employment by anyone who has a personal relationship with the applicant, as defined in section 83.6; (5) a statement that prohibits the direct or first-line supervision of an employee with whom the supervisor has a personal relationship, as defined in section 83.6; (6) a process for addressing issues of direct supervision when personal relationships between employees exist. (*Ibid.*)

<b>IN COMPLIANCE</b>	<b>FINDING NO. 14</b>	<b>NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU verified that the policy was disseminated to all staff and emphasized the Cal Expo’s commitment to the state policy of hiring, transferring, and promoting employees on the basis of merit. Additionally, the Cal Expo’s nepotism policy was comprised of specific and sufficient components intended to prevent favoritism, or bias, based on a personal relationship from unduly influencing employment decisions.

Workers’ Compensation

Employers shall provide to every new employee, either at the time of hire or by the end of the first pay period, written notice concerning the rights, benefits, and obligations under workers’ compensation law. (Cal. Code Regs., tit. 8, § 9880, subd. (a).) This notice shall include the right to predesignate their personal physician or medical group; a form that the employee may use as an optional method for notifying the employer of the name of employee’s “personal physician,” as defined by Labor Code section 4600. (Cal. Code Regs., tit. 8, § 9880, subd. (c)(7) & (8).) Additionally, within one working day of receiving notice or knowledge that the employee has suffered a work related injury or illness, employers shall provide a claim form and notice of potential eligibility for benefits to the injured employee. (Labor Code, § 5401, subd. (a).)

Public employers may choose to extend workers' compensation coverage to volunteers that perform services for the organization. (Human Resources Manual Section 1415.) Workers’ compensation coverage is not mandatory for volunteers as it is for employees. (*Ibid.*) This is specific to the legally uninsured state departments participating in the Master Agreement. (*Ibid.*) Departments with an insurance policy for workers’ compensation coverage should contact their State Compensation Insurance Fund (State Fund) office to discuss the status of volunteers. (*Ibid.*)

In this case, the Cal Expo did not employ volunteers during the compliance review period.

<b>IN COMPLIANCE</b>	<b>FINDING NO. 15</b>	<b>WORKERS’ COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU verified that the Cal Expo provides notice to their employees to inform them of their rights and responsibilities under California’s Workers’ Compensation Law. Furthermore, the CRU verified that when the Cal Expo received workers’ compensation



claims, they properly provided claim forms within one working day of notice or knowledge of injury.

### Performance Appraisals

According to Government Code section 19992.2, subdivision (a), appointing powers must “prepare performance reports.” Furthermore, California Code of Regulations, title 2, section 599.798, directs supervisors to conduct written performance appraisals and discuss overall work performance with permanent employees at least once in each twelve calendar months after the completion of the employee’s probationary period.

The CRU selected six permanent Cal Expo employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

<b>IN COMPLIANCE</b>	<b>FINDING NO. 16</b>	<b>PERFORMANCE APPRAISAL POLICY AND PROCESSES COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the performance appraisals selected for review. Accordingly, the Cal Expo performance appraisal policy and processes satisfied civil service laws, Board rules, policies and guidelines.

### **DEPARTMENTAL RESPONSE**

The Cal Expo’s response is attached as Attachment 1.

### **SPB REPLY**

Based upon the Cal Expo’s written response, the Cal Expo will comply with the corrective actions specified in these report findings. Within 90 days of the date of this report, a written corrective action response including documentation demonstrating implementation of the corrective actions specified must be submitted to the CRU.



December 06, 2022

Merissa Brogdon  
State Personnel Board  
801 Capitol Mall, Suite 1200  
Sacramento, CA 95814

Dear Ms. Ambrose,

As requested, the California Exposition & State Fair (Cal Expo) has prepared additional information in response to the findings presented in the Compliance Review Report dated November 17, 2022 by the State Personnel Board staff.

- **FINDING NO. 2- Department did not provide benefit information in accordance with Civil Service Law.** The Cal Expo did not provide an explanation of benefits prior to the candidate's acceptance of appointment in 8 out of the 17 appointments reviewed by the CRU.

Further, the Cal Expo did not memorialize that the applicant received an explanation of benefits, prior to appointment, in a formal offer of employment in 13 out of the 17 appointments reviewed by the CRU.

**Cause:** The Cal Expo acknowledges that they had not incorporated this step into their hiring process during the review time period.

- **FINDING NO. 4- Unions were not notified of Personal Services Contracts.** The Cal Expo did not notify unions prior to entering into 38 of the 38 PSC's reviewed. This is the second consecutive time this has been a finding for the Cal Expo.

**Cause:** The Cal Expo states that it did not notify the unions prior to entering into the PSC because the Cal Expo had concluded that the nature and type of service contracted for was not available within civil service, could not be performed satisfactorily by civil service employees, or was of such a highly specialized technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system.

- **FINDING NO. 5- Ethics training was not provided for all filers.** The Cal Expo did not provide ethics training to 1 of 7 existing filers. However, the Cal Expo did provide ethics training to its two new filers reviewed within six months of their appointment. This is the second consecutive time this has been a finding for the Cal Expo.

**Cause:** Due to the COVID-19 pandemic and significant vacancies within Human Resources (HR), along with our January 2021 layoff, our tracking process was not consistently utilized.

- **FINDING NO. 6-** Sexual Harassment Prevention training was not provided for all employees. The Cal Expo did provide sexual harassment prevention training to its two new supervisors reviewed within six months of their appointment. However, the Cal Expo did not provide sexual harassment prevention training to 1 of 10 existing supervisors every two years.

In addition, the Cal Expo did not provide sexual harassment prevention training to 56 of 85 existing non-supervisors every 2 years. This is the second consecutive time this has been a finding for the Cal Expo.

**Cause:** Due to the COVID-19 pandemic and significant vacancies within Human Resources (HR), along with our January 2021 layoff, our tracking process was not consistently utilized.

- **FINDING NO. 7-** Supervisory training was not provided for all Supervisors, Managers, and CEAs. The Cal Expo did not provide biennial leadership training to 10 of 11 existing supervisors, managers, and/or CEAs. This is the second consecutive time this has been a finding for the Cal Expo.

**Cause:** Due to the COVID-19 pandemic and significant vacancies within Human Resources (HR), along with our January 2021 layoff, our tracking process was not consistently utilized.

- **FINDING NO. 11-** Positive paid temporary employees' work exceeded time limitations. The Cal Expo did not consistently monitor the actual number of hours worked in order to ensure that positive paid employees did not exceed the 1,500-hour limitation in any 12-consecutive month period.

**Cause:** Due to the Cal Expo being used for statewide emergencies, the additional help from the Police Department required extra hours to assist with security during COVID-19 testing.

Thank you for the opportunity to discuss and respond to the Compliance Review Report. If you have any questions, please contact me directly.

Sincerely,

Teresa Tillman, Human Resources Manager  
California Exposition & State Fair  
(916) 263-3029