

COMPLIANCE REVIEW REPORT

GOVERNMENT OPERATIONS AGENCY

Compliance Review Unit
State Personnel Board
April 21, 2025

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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 Division (CRD) 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 CRD 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 CRD conducted a routine compliance review of the Government Operations Agency (GovOps) 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	Examinations Complied with Civil Service Laws and Board Rules
Appointments	Serious	Probationary Evaluations Were Not Provided for All Appointments Reviewed ¹
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Complied with All Civil Service Laws and Board Rules
Personal Services Contracts	Serious	Unions Were Not Notified of Personal Services Contracts ²
Mandated Training	In Compliance	Mandated Training Complied with Statutory Requirements
Compensation and Pay	In Compliance	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Alternate Range Movements Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	In Compliance	Positive Paid Employees' Tracked Hours Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

¹ Repeat finding. The GovOps July 21, 2021, compliance review report identified three missing probation reports in one of two appointment files reviewed. The GovOps' February 21, 2019, compliance review report identified three missing probation reports in three of seven appointment files reviewed.

² Repeat finding. The GovOps' July 21, 2021, compliance review report identified one missing union notification for the 13 PSC's executed. The GovOps' February 21, 2019, compliance review report identified three missing union notifications for the three PSC's executed.

Area	Severity	Finding
Leave	Serious	Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input is Keyed Accurately and Timely
Policy	Very Serious	Department's Nepotism Policy Does Not Contain All Required Components
Policy	In Compliance	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Serious	Performance Appraisals Were Not Provided to All Employees ³

BACKGROUND

The GovOps is responsible for coordinating state operations including procurement, information technology, and human resources. The GovOps strives to improve the management and accountability of government programs, increase programmatic effectiveness, and promote better and more coordinated operational decisions.

The GovOps' vision is to deliver a government that better serves all Californians. The mission of the GovOps is to improve government operations within state departments to better serve California's people.

The GovOps oversees the following state agencies: the Office of Administrative Law, the Department of General Services, the CalHR, the Franchise Tax Board (FTB), the Department of Tax and Fee Administration, the Department of Technology, the Public Employees' Retirement System, the SPB, the State Teachers' Retirement System, the Victim Compensation Board, the Cradle to Career Data System, the Office of Data and Innovation, and the Financial Information System for California.

The CalHR performs the GovOps human resources functions, and the FTB performs EEO functions for the GovOps.

³ Repeat finding. The GovOps' July 21, 2021, compliance review report identified that the GovOps did not provide performance appraisals to the three employees reviewed. The February 21, 2019, the GovOps' compliance review report identified that the GovOps did not provide performance appraisals to the two employees reviewed.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the GovOps' examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes⁴. The primary objective of the review was to determine if the GovOps' personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

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

A cross-section of the GovOps' appointments was selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRD examined the documentation that the GovOps 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 GovOps did not conduct any unlawful appointment investigations during the compliance review period.

The GovOps' appointments were also selected for review to ensure the GovOps applied salary regulations accurately and correctly processed employees' compensation and pay. The CRD examined the documentation that the GovOps 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 CRD reviewed specific documentation for the following personnel functions related to compensation and pay: and alternate range movements. During the compliance review period, the GovOps did not issue or authorize red circle rate requests, arduous pay, bilingual pay, monthly pay differentials, or out-of-class assignments.

The review of the GovOps' EEO program included examining written EEO policies and procedures; the EEO Officer's role, duties, and reporting relationship; the internal

⁴ Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

discrimination complaint process; the reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee.

The GovOps' PSC's were also reviewed.⁵ It was beyond the scope of the compliance review to make conclusions as to whether the GovOps' justifications for the contracts were legally sufficient. The review was limited to whether the GovOps' practices, policies, and procedures relative to PSC's complied with procedural requirements.

The GovOps' 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 those serving in Career Executive Assignments (CEA) were provided leadership and development training, and that all employees were provided sexual harassment prevention training within statutory timelines.

The CRD reviewed the GovOps' 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 CRD selected a small cross-section of the GovOps' units in order to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the GovOps' employees' employment and pay history, state service records, and leave accrual histories to ensure employees with non-qualifying pay periods did not receive vacation/sick leave and/or annual leave accruals or state service credit. Additionally, the CRD reviewed a selection of GovOps 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 GovOps did not have any employees with non-qualifying pay period transactions or authorize Administrative Time Off.

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

On March 5, 2025, an exit conference was held with the GovOps to explain and discuss the CRD's initial findings and recommendations. The CRD received and carefully

⁵If 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.

reviewed the GovOps' written response on April 11, 2025, which is attached to this final compliance review report.

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, July 1, 2023, through June 30, 2024, the GovOps conducted six examinations. The CRD reviewed five of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
CEA A, Assistant Secretary, Emergency Services and Sustainability	CEA	Statement of Qualifications (SOQ) ⁶	6/2/2023	10

⁶ In a Statement of Qualifications examination, applicants submit a written summary of their qualifications and experience related to a published list of desired qualifications. Raters, typically subject matter experts, evaluate the responses according to a predetermined rating scale designed to assess their ability to perform in a job classification, assign scores and rank the competitors in a list.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
CEA A, Assistant Secretary of Innovation	CEA	SOQ	11/15/2023	29
CEA A, Assistant Secretary, Workforce Development	CEA	SOQ	4/3/2023	14
CEA B, Agency Information Officer	CEA	SOQ	2/13/2024	10
CEA B, Chief Privacy Officer	CEA	SOQ	6/28/23	10

IN COMPLIANCE	FINDING NO. 1 EXAMINATIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CRD reviewed five open examinations which the GovOps administered in order to create eligible lists from which to make appointments. The GovOps published and distributed examination bulletins containing the required information for all examinations. Applications received by the GovOps 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 CRD found no deficiencies in the examinations that the GovOps 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).)

During the period under review, July 1, 2023, through June 30, 2024, the GovOps made nine appointments. The CRD reviewed four of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	1
Attorney III	Certification List	Permanent	Full Time	1
Staff Services Analyst	Certification List	Permanent	Full Time	1
Staff Services Manager II (Managerial)	Certification List	Permanent	Full Time	1

SEVERITY: SERIOUS	FINDING No. 2 PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED
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Summary: The GovOps did not provide six probationary reports of performance for two of the four appointments reviewed by the CRD, as reflected in the table below. This is the third consecutive time this has been a finding for the GovOps.

Classification	Appointment Type	No. of Appointments	Total No. of Missing Probation Reports
Associate Governmental Program Analyst	Certification List	1	3
Staff Services Analyst	Certification List	1	3

Criteria: The service of a probationary period is required when an employee enters or is promoted in the state civil service by permanent appointment from an employment list; upon reinstatement after a break in continuity of service resulting from a permanent separation; or after any other type of appointment situation not specifically excepted from the probationary period. (Gov. Code, § 19171.) During the probationary period, the appointing power shall evaluate the work and efficiency of a probationer in the manner and at such periods as

the department rules may require. (Gov. Code, § 19172.) A report of the probationer's performance shall be made to the employee at sufficiently frequent intervals to keep the employee adequately informed of progress on the job. (Cal. Code Regs., tit. 2, § 599.795.) A written appraisal of performance shall be made to the Department within 10 days after the end of each one-third portion of the probationary period. (*Ibid.*) The Board's record retention rules require that appointing powers retain all probationary reports for five years from the date the record is created. (Cal. Code Regs., tit. 2, § 26, subd. (a)(3).)

Severity: Serious. The probationary period is the final step in the selection process to ensure that the individual selected can successfully perform the full scope of their job duties. Failing to use the probationary period to assist an employee in improving his or her performance or terminating the appointment upon determination that the appointment is not a good job/person match is unfair to the employee and serves to erode the quality of state government.

Cause: The GovOps states that leadership's delay in completing probationary reports can be attributed to competing priorities and resource constraints. Additionally, insufficient tracking and management systems may have contributed to delays.

Corrective Action: As this is the third consecutive time this has been a finding for GovOps, it is the expectation that it develops a meaningful and measurable plan to achieve compliance in this area. The GovOps asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the GovOps must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure conformity with Government Code section 19172.

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	FINDING No. 3 EQUAL EMPLOYMENT OPPORTUNITY PROGRAM COMPLIED WITH ALL CIVIL SERVICE LAWS AND BOARD RULES
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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 CRD determined that the GovOps' 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 GovOps. The GovOps 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, July 1, 2023, through June 30, 2024, the GovOps had five PSC's that were in effect. The CRD reviewed all of those, which are listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Alpha One Ambulance Medical Services	CPR and First Aid Training	\$2,400	Yes	No
Asian and Pacific American Leadership Foundation	Grant to Support Leadership Initiatives	\$500,000	Yes	N/A
Boston Consulting Group	HR Consulting	\$240,000	Yes	No
Inland Empire	Grant to Support Leadership Initiatives	\$500,000	Yes	N/A
West Ed	Statewide Holocaust Education Survey	\$1,124,877	Yes	No

SEVERITY: SERIOUS	FINDING NO. 4 UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACTS
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Summary: The GovOps did not notify unions prior to entering into three of the five PSC's reviewed. This is the third consecutive time this has been a finding for the GovOps.

Criteria: Before a state agency executes a contract or amendment to a contract for personal services conditions specified within Government Code section 19130, subdivision (b), the agency shall

notify all organizations that represent state employees who perform or could perform the type of work that is called for within the contract, unless exempted under Government Code section 19132, subdivision (b)(1). (Cal. Code Regs., tit. 2, § 547.60.2.)

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 GovOps states that they do not engage in regular contracting since most of their contracts are exempt or waived and are made public, as many are received directly through legislation.

SPB Reply: Government Code section 19132 subdivision (b)(1) provides the exemptions for noticing unions of a personal services contract. Legislative actions are not an included exemption.

Corrective Action: As this is the third consecutive time this has been a finding for GovOps, it is the expectation that it develops a meaningful and measurable plan to achieve compliance in this area. 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 PSC's 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 GovOps 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 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.*)

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 CRD reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

The CRD reviewed the GovOps' mandated training program that was in effect during the compliance review period, July 1, 2022, through June 30, 2024.

SEVERITY: IN COMPLIANCE	FINDING No. 5 MANDATED TRAINING COMPLIED WITH STATUTORY REQUIREMENTS
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The GovOps did not have any CEAs or managers that were due leadership training during the compliance review period. The GovOps provided ethics training to its 13 new filers within 6 months of appointment and, for 4 existing filers, “at least once during each consecutive period of two calendar years, commencing on the first odd-numbered year thereafter.” The GovOps also provided supervisory training to its six new supervisors within 12 months of appointment. In addition, the GovOps provided sexual harassment prevention training its 6 new supervisors within 6 months of appointment, and sexual harassment prevention training to its 13 existing supervisors every 2 years. Furthermore, the GovOps provided sexual harassment prevention training to all five existing non-supervisors every two years. Thus, the GovOps complied with mandated training requirements within statutory timelines.

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 rate⁷ 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, 2023, through June 30, 2024, the GovOps made nine appointments. The CRD reviewed two of those appointments to determine if the GovOps applied salary regulations accurately and correctly processed employees’ compensation, which are listed below:

⁷ “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)
Attorney III	Certification List	Permanent	Full Time	\$10,536
Staff Services Manager II	Certification List	Permanent	Full Time	\$8,215

IN COMPLIANCE	FINDING No. 6 SALARY DETERMINATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the salary determinations that were reviewed. The GovOps 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.

Alternate Range Movement Salary Determination (within same classification)

If an employee qualifies under established criteria and moves from one alternate range to another alternate range of a class, the employee shall receive an increase or a decrease equivalent to the total of the range differential between the maximum salary rates of the alternate ranges. (Cal. Code Regs., tit. 2, § 599.681.) However, in many instances, the CalHR provides salary rules departments must use when employees move between alternate ranges. These rules are described in the alternate range criteria. (CalHR Pay Scales). When no salary rule or method is cited in the alternate range criteria, departments must default to Rule 599.681.

During the period under review, July 1, 2023, through June 30, 2024, the GovOps employees made three alternate range movement within a classification. The CRD reviewed all three alternate range movements to determine if the GovOps applied salary regulations accurately and correctly processed each employee's compensation, which are listed below:

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Associate Governmental Program Analyst	A	L	Full Time	\$5,855
Attorney III	A	L	Full Time	\$10,536
Legal Secretary	L	M	Full Time	\$4,769

IN COMPLIANCE	FINDING No. 7 ALTERNATIVE RANGE MOVEMENTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD determined that the alternate range movements the GovOps made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies 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 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 the working days of a month. When counting 189 days, every day worked, including partial days⁸ worked and paid absences⁹, are counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day are 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 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 1,500 hours within 12 consecutive months

⁸ For example, two hours or ten hours count as one day.

⁹ For example, vacation, sick leave, compensating time off, etc.

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.

At the time of the review, the GovOps had one positive paid employee whose hours were tracked. The CRD reviewed this positive paid appointment to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Time Worked
Special Consultant	Temporary	7/1/23-6/30/24	481.5 hours

IN COMPLIANCE	FINDING No. 8	POSITIVE PAID EMPLOYEE'S TRACKED HOURS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the positive paid employee's hours reviewed during the compliance review period. The GovOps provided sufficient justification and adhered to applicable laws, regulations and CalHR policy and guidelines for its positive paid employee.

Leave Accounting

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, January 1, 2023, through March 31, 2024, the GovOps reported one unit. The CRD reviewed one unit within three pay periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

SEVERITY: SERIOUS	FINDING No. 9	DEPARTMENT HAS NOT IMPLEMENTED A MONTHLY INTERNAL AUDIT PROCESS TO VERIFY ALL LEAVE INPUT IS KEYED ACCURATELY AND TIMELY
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Summary: The GovOps failed to implement a monthly internal audit process to verify all timesheets were keyed accurately and timely and to certify that all leave records have been reviewed and corrected if necessary.

Criteria: Each appointing power shall 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 an audit process to verify all leave input is keyed accurately and timely. (Human Resources Manual Section 2101.) Departments shall identify and record all errors found and shall certify that all leave records for the unit/pay period identified have been reviewed and all leave errors identified have been corrected. (*Ibid.*) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*)

Severity: Serious. Departments must document that they reviewed all leave inputted into their leave accounting system to ensure accuracy and timeliness. Failure to audit leave could put the department at risk of incurring additional costs from the initiation of collection efforts from overpayments, and the risk of liability related to recovering inappropriately credited leave hours and funds.

Cause: The GovOps states that human error, loss of knowledge within the CalHR Transactions Unit, and high turnover contributed to this finding.

Corrective Action: The GovOps asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the GovOps must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure that their

monthly internal audit process was documented and that all leave input is keyed accurately and timely. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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.*)

SEVERITY: VERY SERIOUS	FINDING NO. 10 DEPARTMENT'S NEPOTISM POLICY DOES NOT CONTAIN ALL REQUIRED COMPONENTS
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Summary: The GovOps' nepotism policy does not contain all required components. Specifically, the GovOps' nepotism policy does not include:

1. A statement that the GovOps is committed to merit-based hiring and that nepotism is antithetical to a merit-based civil service system.
2. A statement that prohibits participation in the selection of an applicant for employment by anyone who has a personal relationship with the applicant.

Criteria: 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. (Human Resources Manual Section 1204). All department nepotism policies shall include six specific components which emphasize that nepotism is antithetical to merit-based civil service and include definitions and prohibitions integral to upholding the merit system. (Cal. Code Regs., tit. 2, § 87.)

Severity: Very Serious. Nepotism is expressly prohibited in the state workplace because it is antithetical to California's merit based civil service. Departments must take proactive steps to ensure that the hiring, transferring, and promoting of all employees is done on the basis of merit and fitness in accordance with civil service statutes. Maintaining a current written nepotism policy that addresses all requirements outlined in civil service statute, rules and regulations, and its dissemination to all staff, is the cornerstone for achieving these outcomes.

Cause: The GovOps states that its' nepotism policy was outdated and that it will be revised and updated.

Corrective Action: Within 90 days of the date of this report, the GovOps must submit to the SPB a written corrective action response which includes an updated nepotism policy which contains requirements outlined in Human Resources Manual section 1204, and documentation demonstrating that it has been distributed to all staff.

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 GovOps did not employ volunteers during the compliance review period.

IN COMPLIANCE	FINDING NO. 11	WORKERS' COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD verified that the GovOps provides notice to their employees to inform them of their rights and responsibilities under California's Workers' Compensation Law. Furthermore, the CRD verified that when the GovOps 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 CRD selected seven permanent GovOps employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

SEVERITY: SERIOUS	FINDING NO. 12	PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES
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Summary: The GovOps did not provide annual performance appraisals to any of the seven employees reviewed after the completion of the

employee's probationary period. This is the third consecutive time this has been a finding for the GovOps.

Criteria: Appointing powers shall prepare performance reports and keep them on file as prescribed by department rule. (Gov. Code, § 19992.2, subd. (a).) Each supervisor, as designated by the appointing power, shall make an appraisal in writing and shall discuss with the employee overall work performance at least once in each twelve calendar months following the end of the employee's probationary period. (Cal. Code Regs., tit. 2, § 599.798.)

Severity: Serious. The department does not ensure that all employees are apprised of work performance issues and/or goals in a systematic manner.

Cause: The GovOps states that leadership's delay in completing yearly performance evaluations can be attributed to competing priorities and resource constraints. Additionally, insufficient tracking and management systems may have contributed to delays.

Corrective Action: As this is the third consecutive time this has been a finding for GovOps, it is the expectation that it develops a meaningful and measurable plan to achieve compliance in this area. The GovOps asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the GovOps must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure conformity with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798.

DEPARTMENTAL RESPONSE

The GovOps' response is attached as Attachment 1.

SPB REPLY

Based upon the GovOps' written response, the GovOps 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 CRD.



Administrative Services

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Governor Gavin Newsom
Secretary, Government Operations Agency Amy Tong
Director Eraina Ortega

April 9, 2025

Ms. Suzanne Ambrose
Executive Officer
State Personnel Board
801 Capitol Mall
Sacramento, CA 95814

Re: Government Operations Agency Response to State Personnel Board Compliance Report

Dear Ms. Ambrose,

The Government Operations Agency (GovOps) and California Department of Human Resources (CalHR) would like to thank the State Personnel Board (SPB)'s Compliance Review Unit (CRU) for undertaking the 2024 GovOps Compliance Review Audit. CalHR received the SPB Review Report draft on February 25, 2025, and revised report on April 2, 2025. GovOps and CalHR are committed to making positive strides to improve many of our processes and procedures and are confident the next Compliance Review Report will reflect our efforts.

Based on the compliance review conducted of GovOps' personnel practices in the areas of Examinations, Appointments, Equal Employment Opportunity (EEO), Personal Services Contracts, Mandated Training, Compensation, and Pay, Leave, and Policy and Processes, CalHR provides the following response to each of the findings:

Finding No. 1: Examinations Complied with Civil Services Laws and Board Rules

In Compliance

No response is needed since the GovOps was found to be in compliance.

Finding No. 2: Probationary Evaluations Were Not Provided for All Appointments Reviewed.

Severity: Serious

The summary indicated that the GovOps did not provide six probationary reports of performance for two of the four appointments reviewed by the SPB, as reflected in the table below. This is the third consecutive time this has been a finding for the GovOps.

Classification	Appointment Type	No. of Appointments	Total No. of Missing Probation Reports
Associate Governmental Program Analyst	Certification List	1	3
Staff Services Analyst	Certification List	1	3

Cause: Leadership's delay in completing yearly performance appraisals can be attributed to competing priorities and resource constraints. In a dynamic work environment, leaders often juggle multiple responsibilities, which can lead to performance appraisals being deprioritized. Additionally, insufficient systems for tracking and managing the appraisal process may have contributed to delays. Without a structured approach and dedicated time to focus on appraisals, leadership may struggle to meet deadlines, resulting in a backlog of evaluations that impacts the overall appraisal cycle.

GovOps Response: GovOps recognizes that performance evaluations can be a tool for employee development. To enhance compliance, GovOps has:

- Established a monitoring system to ensure performance evaluations are completed.
- Provided managers with additional guidance for submitting completed appraisals.

Additionally, GovOps conducts regular staff meetings to assess employee performance and offer timely, direct feedback. This practice ensures ongoing support and development for our team members.

Finding No. 3: Equal Employment Opportunity Program Complied with All civil Service Laws and Board Rules

In Compliance

No response is needed since the GovOps was found to be in compliance.

Finding No. 4: Unions were not notified of Personal Services Contracts.

The summary indicated that the GovOps did not notify unions prior to entering into any of the three PSC's reviewed. This is the third consecutive time this has been a finding for the GovOps.

Cause: GovOps does not engage in regular contracting, as most of our contracts are exempt or waived and are made public, as many are received directly through legislation.

GovOps Response: GovOps recognizes the importance of adhering to bureaucratic procedures, including notifying the unions about our contracting practices. However, this requirement may be unnecessary in our context, as most of our contracts are directly

derived from legislation and do not follow the standard contracting processes. GovOps will make every effort to comply with the notification requirements, but GovOps hopes to explore ways to streamline this process in the future.

Finding No. 5: Mandated Training Complied with Statutory Requirements

In Compliance

No response is needed since the GovOps was found to be in compliance.

Finding No. 6: Salary determinations complied with civil service laws, board rules, and CalHR policies and guidelines.

In Compliance

No response is needed since the GovOps was found to be in compliance.

Finding No. 7: Alternate Range Movements complied with Civil Service Laws, Rules, and CalHR Policies and Guidelines

In Compliance

No response is needed since the CalHR was found to be in compliance.

Finding No. 8: Positive paid employees' tracked hours complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

In Compliance

No response is needed since the CalHR was found to be in compliance.

Finding No. 9: The Department has not implemented a monthly internal audit process to verify all leave input is keyed accurately and timely.

Severity: Serious

The summary indicated that CalHR failed to implement a monthly internal audit process to verify all timesheets were keyed accurately and timely and to certify that all leave records have been reviewed and corrected, if necessary, for all 14 units viewed.

Cause: CalHR attributes this finding to human error and loss of knowledge within the Transactions Unit, which is tied to the high turnover of the Personnel Specialist classification series. CalHR has experienced a high turnover rate in the Personnel Specialist classification series, which led to miscommunications and errors in transferring knowledge to new staff about the processes related to the monthly internal auditing process. Due to staffing instabilities, the HRO has faced a challenge regarding proper training and knowledge transfer.

CalHR Response: CalHR developed a written monthly internal audit process to verify all leave input is keyed accurately and timely in February 2025. CalHR has developed an Excel tracker within our Microsoft Teams channels that is accessible to HR Liaisons. This tracker is designed to help CalHR track all submitted timesheets and ensure that appropriate measures are in place to confirm that all timesheets are received. It will also aid our Transactions team in certifying that all leave records have been thoroughly reviewed.

CalHR Human Resources Office Transactions Unit will ensure the utilization of the Leave Activity and Correction Certification (CalHR 139) form. CalHR created a monthly deadline calendar outlining when the CalHR 139 forms will be completed. If there are any outstanding amendments or missing timesheets, CalHR Transactions Unit will escalate these issues to ensure compliance.

The Leave Balance Activity Report (LAB) generated by the State Controller's Office (SCO) is used to verify that all leave input is accurate and timely. Once the LAB report is generated each month, the Personnel Specialist is responsible for conducting a thorough peer review of all leave credits. This peer review process is essential in verifying that all records reflect accurate information, thereby allowing us to identify and address any discrepancies promptly.

CalHR will ensure that staff are trained, providing refresher classes and reminders to complete the process on a timely basis and use the tools available to assist them with this task.

Finding No. 10: Department's Nepotism does not contain all required components.

Very Serious

The summary indicated that the GovOps' nepotism policy does not contain all required components. Specifically, the GovOps' nepotism policy does not include:

1. A statement that the GovOps is committed to merit-based hiring and that nepotism is antithetical to a merit-based civil service system.
2. A statement that prohibits participation in the selection of an applicant for employment by anyone who has a personal relationship with the applicant.

Cause: The GovOps policy was outdated and in the process of being revised and updated.

GovOps Response: GovOps is in the process of revising its nepotism policy to align with state requirements fully. Updates will include:

- A clear statement affirming GovOps' commitment to merit-based hiring.
- Explicit prohibitions regarding participation in hiring decisions involving personal relationships.

Finding No. 11: Workers' compensation process complied with civil service laws, board rules, and/or CalHR Policies and guidelines

In Compliance

No response is needed since GovOps was found to be in compliance.

Finding No. 12: Performance appraisals were not provided to all employees.

Serious

The summary indicated that the GovOps did not provide annual performance appraisals to any of the seven employees reviewed after the completion of the employee's probationary period. This is the third consecutive time this has been a finding for the GovOps.

Cause: Leadership's delay in completing yearly performance appraisals can be attributed to competing priorities and resource constraints. In a dynamic work environment, leaders often juggle multiple responsibilities, which can lead to performance appraisals being deprioritized. Additionally, insufficient systems for tracking and managing the appraisal process may have contributed to delays. Without a structured approach and dedicated time to focus on appraisals, leadership may struggle to meet deadlines, resulting in a backlog of evaluations that impacts the overall appraisal cycle.

GovOps Response: GovOps recognizes that regular performance evaluations are a tool for employee development. To enhance compliance, we have:

- Established a monitoring system to ensure performance evaluations are completed annually.
- Provided managers with additional guidance and deadlines for submitting completed appraisals.

Conclusion

GovOps and CalHR would like to thank the SPB Compliance Review team and appreciate the opportunity to respond to the findings. GovOps and CalHR will continue to educate and train our staff to ensure compliance with the State's civil service system.

If you have any questions or need additional information, please contact Jennifer Gothier, CalHR Human Resources Chief, at Jennifer.gothier@calhr.ca.gov or (916) 909-3846 or Michael Miyao, GovOps Agency Staff, at michael.miyao@govops.ca.gov or (916) 651-5004.