

## INITIAL STATEMENT OF REASONS

<b><u>HEARING DATE(S):</u></b>	April 1, 2026
	WebEx/Teleconference
<b><u>SUBJECT MATTER OF THE PROPOSED REGULATIONS:</u></b>	Career Executive Assignment (CEA) Proposal Process, Exams, and related rules
<b><u>SECTIONS AFFECTED:</u></b>	Title 2, Chapter 1, California Code of Regulations, Amend Sections 548.5, 548.40, 548.43, and 548.120.1, and Repeal Sections 548.41 and 548.52

In this rulemaking action, the State Personnel Board (Board) proposes to amend sections 548.5, 548.40, 548.43, and 548.120.1, and repeal sections 548.41 and 548.52 of Title 2, Chapter 1, of the California Code of Regulations.

### **PURPOSE, NECESSITY, RATIONALE, AND BENEFITS OF REGULATORY ACTION:**

#### Introduction:

The jurisdiction and authority of the State Personnel Board (Board) to enforce civil service statutes and promulgate regulations is rooted in the California Constitution, article VII, section 3. Relative to this regulatory action, all hearings and investigations shall be governed by rules of practice and procedure adopted by the Board. (Gov. Code, § 18675.)

#### Purpose:

The purpose of the proposed regulations is to modernize and clarify the Board's rules for the creation and revision of Career Executive Assignment (CEA) positions, the administration of CEA examinations, and the correction of unlawful CEA appointments, ensuring alignment with the Board's constitutional authority and responsibility. Current regulations contain gaps and inconsistencies that reduce transparency and create confusion for appointing powers, the Department of Human Resources (CalHR), and interested parties. The amendments clarify and simplify procedural requirements and improve the consistency, readability, and organization of related provisions.

#### Anticipated Benefits of the Regulatory Action:

The proposed regulatory amendments will:

1. Align regulatory language for consistency, improving readability and organization.
2. Modernize and clarify the Board's rules for the creation and revision of CEA positions, administration of CEA exams, and correction of unlawful CEA appointments.

The anticipated benefit is a streamlined and transparent process that promotes consistency in administration and provides clearer guidance to appointing powers and stakeholders.

Purpose of each Proposed Amendment:

**Amend § 548.5. Creation or Revision of CEA Positions.**

Current subdivision (d) of section 548.5 requires CalHR to both analyze CEA proposals and determine whether they are appropriate for Board approval when opposition is filed. The amended text removes CalHR's obligation to conduct this analysis and instead requires CalHR to place the opposed proposal on the Board's agenda for hearing. The amendment also clarifies that CalHR may submit a recommendation to the Board but is no longer required to conduct additional analysis unless it elects to do so.

These changes accurately reflect that the Board, not CalHR, is the body charged with determining whether a CEA proposal satisfies statutory and regulatory criteria. They also reduce unnecessary workload for CalHR while preserving its discretion to comment or recommend.

**Amend § 548.40. Competitive Examinations.**

Section 548.40 has been amended to bring needed clarity and coherence to the standards governing CEA examinations. The revisions reorganize the rule so that it better reflects how these examinations are actually developed and administered, incorporate the announcement and advertising provisions formerly located in section 548.41, and provide more practical guidance on how appointing powers evaluate and rank candidates.

The amendments make explicit what has long been implicit in the nature of CEA appointments: minimum qualifications for these positions cannot be captured by broad, class-based standards. Rather, appointing powers are responsible for identifying the specific knowledge, skills, abilities, and competencies required for each position, recognizing that these executive roles vary widely across programs and agencies and demand a level of specialization not suited to a one-size-fits-all model.

Finally, the amendments also clarify notice and appeal rights by expressly providing that candidates who are not selected for participation in the examination, in addition to those not selected for appointment, must be notified of their right to appeal the Career Executive Assignment examination to the Board.

**Repeal § 548.41. Examination Announcements.**

Section 548.41 is repealed, and its examination-announcement provisions are moved into section 548.40 to eliminate redundancy and improve clarity.

**Amend § 548.43. Availability of Information on Examination Method; Written Examinations.**

Section 548.43 has been amended to bring clarity and structure to the rules governing access to CEA examination materials. The revised text makes clear that appointing powers must make their examination methods available upon request, while retaining the authority to withhold secure testing materials when disclosure would compromise the integrity or security of the examination. When materials are withheld, appointing powers are required to identify the nature of the materials and the reason for withholding them.

The amendments also consolidate the written-examination provisions formerly contained in section 548.52 into subdivision (b) of this section, creating a single, coherent rule governing examination disclosure and administration. In addition, the amendment further preserves the Department of Human Resources' ability, in its delegated oversight role, to request information regarding the development and administration of Career Executive Assignment examinations, alongside the Board, without expanding disclosure obligations to the public.

**Repeal § 548.52. Written Examinations.**

Section 548.52 is repealed and its provisions are relocated to section 548.43, subdivision (b), eliminating redundancy and consolidating all written-examination provisions under a single rule.

**Amend § 548.120.1. Actions to Correct Unlawful CEA Appointments.**

Section 548.120.1 is amended to remove references to the titles of related sections in the unlawful appointment process and replace them with section numbers only. This change ensures accuracy following recent regulatory changes and prevents future technical amendments if titles are modified.

**ECONOMIC IMPACT ASSESSMENT:**

The proposed regulations set standards related to the Board's CEA rules. Therefore, the adoption of these regulations will not:

1. Create or eliminate jobs within California.
2. Create new businesses or eliminate existing businesses within California.
3. Affect the expansion of businesses currently doing business within California.
4. Affect worker safety or the state's environment.

The adoption of these regulations, however, will have a positive impact on the general health and welfare of California residents in that the benefits of this regulatory action create a fair, equitable, and consistent process for the civil service hiring process.

**TECHNICAL, THEORETICAL AND/OR EMPIRICAL STUDIES, REPORTS OR DOCUMENTS:**

None.

**SPECIFIC TECHNOLOGIES OR EQUIPMENT:**

This regulation does not mandate the use of specific technologies or equipment.

**EFFORTS TO AVOID CONFLICT WITH AND DUPLICATION OF FEDERAL REGULATIONS:**

Not applicable.

**SIGNIFICANT ECONOMIC IMPACT ON BUSINESS:**

The proposed regulations set a standard related to the Board's CEA procedures. Accordingly, it has been determined that the adoption of the proposed regulations would not have a significant, statewide adverse economic impact affecting California businesses, including the ability of California businesses to compete with businesses in other states.

**CONSIDERATION OF ALTERNATIVES**

The Board has initially determined that no reasonable alternatives it has considered or that have been otherwise identified and brought to the attention of the Board would be more effective in carrying out the purposes for which the instant action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.