

COMPLIANCE REVIEW REPORT

CALIFORNIA STUDENT AID COMMISSION

Compliance Review Division
State Personnel Board
September 12, 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 Review 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 California Student Aid Commission (CSAC) 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	Compliance	Finding
Examinations	In Compliance	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	Out of Compliance	Probationary Evaluations Were Not Provided for All Appointments Reviewed and Some That Were Provided Were Untimely
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules
Mandated Training	Out of Compliance	Ethics Training Was Not Provided for All Filers
Mandated Training	Out of Compliance	Sexual Harassment Prevention Training Was Not Provided for All Employees
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
Compensation and Pay	In Compliance	Bilingual Pay Authorizations 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

Area	Compliance	Finding
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
Leave	In Compliance	Service and Leave Transactions 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	Out of Compliance	Performance Appraisals Were Not Provided to All Employees

BACKGROUND

Since its creation by the Legislature in 1955, the CSAC has continued to operate as the principal state agency responsible for administering financial aid programs for students attending public and private universities, colleges, and vocational schools in California.

The vision of the CSAC is toward a California that invests in educational opportunity, fosters an active, effective citizenry, and provides a higher quality of social and economic life for its citizens. The department's central mission is to make education beyond high school financially accessible to all Californians.

The CSAC provides financial aid policy analysis and leadership, in partnership with California's colleges, universities, financial institutions, and financial associations. Furthermore, the CSAC employs approximately 137 employees in order to service the State of California.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the CSAC's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes¹. The primary objective of the review was to determine if the CSAC's 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.

The CRD reviewed the CSAC's permanent withhold actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and withhold letters.

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

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

The review of the CSAC'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 (DAC).

¹ Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

The CSAC did not execute any PSC's during the compliance review period.

The CSAC'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 those serving in Career Executive Assignments (CEA) were provided leadership and development training, that all employees were provided sexual harassment prevention training, and that all officials with authority to represent the state in a tribal government-to-government consultation were provided tribal consultations training within statutory timelines. The CSAC did not have any officials who were required to take tribal government-to-government training during the review period.

The CRD reviewed the CSAC'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 CRD selected a small cross-section of the CSAC's units in order to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the CSAC's 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 the CSAC employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRD reviewed a selection of CSAC positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements.

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

The CRD received and carefully reviewed the CSAC's written response on August 28, 2025, which is attached to this final compliance review report.

FINDINGS AND RECOMMENDATIONS

Examinations

Permanent Withhold Actions

Departments are granted statutory authority to permit withhold of eligibles from lists based on specified criteria. (Gov. Code, § 18935.) Permanent appointments and promotions within the state civil service system shall be merit-based, ascertained by a competitive examination process. (Cal. Const., art. VII, § 1, subd. (b).) If a candidate for appointment is found not to satisfy the minimum qualifications, the appointing power shall provide written notice to the candidate, specifying which qualification(s) are not satisfied and the reason(s) why. The candidate shall have an opportunity to establish that s/he meets the qualifications. (Cal. Code Regs., tit. 2, § 249.4, subd. (b).) If the candidate fails to respond or fails to establish that s/he meets the minimum qualification(s), the candidate's name shall be removed from the eligibility list. (Cal. Code Regs., tit. 2, § 249.4, subd. (b)(1), (2)), (HR Manual, section 1105.) The appointing authority shall promptly notify the candidate in writing and shall notify the candidate of his or her appeal rights. (*Ibid.*) A permanent withhold does not necessarily permanently restrict a candidate from retaking the examination for the same classification in the future; however, the appointing authority may place a withhold on the candidate's subsequent eligibility record if the candidate still does not meet the minimum qualifications or continues to be unsuitable. (HR Manual, Section 1105). State agency human resources offices are required to maintain specific withhold documentation for a period of five years. (*Ibid.*)

During the period under review, September 1, 2024, through May 31, 2025, the CSAC conducted two permanent withhold actions. The CRD reviewed both permanent withhold actions, which are listed below:

Exam Title	Reason Candidate Placed on Withhold	No. of Withholds
Associate Governmental Program Analyst	Failed to Meet Minimum Qualifications	1
Program Technician II	Failed to Meet Minimum Qualifications	1

FINDING NO. 1	PERMANENT WITHHOLD ACTIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CRD found no deficiencies in the permanent withhold actions undertaken by the department 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, May 1, 2024, through January 31, 2025, the CSAC made five appointments. The CRD reviewed three of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Staff Services Manager I	Certification List	Permanent	Full Time	1
Information Technology Manager I	Permissive Reinstatement	Permanent	Full Time	1
Information Technology Specialist II	Transfer	Permanent	Full Time	1

FINDING NO. 2	PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED AND SOME THAT WERE PROVIDED WERE UNTIMELY
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Summary: The CSAC did not provide three of nine probationary reports of performance. In addition, the CSAC did not provide one probationary report of performance in a timely manner.

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).)

Corrective Action: Within 90 days of the date of this report, the CSAC must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with the probationary requirements of Government Code section 19172 and California Code of Regulations, title 2, section 599.795. Copies of relevant documentation 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).)

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 CSAC'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 CSAC. The CSAC 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.

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 CSAC's mandated training program that was in effect during the compliance review period, June 1, 2023, through May 31, 2025. The CSAC's supervisory training was found to be in compliance, while the CSAC's ethics training and sexual harassment prevention training were found to be out of compliance.

FINDING NO. 4	ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS²
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Summary: The CSAC did provide ethics training to all of its 31 existing filers. However, the CSAC did not provide ethics training to one of nine new filers within six months of their appointment.

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).)

Corrective Action: Within 90 days of this report, the CSAC must submit to the SPB a written corrective 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.

FINDING NO. 5	SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES³
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Summary: The CSAC did not provide sexual harassment prevention training to two of seven new supervisors within six months of their appointment. In addition, the CSAC did not provide sexual harassment prevention training to 4 of 66 existing non-supervisors every 2 years.

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, subds. (a) and (b); Gov. Code § 19995.4.)

Corrective Action: Within 90 days of the date of this report, the CSAC 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

² Repeat finding; see report dated December 31, 2022.

³ Repeat finding; see reports dated December 31, 2022, and October 4, 2019.

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.

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 rate⁴ 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, May 1, 2024, through January 31, 2025, the CSAC made five appointments. The CRD reviewed one of those appointments to determine if the CSAC applied salary regulations accurately and correctly processed employee compensation.

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 determination that was reviewed. The CSAC appropriately calculated and keyed the salary for the appointment and correctly determined the anniversary date 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

⁴ "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).

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, May 1, 2024, through January 31, 2025, the CSAC employees made eight alternate range movements within a classification. The CRD reviewed seven of those alternate range movements to determine if the CSAC applied salary regulations accurately and correctly processed each employee's compensation, which are listed below:

Classification	Prior Range	Current Range	Salary (Monthly Rate)
Information Technology Associate	A	B	\$5,266
Information Technology Associate	B	C	\$6,524
Information Technology Associate	C	D	\$8,102
Information Technology Specialist I	A	B	\$8,507
Information Technology Specialist I	B	C	\$9,785
Information Technology Technician	A	B	\$4,425
Staff Services Analyst	B	C	\$5,288

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 CSAC made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

Bilingual Pay

A certified bilingual position is a position where the incumbent uses bilingual skills on a continuous basis and averages 10 percent or more of the total time worked. According to the Pay Differential 14, the 10 percent time standard is calculated based on the time spent conversing, interpreting, or transcribing in a second language and time spent on closely related activities performed directly in conjunction with the specific bilingual transactions.

Typically, the department must review the position duty statement to confirm the percentage of time performing bilingual skills and verify the monthly pay differential is

granted to a certified bilingual employee in a designated bilingual position. The position, not the employee, receives the bilingual designation and the department must verify that the incumbent successfully participated in an Oral Fluency Examination prior to issuing the additional pay.

During the period under review, May 1, 2024, through January 31, 2025, the CSAC issued bilingual pay to seven employees. The CRD reviewed six of these bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	No. of Appts.
Associate Governmental Program Analyst	3
Program Technician II	3

FINDING NO. 8	BILINGUAL PAY AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD found that the bilingual pay authorized to employees 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 days⁵ worked and paid absences⁶, 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-

⁵ For example, two hours or ten hours count as one day.

⁶ For example, vacation, sick leave, compensating time off, etc.

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 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.

At the time of the review, the CSAC had two positive paid employees whose hours were tracked. The CRD reviewed both of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Time Worked
Associate Governmental Program Analyst	Retired Annuitant	7/1/24-6/30/25	842 Hours
Information Technology Specialist I	Retired Annuitant	7/1/24-6/30/25	960 Hours

FINDING NO. 9	POSITIVE PAID EMPLOYEES' 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 employees reviewed during the compliance review period. The CSAC provided sufficient justification and adhered to applicable laws, regulations and CalHR policy and guidelines for positive paid employees.

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, March 1, 2024, through February 28, 2025, the CSAC authorized 10 ATO transactions. The CRD reviewed nine of these ATO transactions to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines.

FINDING NO. 10	ADMINISTRATIVE TIME OFF AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the ATO transactions reviewed during the compliance review period. The CSAC provided the proper documentation justifying the use of ATO and adhered to applicable laws, regulations and CalHR policy and guidelines.

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, December 1, 2024, through February 28, 2025, the CSAC reported eight units. The CRD reviewed six units within two pay periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 11	LEAVE ACCOUNTING COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD reviewed leave records from two different leave periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines. Based on our review, the CRD found no deficiencies. The CSAC utilized a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely.

State Service

The state recognizes two different types of absences while an employee is on pay status, paid or unpaid. The unpaid absences can affect whether a pay period is a qualifying or non-qualifying pay period for state service and leave accruals.

Generally, an employee who has 11 or more working days of service in a monthly pay period shall be considered to have a complete month, a month of service, or continuous service.⁷ (Cal. Code Regs., tit. 2, § 599.608.) Full time and fractional employees who work less than 11 working days in a pay period will have a non-qualifying month and will not receive state service or leave accruals for that month.

Hourly or daily rate employees working at a department in which the full-time workweek is 40 hours who earn the equivalent of 160 hours of service in a monthly pay period or accumulated pay periods shall be considered to have a complete month, a month of service, or continuous service. (Cal. Code Regs., tit. 2, § 599.609.)

For each qualifying monthly pay period, the employee shall be allowed credit for vacation with pay on the first day of the following monthly pay period. (Cal. Code Regs., tit. 2, § 599.608.) When computing months of total state service to determine a change in the monthly credit for vacation with pay, only qualifying monthly pay periods of service before and after breaks in service shall be counted. (Cal. Code Regs., tit. 2, § 599.739.) Portions of non-qualifying monthly pay periods of service shall not be counted nor accumulated.

⁷ Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, and 19997.4 and California Code of Regulations, title 2, sections 599.609, 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.776.1, 599.787, 599.791, 599.840 and 599.843 provide further clarification for calculating state time.

(*Ibid.*) On the first day following a qualifying monthly pay period, excluded employees⁸ shall be allowed credit for annual leave with pay. (Cal. Code Regs., tit. 2, § 599.752.)

Permanent intermittent employees also earn leave credits on the pay period following the accumulated accrual of 160 hours worked. Hours worked in excess of 160 hours in a monthly pay period, are not counted or accumulated towards leave credits.

During the period under review, July 31, 2024, through April 30, 2025, the CSAC had three employees with qualifying and non-qualifying pay period transactions. The CRD reviewed five transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 12	SERVICE AND LEAVE TRANSACTIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD determined that the CSAC ensured employees with non-qualifying pay periods did not receive vacation/sick leave, annual leave, and/or state service accruals. The CRD found no deficiencies in this area.

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

⁸ As identified in Government Code sections 19858.3, subdivisions (a), (b), or (c), or as it applies to employees excluded from the definition of state employee under Government Code section 3513, subdivision (c), or California Code of Regulations, title 2, section 599.752, subdivision (a), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

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.*)

FINDING NO. 13	NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD verified that the policy was disseminated to all staff and emphasized the CSAC's commitment to the state policy of hiring, transferring, and promoting employees on the basis of merit. Additionally, the CSAC'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 CSAC did not employ volunteers during the compliance review period.

FINDING NO. 14	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 CSAC 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 CSAC 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 35 permanent CSAC employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

FINDING NO. 15	PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES⁹
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Summary: The CSAC did not provide annual performance appraisals to 15 of 35 employees reviewed after the completion of the employee's probationary period.

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.)

⁹ Repeat finding; see report dated December 31, 2022.

Corrective Action: Within 90 days of the date of this report, the CSAC must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

DEPARTMENTAL RESPONSE

The CSAC's response is attached as Attachment 1.

SPB REPLY

Based on the CSAC's written response, the department will comply with the corrective actions specified in the report findings. The causes of each finding are detailed in the departmental response attached at the end of this report. Within 90 days of the date of this report, a written corrective action response, including documentation demonstrating implementation of the specified corrective actions, must be submitted to the CRD.



September 5, 2025

State Personnel Board
Compliance Review Unit
801 Capitol Mall
Sacramento, CA 95815

Re: California Student Aid Commission Causes for Each Finding to Draft State Personnel Board Compliance Report

Thank you for the opportunity to review and provide causes for each finding noted in the August 8, 2025, State Personnel Board (SPB) draft compliance review report. In short, the California Student Aid Commission (CSAC) concurs with the results of the audit. However, when reviewing the draft SPB compliance review report, it indicates we have two repeat findings. When comparing our December 2, 2022, CSAC compliance review report with the 2025 SPB draft compliance review report.

We take the below findings very seriously and are striving to meet all requirements moving forward.

Finding No. 2: Probationary Evaluations Were Not Provided for All Appointments Reviewed and Some That Were Provided Were Untimely.

Summary:

The CSAC did not provide three probationary reports of performance for one of the three appointments reviewed by the CRD. In addition, the CSAC did not provide one probationary report of performance in a timely manner.

Cause:

The CSAC has not done an adequate job of regularly communicating the importance of completing timely probationary evaluations to department managers and supervisors. The department has not adequately enforced the completion of probationary evaluations that are not submitted. The corrective action decided upon in December 2022 audit was not fully developed and implemented.

The CSAC has developed and implemented comprehensive performance management and progressive discipline training for all CSAC managers and supervisors. This training includes specific instruction on how and when to complete probation reports, required submission to HR, and the importance of maintaining a signed copy in a supervisory drop file and OPF. The CSAC continues to educate managers and supervisors on the importance of managing an employee's probationary period to ensure timely submission of reports. Additionally, the CSAC HR unit now meets with executive leadership on a monthly basis and one of the topics covered is the probationary reports that are coming

due soon or have not been completed. The CSAC will implement monthly audits to ensure future compliance and the CSAC HR unit will draft and present regular reports to leadership indicating staff that are out of compliance and corrective actions steps for those out of compliance.

Finding No. 4: Ethics Training Was Not Provided for All Filers

Summary:

The CSAC did provide ethics training to all of its 31 existing filers. However, the CSAC did not provide ethics training to one of nine new filers within six months of their appointment.

Cause:

The CSAC had not adequately enforced the ethics training requirements. The CSAC's previous corrective actions were not fully developed related to follow-up procedures to ensure new filers received ethics training within 6 months of their appointment. To achieve full compliance, audits should have occurred more frequently to ensure existing filers and new filers received ethics training timely. The CSAC will implement monthly audits to ensure future compliance and the CSAC HR unit will draft and present regular reports to leadership indicating staff that are out of compliance and corrective actions steps for those out of compliance. Additionally, the CSAC HR unit now meets with executive leadership on a monthly basis and one of the topics covered in these meetings are mandatory trainings that are coming due soon or have not been completed.

Finding No. 5: Sexual Harassment Prevention Training Was Not Provided for All Employees

Summary:

The CSAC did not provide sexual harassment prevention training to two of seven new supervisors within six months of their appointment. In addition, the CSAC did not provide sexual harassment prevention training to 4 of 66 existing non-supervisors every 2 years.

Cause:

The CSAC has not adequately enforced the timely completion of sexual harassment prevention training requirements. The CSAC's previous corrective actions were not fully developed related to follow-up procedures to ensure new supervisors received sexual harassment prevention training within 6 months of their appointment. Additionally, to achieve full compliance, audits should have occurred more frequently to ensure existing supervisors and non-supervisors received sexual harassment prevention training every two years. The CSAC will implement monthly audits to ensure future compliance and the CSAC HR unit will draft and present regular reports to leadership indicating staff that are out of compliance and corrective actions steps for those out of compliance. Additionally, the CSAC HR unit now meets with executive leadership on a monthly basis and one of the topics covered is the mandatory trainings that are coming due soon or have not been completed.

Finding No. 15: Performance Appraisals Were Not Provided to All Employees

Summary:

The CSAC did not provide annual performance appraisals to 15 of 35 employees reviewed.

Cause:


The CSAC has not done an adequate job of regularly communicating the importance of completing, filing and tracking performance appraisals that are not completed. Additionally, the corrective action decided upon in December 2022 audit was not fully developed and implemented.

The CSAC has developed and implemented comprehensive performance management and progressive discipline training for all CSAC managers and supervisors. This training includes specific instruction on how and when to complete performance appraisals, required submission to HR, and the importance of maintaining a signed copy in a supervisory drop file and OPF. Additionally, the CSAC HR unit now meets with executive leadership on a monthly basis and one of the topics covered is the performance appraisals that are coming due soon or have not been completed. The CSAC will implement monthly audits to ensure future compliance and the CSAC HR unit will draft and present regular reports to leadership indicating staff that are out of compliance and corrective actions steps for those out of compliance.

Conclusion:

The CSAC is committed to continuing correcting the issues listed in the compliance review report, as well as ensuring all CSAC staff receive the appropriate training in order to remain in compliance with all applicable laws, rules, and policies. Thank you for the opportunity to respond to the compliance review report. Should you have any questions or concerns regarding our response, please contact Hannah Cooper at (916) 464-8005.

Hannah
Cooper

 Digitally signed by
Hannah Cooper
Date: 2025.09.05
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