

# **COMPLIANCE REVIEW REPORT**

  

## **CALIFORNIA GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT**

Compliance Review Division  
State Personnel Board  
July 8, 2025

# **TABLE OF CONTENTS**

INTRODUCTION .....	1
EXECUTIVE SUMMARY .....	2
BACKGROUND .....	3
SCOPE AND METHODOLOGY .....	4
FINDINGS AND RECOMMENDATIONS .....	6
EXAMINATIONS.....	6
APPOINTMENTS.....	7
EQUAL EMPLOYMENT OPPORTUNITY .....	9
PERSONAL SERVICES CONTRACTS .....	10
MANDATED TRAINING .....	13
COMPENSATION AND PAY .....	15
LEAVE.....	19
POLICY AND PROCESSES.....	23
DEPARTMENTAL RESPONSE.....	26
SPB REPLY .....	26

## **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 Governor's Office of Business and Economic Development (GO-Biz) 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	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	In Compliance	Appointments Complied with Civil Service Laws and Board Rules
Equal Employment Opportunity	Very Serious	A Disability Advisory Committee Has Not Been Actively Maintained
Personal Services Contracts	Serious	Unions Were Not Notified of Personal Services Contracts <sup>1</sup>
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
Compensation and Pay	In Compliance	Bilingual Pay Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

<sup>1</sup> This is the third consecutive time this has been a finding for the GO-Biz. The September 13, 2021, GO-Biz compliance review report identified two missing union notifications for the five PSC's executed. The August 21, 2018, GO-Biz compliance review report identified one missing union notification for the five PSC's executed.

Area	Severity	Finding
Leave	In Compliance	Positive Paid Employees' Tracked Hours Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
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	Serious	Performance Appraisals Were Not Provided to All Employees

### **BACKGROUND**

The GO-Biz serves as the State of California's leader for job growth, economic development, and business assistance efforts in the world's fifth largest economy. The GO-Biz offers no-cost consultation to business owners for attraction, retention, and expansion services, site selection, permit streamlining, clearing of regulatory hurdles, small business assistance, international trade development, assistance with state government, and more.

The GO-Biz programs include, but are not limited to, the Cannabis Equity Grants for Local Jurisdictions, CalGold, California Community Reinvestment Grants, California Competes Tax Credit, California Film and TV Tax Credit, California State Trade Expansion Program, and Regional Investment Initiative. The GO-Biz engages with the following industries: Aerospace and Defense, Agriculture and Ag Tech, Biotech, Climate and Clean Energy, Film and Television, High-Tech, Hydrogen, Manufacturing, Semiconductors, Microelectronics, Supply Chain, Tourism and Outdoor Recreation, Zero Emission

Vehicles, Wood Product, and Biomass. The GO-Biz has approximately 252 budgeted positions.

## **SCOPE AND METHODOLOGY**

The scope of the compliance review was limited to reviewing the GO-Biz's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes<sup>2</sup>. The primary objective of the review was to determine if the GO-Biz'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 GO-Biz did not conduct any examinations during the compliance review period. The CRD reviewed the GO-Biz's permanent withhold actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and withhold letters.

A cross-section of the GO-Biz'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 GO-Biz 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 GO-Biz did not conduct any unlawful appointment investigations during the compliance review period.

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

---

<sup>2</sup> Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

The review of the GO-Biz'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).

The GO-Biz's PSC's were also reviewed.<sup>3</sup> It was beyond the scope of the compliance review to make conclusions as to whether the GO-Biz's justifications for the contracts were legally sufficient. The review was limited to whether the GO-Biz's practices, policies, and procedures relative to PSC's complied with procedural requirements.

The GO-Biz'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 CRD reviewed the GO-Biz'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 GO-Biz'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 GO-Biz'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. During the compliance review period, the GO-Biz did not have any employees with non-qualifying pay period transactions. Additionally, the CRD reviewed a selection of the GO-Biz employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRD reviewed a selection of GO-Biz positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements.

---

<sup>3</sup>If an employee organization requests the SPB to review any personal services contract during the SPB compliance review period or prior to the completion of the final compliance review report, the SPB will not audit the contract. Instead, the SPB will review the contract pursuant to its statutory and regulatory process. In this instance, none of the reviewed PSC's were challenged.

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

The CRD received and carefully reviewed the GO-Biz's written response on June 17, 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, March 1, 2024, through November 30, 2024, the GO-Biz conducted six permanent withhold actions. The CRD reviewed all six of these permanent withhold actions, which are listed below:



Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Associate Governmental Program Analyst	EX-1764	45084	45450	Failed to Meet Minimum Qualifications (MQs)
Associate Governmental Program Analyst	EX-1764	45563	45928	Failed to Meet MQs
Associate Governmental Program Analyst	EX-1764	45474	45474	Failed to Meet MQs
Senior Accounting Officer (Specialist)	EC-3042	45436	45436	Failed to Meet MQs
Staff Services Manager I (Supervisory)	EX-2109	45201	45567	Failed to Meet MQs
Staff Services Manager II (Supervisory)	EX-2193	45580	45945	Failed to Meet MQs

<b>IN COMPLIANCE</b>	<b>FINDING NO. 1 PERMANENT WITHHOLD ACTIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES</b>
----------------------	--

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, October 1, 2023, through June 30, 2024, the GO-Biz made 51 appointments. The CRD reviewed 19 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Associate Governmental Program Analyst	Certification List	Limited Term	Full Time	4
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	2
Information Technology Manager I	Certification List	Permanent	Full Time	1
Information Technology Specialist I	Certification List	Permanent	Full Time	1
Information Technology Specialist II	Certification List	Permanent	Full Time	1
Management Services Technician	Certification List	Permanent	Full Time	1
Staff Services Analyst	Certification List	Permanent	Full Time	2
Staff Services Manager I	Certification List	Permanent	Full Time	3
Staff Services Manager I	Certification List	Limited Term	Full Time	1
Staff Services Manager II	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	1
Staff Services Manager I	Transfer	Limited Term	Full Time	1

<b>IN COMPLIANCE</b>	<b>FINDING NO. 2 APPOINTMENTS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES</b>
----------------------	--

The GO-Biz measured each applicant's ability to perform the duties of the job by conducting hiring interviews and selecting the best-suited candidates. For each of the 17 list appointments reviewed, the GO-Biz ordered a certification list of candidates ranked competitively. After properly clearing the certification lists including SROA, the selected candidates were appointed based on eligibility attained by being reachable within the first three ranks of the certification lists.

The CRD reviewed two GO-Biz appointments made via transfer. A transfer of an employee from a position under one appointing power to a position under another appointing power may be made if the transfer is to a position in the same class or in

another class with substantially the same salary range and designated as appropriate by the executive officer. (Cal. Code Regs., tit. 2, § 425.) The GO-Biz verified the eligibility of each candidate to their appointed class.

The CRD found no deficiencies in the appointments that the GO-Biz initiated during the compliance review period. Accordingly, the CRD found that the GO-Biz procedures utilized during the compliance review period satisfied civil service laws and Board rules.

### **Equal Employment Opportunity**

Each state agency is responsible for an effective EEO program. (Gov. Code, § 19790.) The appointing power for each state agency has the major responsibility for monitoring the effectiveness of its EEO program. (Gov. Code, § 19794.) To that end, the appointing power must issue a policy statement committed to 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).)

<b>SEVERITY: VERY SERIOUS</b>	<b>FINDING No. 3    A Disability Advisory Committee Has Not Been Actively Maintained</b>
-----------------------------------	--

**Summary:**                    The GO-Biz does not have an active DAC.

**Criteria:**                    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).)

**Severity:** Very Serious. The agency head does not have direct information on issues of concern to employees or other persons with disabilities and input to correct any underrepresentation. The lack of a DAC may limit an agency's ability to recruit and retain a qualified workforce, impact productivity, and subject the agency to liability.

**Cause:** The GO-Biz states that they participate in the California Highway Patrol's (CHP) DAC, however their DAC representative had not received invitations to attend any of the CHP's DAC meetings.

**Corrective Action:** The GO-Biz asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the GO-Biz must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure the establishment of a DAC, comprised of members who have disabilities or who have an interest in disability issues; or the consistent participation on another agency's DAC.

### **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, March 1, 2024, through November 30, 2024, the GO-Biz had 22 PSC's that were in effect. The CRD reviewed 11 of those, which are listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Arches H2, LLC	Hydrogen Hub Development	\$2,100,000	Yes	No
Southern California Shredding	Shredding	\$4,740	Yes	No
World Trade Center Association Los Angeles	Statewide Foreign Direct Investment Report	\$5,000	Yes	No
California Diplomacy Foundation	Fiduciary Services for Select USA Summit	\$49,999	Yes	No
Cal Interpreting & Translations	Written Translation Services	\$49,999	Yes	No
Avantpage	Interpretation Services	\$7,000	Yes	No
GHD	Energy Project Deployment	\$2,204,171	Yes	No
California Capital Financial Development Corp. (CA Capital)	Administration of the Small Business Loan Guarantee Program	\$123,000	Yes	No
California Coastal Rural Development Corp. (CA Coastal)	Administration of the Small Business Loan Guarantee Program	\$123,000	Yes	No
California Southern Small Business Development Corp. (CA Southern)	Administration of the Small Business Loan Guarantee Program	\$123,000	Yes	No

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Nor-Cal Financial Development Corp.	Administration of the Small Business Loan Guarantee Program	\$123,000	Yes	No

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 4   UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACTS</b>
------------------------------	--

**Summary:** The GO-Biz did not notify unions prior to entering into all 11 PSC's reviewed.

**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 GO-Biz states that they misunderstood that the unions needed to receive finalized contract details through the signed STD 215 form prior to contract execution, which resulted in union notification occurring later than required.

**Corrective Action:** Departments are responsible for notifying all organizations that represent state employees who perform or could perform the type of work to be contracted prior to executing a PSC. The PSC's reviewed during this compliance review involved several services and functions which various rank-and-file civil service classifications perform. The GO-Biz asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the GO-Biz must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure conformity

with the requirements of California Code of Regulations section 547.60.2.

### **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 Legislature encourages the state and its agencies to consult on a government-to-government basis with federally recognized tribes and with nonfederally recognized tribes

and tribal organizations in order to allow tribal officials the opportunity to provide meaningful and timely input in the development of policies, programs, and projects that have tribal implications. (Gov. Code, § 11019.81, sub. (c).) Each official specified in Government Code section 11019.81 subdivision (f)<sup>4</sup> shall complete tribal consultations training by January 1, 2025, or, for officials appointed after that date, within six months of their appointment or confirmation of appointment, whichever is later. (Gov. Code, § 11019.81, sub. (h).) Each official shall retake the training annually. (*Ibid.*)

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 GO-Biz's mandated training program that was in effect during the compliance review period, December 1, 2022, through November 30, 2024.

<b>IN COMPLIANCE</b>	<b>FINDING NO. 5</b>	<b>MANDATED TRAINING COMPLIED WITH STATUTORY REQUIREMENTS</b>
----------------------	----------------------	---

The GO-Biz provided ethics training to its 46 new filers within 6 months of appointment and, for 54 existing filers, "at least once during each consecutive period of 2 calendar years, commencing on the first odd-numbered year thereafter." The GO-Biz also provided supervisory training to its 12 new supervisors within 12 months of appointment. In addition, the GO-Biz provided sexual harassment prevention training its 17 new supervisors within 6 months of appointment, and sexual harassment prevention training to its 53 existing supervisors every 2 years. Lastly, the GO-Biz provided sexual harassment prevention training to 58 of 58 existing non-supervisors every 2 years. Thus, the GO-Biz complied with mandated training requirements within statutory timelines.

---

<sup>4</sup> Within the executive branch, the following officials have authority to represent the state in a tribal government-to-government consultation: the governor, the attorney general, each constitutional officer and statewide elected official, the director of each state agency and department, the chair and executive officer of each state commission and task force, and the chief counsel of any state agency. (Gov. Code, § 11019.81, sub. (f) (1).) Each authorized official may formally designate another agency official to conduct preliminary tribal consultations, and each designated official may have the authority to act on behalf of the state during a government-to-government consultation. (Gov. Code, § 11019.81, sub. (f) (2).)



## **Compensation and Pay**

### **Salary Determination**

The pay plan for state civil service consists of salary ranges and steps established by CalHR. (Cal. Code Regs., tit. 2, § 599.666.) Several salary rules dictate how departments calculate and determine an employee's salary rate<sup>5</sup> upon appointment depending on the appointment type, the employee's state employment and pay history, and tenure.

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

During the period under review, October 1, 2023, through June 30, 2024, the GO-Biz made 51 appointments. The CRD reviewed 7 of those appointments to determine if the GO-Biz applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$5,684
Information Technology Specialist II	Certification List	Permanent	Full Time	\$8,130
Management Services Technician	Certification List	Permanent	Full Time	\$3,786
Staff Services Analyst	Certification List	Permanent	Full Time	\$4,726
Staff Services Manager I	Certification List	Permanent	Full Time	\$6,760
Staff Services Manager I	Certification List	Permanent	Full Time	\$6,760
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	\$6,266

---

<sup>5</sup> "Rate" is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (Cal. Code Regs., tit. 2, section 599.666).

<b>IN COMPLIANCE</b>	<b>FINDING NO. 6</b>	<b>SALARY DETERMINATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
----------------------	----------------------	---

The CRD found no deficiencies in the salary determinations that were reviewed. The GO-Biz 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, October 1, 2023, through June 30, 2024, the GO-Biz employees made two alternate range movements within a classification. The CRD reviewed both of those alternate range movements to determine if the GO-Biz 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)
Information Technology Specialist I	A	B	Full Time	\$7,106
Staff Services Analyst	B	C	Full Time	\$5,128

<b>IN COMPLIANCE</b>	<b>FINDING NO. 7</b>	<b>ALTERNATIVE RANGE MOVEMENTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
----------------------	----------------------	---

The CRD determined that the alternate range movements the GO-Biz 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, October 1, 2023, through June 30, 2024, the GO-Biz issued bilingual pay to three employees. The CRD reviewed all three bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Time Base	No. of Appts.
Associate Governmental Program Analyst	R01	Full Time	1
Staff Services Manager I	S01	Full Time	2

<b>IN COMPLIANCE</b>	<b>FINDING NO. 8 BILINGUAL PAY AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
----------------------	--

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.

## Pay Differentials

A pay differential is special additional pay recognizing unusual competencies, circumstances, or working conditions applying to some or all incumbents in select classes. A pay differential may be appropriate in those instances when a subgroup of positions within the overall job class might have unusual circumstances, competencies, or working conditions that distinguish these positions from other positions in the same

class. Typically, pay differentials are based on qualifying pay criteria such as: work locations or shift assignments; professional or educational certification; temporary responsibilities; special licenses, skills or training; performance-based pay; incentive-based pay; or, recruitment and retention. (Classification and Pay Manual Section 230.)

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

During the period under review, October 1, 2023, through June 30, 2024, the GO-Biz authorized four pay differentials.<sup>6</sup> The CRD reviewed all of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount
Staff Services Manager II	441	\$250
Staff Services Manager I	441	\$250
Staff Services Manager I	441	\$250
Staff Services Manager I	441	\$250

<b>IN COMPLIANCE</b>	<b>FINDING NO. 9</b>	<b>PAY DIFFERENTIAL AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
----------------------	----------------------	---

The CRD found no deficiencies in the pay differentials that the GO-Biz authorized during the compliance review period. Pay differentials were issued correctly in recognition of unusual competencies, circumstances, or working conditions in accordance with applicable rules and guidelines.

<sup>6</sup> For the purposes of CRD's review, only monthly pay differentials were selected for review at this time.

## 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 days<sup>7</sup> worked and paid absences<sup>8</sup>, 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 aids, and seasonal classifications a maximum work-time limit of 1,500 hours within 12 consecutive months may be used rather than the 189-day calculation. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

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

---

<sup>7</sup> For example, two hours or ten hours count as one day.

<sup>8</sup> For example, vacation, sick leave, compensating time off, etc.

At the time of the review, the GO-Biz had five positive paid employees whose hours were tracked. The CRD reviewed all five 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	Intermittent	Retired Annuitant	683.5 Hours
Associate Governmental Program Analyst	Intermittent	Retired Annuitant	960 Hours
Senior Personnel Specialist	Intermittent	Retired Annuitant	956.5 Hours
Student Assistant	Intermittent	Temporary	1,051 Hours
Student Assistant	Intermittent	Temporary	1,133 Hours

<b>IN COMPLIANCE</b>	<b>FINDING NO. 10 POSITIVE PAID EMPLOYEES' TRACKED HOURS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
----------------------	--

The CRD found no deficiencies in the positive paid employees reviewed during the compliance review period. The GO-Biz 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, September 1, 2023, through August 31, 2024, the GO-Biz authorized one ATO transaction. The CRD reviewed the ATO transaction to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	Amount of Time on ATO
Management Services Technician	5/13/24 and 5/30/24 5/31/24 thru 6/10/24	18 Hours 56 Hours

<b>IN COMPLIANCE</b>	<b>FINDING NO. 11</b>	<b>ADMINISTRATIVE TIME OFF AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
----------------------	-----------------------	---

The CRD found no deficiencies in the ATO transaction reviewed during the compliance review period. The GO-Biz 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, September 1, 2023, through August 31, 2024, the GO-Biz reported six units. The CRD reviewed four units within one pay period to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

<b>IN COMPLIANCE</b>	<b>FINDING NO. 12</b>	<b>LEAVE ACCOUNTING COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
----------------------	-----------------------	---

The CRU reviewed leave records from four 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 GO-Biz 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.<sup>9</sup> (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. (*Ibid.*) On the first day following a qualifying monthly pay period, excluded employees<sup>10</sup> 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, January 1, 2024, through September 30, 2024, the GO-Biz had two employees with qualifying and non-qualifying pay period transactions. The

---

<sup>9</sup> 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.

<sup>10</sup> 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.



CRD reviewed both transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Type of Transaction	Time Base	No. Reviewed
Non-Qualifying Pay Period	Full Time	2

<b>IN COMPLIANCE</b>	<b>FINDING NO. 13</b>	<b>SERVICE AND LEAVE TRANSACTIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
----------------------	-----------------------	---

The CRD determined that the GO-Biz 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 applicant, as defined in section 83.6; (5) a statement that prohibits the direct or first-line supervision of an employee with whom the supervisor has a personal relationship, as defined in section 83.6; (6) a process for addressing issues of direct supervision when personal relationships between employees exist. (*Ibid.*)

<b>IN COMPLIANCE</b>	<b>FINDING NO. 14</b>	<b>NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
----------------------	-----------------------	--

The CRD verified that the policy was disseminated to all staff and emphasized the GO-Biz's commitment to the state policy of hiring, transferring, and promoting employees on the basis of merit. Additionally, the GO-Biz'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 office to discuss the status of volunteers. (*Ibid.*)

In this case, the GO-Biz did not employ volunteers during the compliance review period.

<b>IN COMPLIANCE</b>	<b>FINDING NO. 15</b>	<b>WORKERS' COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
----------------------	-----------------------	--

The CRD verified that the GO-Biz 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 GO-Biz 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 17 permanent GO-Biz employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 16    PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES TIMELY</b>
------------------------------	---

**Summary:** The GO-Biz did not provide annual performance appraisals timely to 4 of the 17 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.)

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

**Cause:** The GO-Biz states that while they do maintain a centralized tracking system and regularly send reminders about outstanding performance appraisals, including escalating communication to supervisors’ managers when necessary, these efforts have not consistently resulted in timely completion of the appraisals.

**Corrective Action:** The GO-Biz asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the GO-Biz 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 GO-Biz response is attached as Attachment 1.

### **SPB REPLY**

Based on the GO-Biz' 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.

GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT  
STATE OF CALIFORNIA • OFFICE OF GOVERNOR GAVIN NEWSOM

June 17, 2025

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

Subject: Response to the State Personnel Board Compliance Review Report

Dear Ms. Ambrose,

The Governor's Office of Business and Economic Development (GO-Biz) would like to thank the State Personnel Board's Compliance Review Division for its thorough review of GO-Biz's 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. GO-Biz appreciates the opportunity to better ensure our compliance and is committed towards remedying the findings identified in the report.

GO-Biz has reviewed the report and prepared the following causes and responses to each of the findings that require corrective action:

**FINDING NO. 3 – A Disability Advisory Committee Has Not Been Actively Maintained**

**Cause:**

As a small agency, GO-Biz does not maintain its own Disability Advisory Committee (DAC), but rather participates in the California Highway Patrol (CHP)'s DAC committee, which is referred to as the Advisory Committee for Persons with Disabilities (ACPD), to meet this mandate. Following the resignation of our previous DAC representative, we successfully recruited a new DAC representative and notified CHP of this change and requested that our new DAC representative be included in all future ACPD meetings.

During the course of this compliance review, we recently learned that while our representative had been invited to Statewide Disability Advisory Council (SDAC) meetings and DAC networking events, they had not been receiving invitations to ACPD meetings. Once we became aware of this oversight, we promptly reached out to CHP again, in June of 2025, to ensure our representative is added to ACPD meetings moving forward. We remain committed to active and effective participation in ACPD efforts.

**Department's Response:**

We believe this was a one-time administrative oversight that occurred during the transition between DAC representatives. To strengthen our compliance with the mandate, we have updated our internal procedures to ensure improved communication and accountability. These updates include requesting confirmation from the DAC representative upon receipt of ACPD meeting invitations and a follow-up check-in from our internal HR staff to verify participation.

We are confident that these steps will prevent similar issues in the future and reaffirm our ongoing commitment to compliance with Government Code section 19795, supporting the goals of the ACPD, and ensuring effective representation for persons with disabilities.

---

**FINDING NO. 4 – UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACTS****Cause:**

The timing of the union notification was an unintended result of a misunderstanding regarding the notification requirements. We misunderstood that the union needed to receive finalized contract details through the signed STD 215 form to adequately review the contracts. However, because the STD 215 is signed at contract execution, this resulted in union notification occurring later than required.

**Department's Response:**

We appreciate this feedback and have taken steps to improve our notification process. To address this, we have updated our procedures so that the union will receive an unsigned STD 215 form before any personal services contract is executed. This adjustment ensures timely notification while still providing the union with relevant contract details.

GO-Biz remains committed to complying with all applicable requirements and maintaining transparent, proactive communication with union representatives.

---

**FINDING NO. 16 – PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES TIMELY****Cause:**

While GO-Biz maintains a centralized tracking system and regularly sends reminders about outstanding performance appraisals—escalating communication to supervisors' managers when necessary—these efforts have not consistently resulted in timely completion of the appraisals.

**Department's Response:**

We appreciate the feedback and remain committed to improving the timely completion of performance appraisals. To enhance compliance, we recently launched a new performance management training course designed to equip supervisors and managers with the necessary tools and knowledge to effectively conduct appraisals.

In addition, we have updated our follow-up process by revising reminder emails to reference the applicable Government Code mandates and emphasize the importance of completing appraisals on time. We have also added direct phone calls to supervisors and managers as a follow-up step, rather than relying solely on email communication. This proactive outreach complements ongoing email reminders and continued escalation to supervisors, managers, and the Director of Human Resources when necessary.

These combined efforts aim to strengthen accountability and ensure that all performance appraisals are completed in accordance with policy and legal requirements.

Thank you for the opportunity to respond to the findings identified. If you have any questions or require additional information, please do not hesitate to contact me at 916-970-1938 or by email at [chen.chong@gobiz.ca.gov](mailto:chen.chong@gobiz.ca.gov).

Sincerely,

A handwritten signature in cursive script that reads "Chen Chong".

Chen Chong  
Interim Director of Human Resources  
Governor's Office of Business and Economic Development  
Human Resources Division