

COMPLIANCE REVIEW REPORT

CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

Compliance Review Unit
State Personnel Board
April 30, 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 Health and Human Services Agency (CHHS) personnel practices in the areas of examinations, appointments, EEO, PSC's, mandated training, compensation and pay, leave, and policy and processes. The following table summarizes the compliance review findings.

Area	Severity	Finding
Examinations	In Compliance	Examinations Complied with Civil Service Laws and Board Rules
Examinations	In Compliance	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	Serious	Probationary Evaluations Were Not Timely
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules
Mandated Training	Very Serious	Ethics Training Was Not Provided for All Filers ¹
Mandated Training	Very Serious	Sexual Harassment Prevention Training Was Not Provided for All Employees ²
Compensation and Pay	In Compliance	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

¹ Repeat finding. The July 14, 2022, CHHS compliance review report identified the CHHS did not provide ethics training to 14 of 43 existing filers. The November 5, 2019, CHHS compliance review report identified the CHHS did not provide ethics training to their one existing filer.

² Repeat finding. The July 14, 2022, CHHS compliance review report identified 4 of 18 existing supervisors and 13 of 57 non-supervisors did not receive the sexual harassment prevention training every 2 years. The November 5, 2019, CHHS compliance review report identified 9 of 13 existing supervisors did not receive sexual harassment prevention training every 2 years and 2 of 4 new supervisors did not receive the training within 6 months of their appointment.

Area	Severity	Finding
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
Compensation and Pay	Very Serious	Incorrect Authorization of Out-of-Class Pay
Leave	In Compliance	Positive Paid Employees' Tracked Hours 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 ³

BACKGROUND

The CHHS oversees departments, boards, and offices dedicated to providing an extensive array of services, including health care, social services, mental health services, substance abuse treatment, public health initiatives, income assistance, and support for

³ Repeat finding. The July 14, 2022, CHHS compliance review report identified five of seven employees reviewed did not receive annual performance appraisals. The November 5, 2019, CHHS Compliance Review Report identified 9 of 11 employees reviewed did not receive annual performance appraisals.

individuals with disabilities. These health and human services programs are essential in delivering medical, dental, mental health, and social services to some of California's most vulnerable and at-risk residents. By facilitating access to crucial services for millions of Californians, these programs promote overall health, well-being, and societal integration. The mission of CHHS is to prioritize the needs of children, advocate for personal responsibility in service provision, and enhance the effectiveness and accountability of its operations.

The California Department of Social Services (CDSS) contributes to this mission by performing a portion of CHHS' human resources operations.

SCOPE AND METHODOLOGY

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

A cross-section of the CHHS' examinations was selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRD examined the documentation that the CHHS provided, which included examination plans, examination bulletins, job analyses, and scoring results. The CRD also reviewed the CHHS' permanent withhold actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and withhold letters.

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

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

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

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

The CHHS' mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, that all supervisors, managers, and those serving in Career Executive Assignments (CEA) were provided leadership and development training, and that all employees were provided sexual harassment prevention training.

The CRD reviewed the CHHS' 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 CHHS' units in order to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the CHHS' 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 CHHS positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements. The CHHS did not authorize Administrative Time Off (ATO).

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

The CRD received and carefully reviewed the CHHS' written response on April 16, 2025, which is attached to this final compliance review report.

FINDINGS AND RECOMMENDATIONS

Examinations

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

During the period under review, February 1, 2024, through October 31, 2024, CHHS conducted two examinations. The CRD reviewed those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
CEA A, Associate Secretary, Legislative Affairs	CEA	Statement of Qualifications (SOQ) ⁵	11/7/2023	14

⁵ In a Statement of Qualifications examination, applicants submit a written summary of their qualifications and experience related to a published list of desired qualifications. Raters, typically subject matter experts, evaluate the responses according to a predetermined rating scale designed to assess their ability to perform in a job classification, assign scores and rank the competitors in a list.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
CEA A, Data & Research Division Chief, Office of Youth & Community Restoration	CEA	SOQ	3/18/2024	5

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

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, February 1, 2024, through October 31, 2024, the CHHS conducted eight permanent withhold actions. The CRD reviewed 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	9PB04	5/16/2024	5/16/2025	Failed to Meet Minimum Qualifications
Associate Governmental Program Analyst	9PB04	2/12/2024	2/12/2025	Failed to Meet Minimum Qualifications
Health Program Specialist I	EX-1192	6/28/2023	6/28/2024	Failed to Meet Minimum Qualifications
Health Program Specialist I	EX-1192	12/29/2023	12/29/2024	Failed to Meet Minimum Qualifications
Health Program Specialist II	EX-1191	3/28/2024	3/28/2025	Failed to Meet Minimum Qualifications
Staff Services Manager I	2PBCY	6/21/2024	6/21/2025	Failed to Meet Minimum Qualifications

IN COMPLIANCE	FINDING NO. 2 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, October 1, 2023, through June 30, 2024, the CHHS made 46 appointments. The CRD reviewed 18 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	2
Attorney III	Certification List	Permanent	Full Time	1
Health Program Specialist I	Certification List	Permanent	Full Time	1
Health Program Specialist II	Certification List	Permanent	Full Time	1
Information Officer II	Certification List	Permanent	Full Time	1
Information Technology Specialist II	Certification List	Permanent	Full Time	1
Investigator	Certification List	Permanent	Full Time	2
Office Technician (Typing)	Certification List	Permanent	Full Time	1
Public Health Medical Administrator I	Certification List	Limited Term	Full Time	1
Research Data Specialist I	Certification List	Permanent	Full Time	1
Staff Services Analyst	Certification List	Permanent	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	2
Supervising Special Investigator I	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	1
Information Technology Specialist II	Transfer	Permanent	Full Time	1

SEVERITY: SERIOUS	FINDING No. 3 PROBATIONARY EVALUATIONS WERE NOT TIMELY
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Summary: The CHHS did not provide in a timely manner 5 probationary reports of performance for 3 of the 18 appointments reviewed by the CRD, as reflected in the table below.

Classification	Appointment Type	No. of Appointments	Total No. of Late Probation Reports
Associate Governmental Program Analyst	Certification List	2	2
Research Data Specialist I	Certification List	1	3

Criteria: The service of a probationary period is required when an employee enters or is promoted in the state civil service by permanent appointment from an employment list. (Gov. Code, § 19171.) During the probationary period, the appointing power shall evaluate the work and efficiency of a probationer in the manner and at such periods as the department rules may require. (Gov. Code, § 19172.) A report of the probationer's performance shall be made to the employee at sufficiently frequent intervals to keep the employee adequately informed of progress on the job. (Cal. Code Regs., tit. 2, § 599.795.) A written appraisal of performance shall be made to the Department within 10 days after the end of each one-third portion of the probationary period. (*Ibid.*) The Board's record retention rules require that appointing powers retain all probationary reports for five years from the date the record is created. (Cal. Code Regs., tit. 2, § 26, subd. (a)(3).)

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

Cause: The CHHS states that probationary evaluation notices are sent to personnel liaisons and supervisors to ensure timely completion and progress monitoring. However, the evaluations are not being completed by the supervisors timely.

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

corrections the department will implement to ensure conformity with 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).)

IN COMPLIANCE	FINDING NO. 4	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 CHHS' 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 CHHS. The CHHS 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 Career Executive Assignment (CEA) position, the employee shall be provided leadership training and development, as prescribed by CalHR. (Gov. Code, § 19995.4, subds. (d) & (e).) For management employees the training must be a minimum of 40 hours and for CEAs the training must be a minimum of 20 hours. (*Ibid.*)

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 CHHS' mandated training program that was in effect during the compliance review period, November 1, 2022, through October 31, 2024. The CHHS' supervisory training was found to be in compliance, while the CHHS' ethics and sexual harassment prevention training were found to be out of compliance.

SEVERITY: VERY SERIOUS	FINDING No. 5 ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS
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Summary: The CHHS did not provide ethics training to 5 of 18 existing filers. In addition, the CHHS did not provide ethics training to 12 of 16 new filers within 6 months of their appointment. This is the third consecutive time this has been a finding for the CHHS.

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

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

Cause: The CHHS states that despite the various methods used to inform and remind supervisors of this requirement, not all employees completed the training timely.

Corrective Action: Within 90 days of this report, the CHHS must submit to the SPB a written correction action response which addresses the corrections the department will implement to demonstrate conformity with Government Code section 11146.3. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

SEVERITY: VERY SERIOUS	FINDING NO. 6 SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES
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Summary: The CHHS did not provide sexual harassment prevention training to 5 of 12 new supervisors within 6 months of their appointment. In addition, the CHHS did not provide sexual harassment prevention training to two of seven existing supervisors every two years. This is the third consecutive time this has been a finding for the CHHS.

The CHHS did not provide sexual harassment prevention training to 25 of 53 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.)

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

Cause: The CHHS states that despite actively communicating and stressing the importance of completing sexual harassment prevention training, not all employees completed the training timely.

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

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 rate⁶ 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 CHHS made 46 appointments. The CRD reviewed eight of those appointments to determine if the CHHS 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
Health Program Specialist I	Certification List	Permanent	Full Time	\$6,243
Health Program Specialist II	Certification List	Permanent	Full Time	\$7,917
Investigator	Certification List	Permanent	Full Time	\$9,143
Research Data Specialist I	Certification List	Permanent	Full Time	\$6,555
Staff Services Manager I	Certification List	Permanent	Full Time	\$6,760
Supervising Special Investigator I	Certification List	Permanent	Full Time	\$10,707
Information Technology Specialist II	Transfer	Permanent	Full Time	\$10,893

⁶ "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).

IN COMPLIANCE	FINDING No. 7	SALARY DETERMINATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the salary determinations that were reviewed. The CHHS 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 CHHS made one alternate range movement within a classification. The CRD reviewed the alternate range movement to determine if the CHHS applied salary regulations accurately and correctly processed the employee's compensation, which is listed below:

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Public Health Medical Administrator I	B	C	Full Time	\$18,940

IN COMPLIANCE	FINDING No. 8	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 movement the CHHS 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 CHHS issued bilingual pay to two employees. The CRD reviewed these bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Time Base	No. of Appts.
Health Program Specialist II	R01	Full-Time	1
Information Officer II	S01	Full-Time	1

IN COMPLIANCE	FINDING No. 9	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.

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 CHHS authorized six pay differentials.⁷ The CRD reviewed five of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount
Investigator	244	5%
Investigator	244	2.5%
Investigator	244	5%
Supervising Special Investigator I	244	5%
Supervising Special Investigator I	244	5%

IN COMPLIANCE	FINDING NO. 10 PAY DIFFERENTIAL AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the pay differentials that the CHHS 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.

⁷ For the purposes of CRD's review, only monthly pay differentials were selected for review at this time.

Out-of-Class Assignments and Pay

For excluded⁸ and most rank-and-file employees, out-of-class (OOC) work is defined as performing, more than 50 percent of the time, the full range of duties and responsibilities allocated to an existing class and not allocated to the class in which the person has a current, legal appointment. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(2).) A higher classification is one with a salary range maximum that is any amount higher than the salary range maximum of the classification to which the employee is appointed. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(3).)

According to the Classification and Pay Guide, OOC assignments should only be used as a last resort to accommodate temporary staffing needs. All civil service alternatives should be explored first before using OOC assignments. However, certain MOU provisions and the California Code of Regulations, title 2, section 599.810 allow for short-term OOC assignments to meet temporary staffing needs. Should OOC work become necessary, the assignment would be made pursuant to the applicable MOU provisions or salary regulations. Before assigning the OOC work, the department should have a plan to correct the situation before the time period outlined in applicable law, policy or MOU expires. (Classification and Pay Guide Section 375.)

During the period under review, October 1, 2023, through June 30, 2024, the CHHS issued OOC pay to two employees. The CRD reviewed these OOC assignments to ensure compliance with applicable MOU provisions, salary regulations, and CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
CEA A, Director of Communications	M01	CEA C, Chief of Staff	10/1/23-10/31/23
Staff Services Manager I	S01	CEA A, Insights Lab Deputy Director	10/1/23-10/24/23

SEVERITY: VERY SERIOUS	FINDING NO. 11 INCORRECT AUTHORIZATION OF OUT-OF-CLASS PAY
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Summary: The CRD found two errors in the two OOC pay assignments reviewed:

⁸ “Excluded employee” means an employee as defined in Government Code section 3527, subdivision (b) (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to Government Code section 18801.1.

Classification	Out-of-Class Classification	Description of Findings	Criteria
CEA A, Director of Communications	CEA C, Chief of Staff	Managerial employee received OOC pay before the 91st day resulting in the employee being overcompensated.	Pay Differential 101
Staff Services Manager I	CEA A, Insights Lab Deputy Director	Incorrect OOC rate calculated resulting in the employee being overcompensated.	Pay Differential 101

Criteria: Employees may be compensated for performing duties of a higher classification provided that: the assignment is made in advance in writing and the employee is given a copy of the assignment; and the duties performed by the employee are not described in a training and development assignment or by the specification for the class to which the excluded employee is appointed and, are fully consistent with the types of jobs described in the specification for the higher classification; and the employee does not perform such duties for more than 120 days in a fiscal year. (Cal. Code Regs., tit. 2, § 599.810, subd. (b)(1)(3)(4).)

For excluded employees, there shall be no compensation for assignments that last for 15 consecutive working days or less. (Cal. Code Regs., tit. 2, § 599.810, subd. (c).) An excluded employee performing in a higher class for more than 15 consecutive working days shall receive the rate of pay the excluded employee would receive if appointed to the higher class for the entire duration of the assignment, not to exceed one year. (Cal. Code Regs., tit. 2, § 599.810, subd. (d).) An excluded employee may be assigned out-of-class work for more than 120 calendar days during any 12-month period only if the appointing power files a written statement with the CalHR certifying that the additional out-of-class work is required to meet a need that cannot be met through other administrative or civil service alternatives. (Cal. Code Regs., tit. 2, § 599.810, subd. (e).)

Severity: Very Serious. The CHHS failed to comply with the state civil service pay plan by incorrectly applying compensation laws and rules in accordance with CalHR's policies and guidelines. This results in civil

service employees receiving incorrect and/or inappropriate compensation.

Cause: The CHHS states that the CEA was incorrectly paid at the start of the OOC assignment instead of on the 91st day as required for managerial employees. In addition, the Staff Services Manager I OOC pay was initially correct; however, the retroactive general salary increase was not included in the OOC calculation resulting in the employee being overcompensated.

Corrective Action: Within 90 days of the date of this report, the CHHS must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with California Code of Regulations, title 2, section 599.810 and Pay Differential 101. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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 days⁹ worked and paid absences¹⁰, 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.*)

⁹ For example, two hours or ten hours count as one day.

¹⁰ For example, vacation, sick leave, compensating time off, etc.

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 CHHS had 12 positive paid employees whose hours were tracked. The CRD reviewed 10 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Hours Worked
Attorney III	Intermittent	7/1/23-6/30/24	217.5
Attorney III	Intermittent	7/1/23-6/30/24	911
Investigator	Intermittent	7/1/23-6/30/24	935
Special Consultant	Intermittent	7/1/23-6/30/24	954
Special Consultant	Intermittent	7/1/23-6/30/24	952
Special Consultant	Intermittent	7/1/23-6/30/24	471
Supervising Special Investigator I	Intermittent	7/1/23-6/30/24	142.5
Supervising Special Investigator II	Intermittent	7/1/23-6/30/24	950
Supervising Special Investigator II	Intermittent	7/1/23-6/30/24	353.25
Supervising Special Investigator II	Intermittent	7/1/23-6/30/24	915

IN COMPLIANCE	FINDING NO. 12 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 CHHS provided sufficient justification and adhered to applicable laws, regulations and CalHR policy and guidelines for positive paid employees.

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, May 1, 2024, through July 31, 2024, the CHHS reported five units. The CRD reviewed five units within one pay period to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

IN COMPLIANCE	FINDING NO. 13 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 one leave period to ensure compliance with applicable laws, regulations and CalHR policy and guidelines. Based on our review, the CRD found no deficiencies. The CHHS 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.¹¹ (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 employees¹² 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 CHHS had one employee with qualifying and non-qualifying pay period transactions. The CRD reviewed three transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Type of Transaction	Time base	No. Reviewed
Qualifying Pay Period	Full Time	1
Non-Qualifying Pay Period	Full Time	2

¹¹ 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.

¹² 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.

IN COMPLIANCE	FINDING NO. 14 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 CHHS ensured the employee 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.*)

IN COMPLIANCE	FINDING NO. 15 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 CHHS' commitment to the state policy of hiring, transferring, and promoting employees on the basis of merit. Additionally, the CHHS' 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 COMPLIANCE	FINDING NO. 16 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 CHHS 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 CHHS 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 ten permanent CHHS employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

SEVERITY: SERIOUS	FINDING NO. 17 PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES
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Summary: The CHHS did not provide annual performance appraisals to five of nine employees reviewed after the completion of the employee's probationary period. This is the third consecutive time this has been a finding for the CHHS.

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

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

Cause: The CHHS states that annual performance appraisal notices are sent to personnel liaisons and supervisors to ensure timely completion and progress monitoring. However, the appraisals are not being completed by the supervisors timely.

Corrective Action: Within 90 days of the date of this report, the CHHS 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 CHHS's response is attached as Attachment 1.

SPB REPLY

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



JENNIFER TROIA
DIRECTOR

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
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GAVIN NEWSOM
GOVERNOR

April 16, 2025

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

RE: California Health and Human Services Agency (CHHS) – Response to Compliance Review

Dear Ms. Ambrose,

This letter is in response to the State Personnel Board's (SPB) Compliance Review Unit (CRU) Audit, conducted pursuant to Government Code Section 18661. The review examined the personnel practices of the California Health and Human Services Agency (CHHS) in the areas of examinations, appointments, Equal Employment Opportunity (EEO), Personal Services Contracts (PSC), mandated training, compensation and pay, leave, and policies and processes.

The CHHS has reviewed the final compliance report and provided corrective action responses to the findings. CDSS processes payroll and select human resources functions on behalf of CHHS.

Finding No. 3 – Probationary Evaluations

The summary indicates CHHS did not provide in a timely manner 5 probation reports of performance for 3 of the 18 appointments reviewed by the CRU.

- **Cause:** CDSS confirms that probationary evaluation notices are sent to CHHS. CHHS is responsible for notifying personnel liaisons and supervisors to ensure timely completion and progress monitoring. However, CHHS's completion of these evaluations are not being completed by the supervisors timely.
- **Corrective Action:** The CDSS provides probationary evaluation reminders to CHHS. The CDSS is seeking a contract to automate this process by merging probationary period evaluations and performance appraisals into their existing ServiceNow HR Automation system, which will in turn benefit CHHS. Additionally, a collaborative Human Resource Management Letter was issued to all staff (CDSS and CHHS) on January 9, 2025, addressing compliance and responsibility in completing these documents timely to avoid these findings from occurring further. Separately, a CHHS Leadership Training Series has begun as of April 14, 2025, providing foundation training to CHHS leadership on the importance of a variety of different leadership topics which includes probationary reports and performance reviews. CHHS remains optimistic that providing these ongoing training opportunities, as well as establishing an automation process and the implementation of more frequent messaging, will support fulfilling this requirement.

Finding No. 5 – Mandated Training – Ethics

The summary indicates the CHHS did not provide ethics training to 5 of 18 existing filers. In addition, CHHS did not provide ethics training to 12 of 15 new filers within 6 months of their appointment.

- **Cause:** CHHS recognizes the importance of Ethics Training. Despite the various methods used to inform and remind supervisors of this requirement, not all employees completed the training timely.
- **Corrective Action:** With the increased growth of CHHS Offices now under Agency, they are actively exploring ways to save state funds and streamline administrative approaches to improve centralization of all administrative functions, including training efforts within the CHHS Office of Administrative Services. With limited funding, time and capacity, CHHS continues to manually send reminder communications to employees who have not returned their certificate of completion with a “cc” to the employee’s immediate supervisor/executive leadership. CHHS continues to reiterate the importance of completing Ethics Training in a timely manner for all supervisors, managers and executive leaders. Additionally, initial conversations have begun with California Department of Social Services (CDSS) and the Office of Technology and Solutions Integration (OTSI) to merge into their current automated systems that will improve the tracking and oversight of the mandated ethics training. A collaboration approach will support improving CHHS efforts toward fulfilling this requirement. In the meantime, CHHS will continue to manually monitor and remind staff, supervisors, and executive leaders to be accountable for compliance with required trainings and/or put policies in place that document delinquent training in employee evaluations.

Finding No. 6 – Mandated Training – Sexual Harassment Prevention Training (SHPT)

The summary indicates CHHS did not provide SHPT to 5 of 12 new supervisors within 6 months of their appointment. Additionally, CHHS did not provide SHPT to 2 of the 7 existing supervisors every 2 years.

- **Cause:** CHHS agrees with the findings and has made this a priority. CHHS has a process in place to notify employees regarding Sexual Harassment Prevention Training (SHPT).
- **Corrective Action:** Ongoing efforts continue to have all administrative functions centralized under the CHHS Office of Administrative Services. Although Agency has had substantial growth to implement the priority of five additional offices and staff, as well as a multiple leadership transition, the CHHS has started initial conversations with other subordinate Agency departments to merge into their current LMS/automated tracking systems. In the meantime, CHHS will continue to actively communicate and stress the importance of completing SHPT in executive and monthly supervisor/manager, and all staff meetings. Although still manually tracking training efforts, outreach, and reminders, automating these manual efforts will result in CHHS meeting compliance as soon as possible. In the meantime, we will continue to manually monitor, and encourage staff, supervisors, and executive leaders to be accountable for compliance with required trainings and/or put policies in place that document delinquent training in employee evaluations.

Finding No. 11 - Incorrect Authorization of Out of Class (OOC) Pay (2)

The summary indicates two compensation errors were found in each of the two OOC pay assignments reviewed.

Incorrect OOC rate calculated, resulting in the employee being overcompensated.

- **Cause:** The employee was paid OOC for the period in question. The OOC rate was computed accurately at the beginning of the OOC period, a general salary increase (GSI) (Pay Letter 23-44) was approved in December 2023 with a retroactive effective date of July 2023, resulting in the employee being overcompensated due to the retroactive GSI not because the OOC rate was calculated incorrectly.
- **Corrective Action:** The Department has researched and uploaded the appropriate documents to the State Controller's Office HR Connect to have the accounts receivables for the overpayment established. Once established, HR will collaborate with the employee as expeditiously as possible to recoup the overpayment. The Department has an internal Audits team who reviews staff work ensuring compliance with the application of OOC rules, laws, and regulations. The payroll team continues to train and educate on the application of OOC rules, laws, and regulations utilizing the resources provided by the California Department of Human Resources (CalHR) and the State Controller's Office (SCO) for calculating out-of-class payments. CDSS holds regularly scheduled training for both newly hired staff, within the first two months, and existing staff as needed.

Managerial employee received OOC pay before the 91st day resulting in the employee being overcompensated.

- **Cause:** The OOC was paid at the effective date OOC period. The pay should have begun on the 91st day of the OOC period because this was an exempt employee.
- **Corrective Action:** CDSS has researched and uploaded the appropriate documents to the State Controller's Office HR Connect to have the accounts receivables for the overpayment established. Once established, HR will collaborate with the employee as expeditiously as possible to recoup the overpayment. The Department has an internal Audits team who reviews staff work ensuring compliance with the application of OOC rules, laws, and regulations. The payroll team continues to train and educate on the application of OOC rules, laws, and regulations utilizing the resources provided by the California Department of Human Resources (CalHR) and the State Controller's Office (SCO) for calculating out of class payments. CDSS holds regularly scheduled training for both newly hired staff, within the first two months, and existing staff as needed.

Finding No. 17 – Performance Appraisals

The summary indicates the CHHS did not provide annual performance appraisals to 5 of 9 employees reviewed after the completion of the employee's probationary period.

- **Cause:** CDSS confirms that performance appraisal notices are sent to CHHS. CHHS is responsible for notifying personnel liaisons and supervisors to ensure timely completion and progress monitoring. However, CHHS's completion of these appraisals are not being completed by the supervisors.

Corrective Action: The CDSS provides probationary evaluation reminders to CHHS. The CDSS is seeking a contract to automate this process by merging probationary period evaluations and performance appraisals into their existing ServiceNow HR Automation system, which will in turn benefit CHHS. Additionally, a collaborative Human Resource Management Letter was issued to all staff (CDSS and CHHS) on January 9, 2025, addressing compliance and responsibility in completing these documents timely to avoid these findings from occurring further. Separately, a CHHS Leadership Training Series has begun as of April 14, 2025, that is providing foundation training to CHHS leadership on the importance of a variety of different leadership topics which includes probationary reports and performance reviews. CHHS remains optimistic that providing these ongoing training opportunities, as well as establishing an automation process and the implementation of more frequent messaging will help support fulfilling this requirement to avoid future audit findings.

The CHHS will continue to provide training to staff and work on process improvements to ensure further compliance with control agency policies and regulations. Please contact us if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Inez Navarrete", with a stylized flourish at the end.

Inez Navarrete, Chief
Human Resources Services Branch
California Department of Social Services