



# **COMPLIANCE REVIEW REPORT**

## **CALIFORNIA EXPOSITION AND STATE FAIR**

Compliance Review Unit  
State Personnel Board  
July 24, 2020

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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 Unit (CRU) 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 CRU 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 CRU conducted a routine compliance review of the California Exposition and State Fair (Cal Expo) 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	Finding
Examinations	Examinations Complied with Civil Service Laws and Board Rules
Appointments	No Evidence Presented that Appointment Documentation Was Kept for the Appropriate Amount of Time
Equal Employment Opportunity	No Evidence Presented that a Disability Advisory Committee Has Been Established <sup>1</sup>
Personal Services Contracts	Unions Were Not Notified of Personal Services Contracts
Mandated Training	No Evidence Presented that Ethics Training Was Provided for All Filers
Mandated Training	No Evidence Presented that Leadership and Development Training Was Provided for All Supervisors, Managers, and CEAs
Mandated Training	No Evidence Presented that Sexual Harassment Prevention Training Was Provided for All Supervisors
Compensation and Pay	Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Leave	Department Did Not Properly Monitor Time Worked for All Positive Paid Employees
Leave	No Evidence Provided that Department Has Implemented a Monthly Internal Audit Process to Verify All Leave Input Is Keyed Accurately and Timely

<sup>1</sup> Repeat finding. The May 5, 2015, and August 11, 2017, reports identified that the Cal Expo did not have an active DAC.

Area	Finding
Leave	No Evidence Provided that Leave Reduction Plans Were Developed for Employees Whose Leave Balances Exceeded Established Limits
Policy	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	No Evidence Presented to Demonstrate Performance Appraisals Were Provided to All Employees

A color-coded system is used to identify the severity of the violations as follows:

- Red = Very Serious
- Orange = Serious
- Yellow = Technical
- Green = In Compliance

## **BACKGROUND**

The Cal Expo is home to the California State Fair and plays host to hundreds of other signature events each year. Featuring 350 beautifully landscaped acres, the Cal Expo was initiated by Governor Pat Brown and opened by Governor Ronald Reagan in 1968. The Cal Expo mission is to create a State Fair experience reflecting California including its industries, agriculture, diversity of its people, traditions, and trends shaping its future supported by year round events.

## **SCOPE AND METHODOLOGY**

The scope of the compliance review was limited to reviewing the Cal Expo'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 Cal Expo'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.

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<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.

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

A cross-section of the Cal Expo's appointments were selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the Cal Expo 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 Cal Expo did not conduct any unlawful appointment investigations during the compliance review period. Further, the Cal Expo did not make any additional appointments during the compliance review period.

The CRU reviewed specific documentation for the following personnel functions related to compensation and pay: monthly pay differentials. During the compliance review period, the Cal Expo did not issue or authorize hiring above minimum (HAM) requests, red circle rate requests, arduous pay, bilingual pay, alternate range movements, or out-of-class assignments.

The review of the Cal Expo'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 Cal Expo'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 Cal Expo's justifications for the contracts were legally sufficient. The review was limited to whether the Cal Expo's practices, policies, and procedures relative to PSC's complied with procedural requirements.

The Cal Expo's mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, and that all supervisors, managers, and CEAs were provided leadership and development training and sexual harassment prevention training within statutory timelines.

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<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.

The CRU also identified the Cal Expo's employees whose current annual leave, or vacation leave credits, exceeded established limits. The CRU reviewed a cross-section of these identified employees to ensure that employees who have significant "over-the-cap" leave balances have a leave reduction plan in place. Additionally, the CRU asked the Cal Expo to provide a copy of their leave reduction policy.

The CRU reviewed the Cal Expo's Leave Activity and Correction Certification forms to verify that the Cal Expo created a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely. The CRU selected a small cross-section of the Cal Expo's units in order to ensure they maintained accurate and timely leave accounting records. Further, the CRU reviewed a selection of Cal Expo positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements.

During the compliance review period, the Cal Expo did not have any employees with non-qualifying pay period transactions, and the Cal Expo also did not authorize Administrative Time Off (ATO).

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

Of note, throughout the review, CRU requested missing documents, via email and verbally and was unable to obtain all of the materials necessary to complete a thorough review. The preliminary surveys were sent to the Cal Expo on January 3, 2020, with materials due to CRU on January 17 and 31, 2020. No information was received by the January 17 due date; CRU followed up and, on January 24, the Cal Expo acknowledged receipt of the preliminary surveys and requested an extension. The Cal Expo was granted an extension until February 5, 2020. A second extension was requested and granted for February 14; CRU received the preliminary information on that date.

The material request forms were sent on February 26, 2020, with a due date of March 23, 2020. Originally, the on-site review was scheduled for March 23-24, 2020; however, due to COVID-19, the Cal Expo was asked to deliver the requested documentation to SPB by the close of business April 20, 2020. The Cal Expo provided

the documents it had access to<sup>4</sup> on April 21, 2020 after receiving a one day extension. On April 29, 2020, CRU officially requested the Cal Expo provide the missing documents, providing a detailed list of what was needed, with a due date of May 13, 2020. Having received no response from the Cal Expo, on May 15, 2020, CRU contacted the Cal Expo to inquire about status. The Cal Expo stated that, due to other pressing matters, it would not be able to produce any further materials. On June 8, 2020, a member of the Cal Expo's Executive Team confirmed that the Cal Expo would not be able to produce any additional materials due to resource and workload concerns.

The Cal Expo declined to hold an exit conference to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the Cal Expo's written response on July 8, 2020, 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.)

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<sup>4</sup> On June 8, 2020, the Cal Expo advised that many of its records are warehoused; however, staff who know where the specific records are located (training, examination, appointments, etc.) have left the agency and therefore it would take existing staff significant time to locate the documents. Therefore, the Cal Expo provided what it could locate given its existing resources.



During the period under review, April 1, 2019, through December 31, 2019, the Cal Expo conducted one examination. The CRU reviewed this examination, which is listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Sergeant, State Fair Police	Open	Education and Experience <sup>5</sup>	7/24/2019	16

**FINDING NO. 1– Examinations Complied with Civil Service Laws and Board Rules**

The CRU reviewed 1 open examination which the Cal Expo administered in order to create eligible lists from which to make appointments. The Cal Expo published and distributed examination bulletins containing the required information for all examinations. Applications received by the Cal Expo 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 CRU found no deficiencies in the examinations that the Cal Expo conducted during the compliance review period.

**Appointments**

In all cases not excepted or exempted by Article VII of the California Constitution, the appointing power must fill positions by appointment, including cases of transfers, reinstatements, promotions, and demotions in strict accordance with the Civil Service Act and Board rules. (Gov. Code, § 19050.) The hiring process for eligible candidates chosen for job interviews shall be competitive and be designed and administered to hire candidates who will be successful. (Cal. Code Regs., tit. 2, § 250, subd. (b).) Interviews shall be conducted using job-related criteria. (*Ibid.*) Persons selected for appointment shall satisfy the minimum qualifications of the classification to which he or she is appointed or have previously passed probation and achieved permanent status in that same classification. (Cal. Code Regs., tit. 2, § 250, subd. (d).) While persons selected

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<sup>5</sup> In an Education and Experience examination, one or more raters reviews the applicants' Standard 678 application forms, and scores and ranks them according to a predetermined rating scale that may include years of relevant higher education, professional licenses or certifications, and/or years of relevant work experience.

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).)

For the purposes of temporary appointments, an employment list is considered not to exist where there is an open eligible list that has three or fewer names of persons willing to accept appointment and no other employment list for the classification is available. (Cal. Code Regs., tit. 2, § 265.) In such a situation, an appointing power may make a temporary appointment in accordance with section 265.1 (*Ibid.*) A Temporary Authorization Utilization (TAU) appointment shall not exceed nine months in a 12-month period. (Cal. Const., art. VII.) In addition, when a temporary appointment is made to a permanent position, an appropriate employment list shall be established for each class to which a temporary appointment is made before the expiration of the appointment. (Gov. Code, § 19058.)

During the period under review, March 1, 2019, through November 30, 2019, the Cal Expo made 107 appointments. The CRU requested 11 appointments, however only 9 were provided and reviewed.

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Park Aide (Seasonal)	TAU	Temporary	Intermittent	2
State Fair Police Officer (Seasonal)	TAU	Temporary	Intermittent	2
State Fair Worker, (Casual Employment) (Various)	TAU	Temporary	Intermittent	5
State Fair Worker, (Casual Employment) (Various)	Transfer	Temporary	Intermittent	2 <sup>6</sup>

**FINDING NO. 2 – No Evidence Presented that Appointment Documentation Was Kept for the Appropriate Amount of Time**

**Summary:** The Cal Expo failed to provide and/or retain personnel records such as NOPA’s, duty statements, job announcements/bulletins, and applications. Specifically, the Cal Expo did not provide NOPAs for all nine appointments reviewed. Additionally, the Cal Expo failed to provide two complete appointment files.

<sup>6</sup> The Cal Expo failed to provide 2 TAU appointment files. Therefore, the CRU could not determine if the 2 TAU hires were in compliance.

**Criteria:** As specified in section 26 of the Board's Regulations, appointing powers are required to retain records related to affirmative action, equal employment opportunity, examinations, merit, selection, and appointments for a minimum period of five years from the date the record is created. These records are required to be readily accessible and retained in an orderly and systematic manner. (Cal. Code Regs., tit. 2, § 26.)

**Severity:** Technical. Without documentation, the CRU could not verify if the appointments were properly conducted.

**Cause:** The Cal Expo states that due to COVID-19 and a recent turnover in warehouse staff, they were unable to locate archive boxes to present requested documents.

**SPB Response:** The Cal Expo's compliance review commenced on January 3, 2020, two months prior to March 19, 2020, when the Governor issued Executive Order N-33-20, ordering all residents in the state of California to stay at home due the threat of COVID-19. The Cal Expo was given ample opportunities to provide the requested documentation prior to March 19, 2020.

**Corrective Action:** Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with the record retention requirements of California Code of Regulations, title 2, section 26. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### **Equal Employment Opportunity**

Each state agency is responsible for an effective EEO program. (Gov. Code, § 19790.) The appointing power for each state agency has the major responsibility for monitoring the effectiveness of its EEO program. (Gov. Code, § 19794.) To that end, the appointing power must issue a policy statement committed to EEO; issue procedures for filing, processing, and resolving discrimination complaints; and cooperate with the CalHR, in accordance with Civil Code section 1798.24, subdivisions (o) and (p), by providing access to all required files, documents and data necessary to carry out these mandates. (*Ibid.*)

In addition, the appointing power must appoint, at the managerial level, an EEO Officer, who shall report directly to, and be under the supervision of, the director of the department to develop, implement, coordinate, and monitor the department's EEO program. (Gov. Code, § 19795, subd. (a).)

Each state agency must establish a separate committee of employees who are individuals with a disability, or who have an interest in disability issues, to advise the head of the agency on issues of concern to employees with disabilities. (Gov. Code, § 19795, subd. (b)(1).) The department must invite all employees to serve on the committee and take appropriate steps to ensure that the final committee is comprised of members who have disabilities or who have an interest in disability issues. (Gov. Code, § 19795, subd. (b)(2).)

**FINDING NO. 3 – No Evidence Presented that a Disability Advisory Committee Has Been Established**

**Summary:** The Cal Expo did not provide evidence of having an active DAC. In Cal Expo's previous compliance review reports posted May 5, 2015, and August 11, 2017, the SPB found that Cal Expo did not have an active DAC. Although the Cal Expo established a DAC in May 2015, the Cal Expo failed to provide documentation to demonstrate that DAC meetings had recently taken place and that the DAC was continuing to advise the head of Cal Expo on issues concerning employees with disabilities.

**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 Cal Expo concedes it did not convene a DAC meeting during the audit review period.

**SPB Response:** Cal Expo did not provide any documentation that DAC meetings had been held during or after the period under review, indicating that the DAC had not been active for at least a year. The only documentation provided was an e-mail sent on January 22, 2018, seeking members for the DAC.

**Corrective Action:** Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure the establishment of a DAC, comprised of members who have disabilities or who have an interest in disability issues. Copies of relevant documentation demonstrating that the corrective action has been implemented, including the new DAC roster, agenda, and meeting minutes, must be included with the corrective action response.

### **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, April 1, 2019, through December 31, 2019, the Cal Expo had 214 PSC's that were in effect. The CRU reviewed three of those, which are listed below:

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification?
Kim Christine Kirk Cristoni	Equine Program	7/12/19 - 7/28/19	\$7,854.02	Yes	No
Mark Sundberg dba Sundberg Investigations	Background Investigation Services	1/1/20 - 12/31/20	\$20,000	Yes	No
Recology Hay Road	Manure Removal Services	7/1/19 - 8/31/21	\$135,000	Yes	No

**FINDING NO. 4 – Unions Were Not Notified of Personal Services Contracts**

**Summary:** The Cal Expo did not notify unions prior to entering into all 3 PSC's reviewed.

**Criteria:** The contract shall not be executed until the state agency proposing to execute the contract has notified all organizations that represent state employees who perform the type of work to be contracted. (Gov. Code, § 19132, subd. (b)(1).)

**Severity:** Serious. Unions must be notified of impending personal services contracts in order to ensure they are aware contracts are being proposed for work that their members could perform.

**Cause:** The Cal Expo states that it did not have a sufficient method in place to document and substantiate union notifications.

**Corrective Action:** It is the contracting department's responsibility to identify and notify any unions whose members could potentially perform the work to be contracted prior to executing the PSC. The PSC's reviewed during this compliance review involved equine services, background investigation services, and manure removal services, functions

which various rank-and-file civil service classifications may perform. Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with the requirements of Government Code section 19132. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### **Mandated Training**

Each member, officer, or designated employee of a state agency who is required to file a statement of economic interest (referred to as “filers”) because of the position he or she holds with the agency is required to take an orientation course on the relevant ethics statutes and regulations that govern the official conduct of state officials. (Gov. Code, §§ 11146 & 11146.1.) State agencies are required to offer filers the orientation course on a semi-annual basis. (Gov. Code, § 11146.1.) New filers must be trained within six months of appointment and at least once during each consecutive period of two calendar years, commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3.)

Upon the initial appointment of any employee designated in a supervisory position, the employee shall be provided a minimum of 80 hours of training, as prescribed by the CalHR. (Gov. Code, § 19995.4, subd. (b).) The training addresses such topics as the role of the supervisor, techniques of supervision, performance standards, and sexual harassment and abusive conduct prevention. (Gov. Code, §§ 12950.1, subds. (a), and (b), & 19995.4, subd. (b).)

Additionally, the training must be successfully completed within the term of the employee’s probationary period or within six months of the initial appointment, unless it is demonstrated that to do so creates additional costs or that the training cannot be completed during this time period due to limited availability of supervisory training courses. (Gov. Code, § 19995.4, subd. (c).) As to the sexual harassment and abusive-conduct prevention component, the training must thereafter be provided to supervisors once every two years. (Gov. Code, § 12950.1.)

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.*) Thereafter, for both categories of

appointment, the employee must be provided a minimum of 20 hours of leadership training on a biennial basis. (*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 CRU reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

The CRU reviewed the Cal Expo's mandated training program that was in effect during the compliance review period, January 1, 2018, through December 31, 2019.

**FINDING NO. 5 – No Evidence Presented that Ethics Training Was Provided for All Filers<sup>7</sup>**

**Summary:** The Cal Expo did not provide evidence that ethics training was provided to existing filers. In addition, the Cal Expo did not provide evidence that ethics training was provided to new filers within six months of their appointment.

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

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

**Cause:** The Cal Expo states that it does not have a system in place for tracking and maintaining training certificates.

**Corrective Action:** Within 90 days of this report, the Cal Expo must submit to the SPB a written correction action response which addresses the corrections the department will implement to demonstrate conformity with

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<sup>7</sup> The Cal Expo failed to provide any documentation related to ethics training; therefore, the CRU was unable to determine how many new and existing filers completed the required training.



Government Code section 11146.3. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

**FINDING NO. 6 – No Evidence Presented that Leadership and Development Training Was Provided for All Supervisors, Managers, and CEAs<sup>8</sup>**

**Summary:** The Cal Expo did not provide evidence that leadership and development training was provided to new supervisors, managers, and CEAs within 12 months of appointment. In addition, the Cal Expo did not provide evidence that biennial leadership training was provided to existing supervisors, managers, and CEAs.

**Criteria:** Each department must provide its new supervisors a minimum of 80 hours of supervisory training within the probationary period. Upon completion of the initial training, supervisory employees shall receive a minimum 20 hours of leadership training biennially. (Gov. Code, § 19995.4, subds. (b) and (c).)

Upon initial appointment of an employee to a managerial position, each employee must receive 40 hours of leadership training within 12 months of appointment. Thereafter, the employee shall receive a minimum of 20 hours of leadership training biennially. (Gov. Code, § 19995.4, subd. (d).)

Upon initial appointment of an employee to a Career Executive Assignment position, each employee must receive 20 hours of leadership training within 12 months of appointment. Thereafter, the employee shall receive a minimum of 20 hours of leadership training biennially. (Gov. Code, § 19995.4, subd. (e).)

**Severity:** Very Serious. The department does not ensure its leaders are properly trained. Without proper training, leaders may not properly carry out their leadership roles, including managing employees.

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<sup>8</sup> The Cal Expo failed to provide any documentation related to supervisory, managerial, CEA training, or biennial leadership training. Therefore, the CRU was unable to determine the Cal Expo's compliance with this requirement.

**Cause:** The Cal Expo states that it does not have a system in place for tracking and maintaining training certificates.

**Corrective Action:** Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that new supervisors, managers, and CEAs are provided leadership and development training within twelve months of appointment, and that thereafter, they receive a minimum of 20 hours of leadership training biennially, as required by Government Code section 19995.4. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

**FINDING NO. 7 – No Evidence Presented that Sexual Harassment Prevention Training Was Provided for All Supervisors<sup>9</sup>**

**Summary:** The Cal Expo did not provide evidence that sexual harassment prevention training was provided to new supervisors within six months of their appointment. In addition, the Cal Expo did not provide evidence that sexual harassment prevention training was provided to existing supervisors every two years.

**Criteria:** Each department must provide its supervisors two hours of sexual harassment prevention training every two years. New supervisors must be provided sexual harassment prevention training within six months of appointment. (Gov. Code, § 12950.1, subd. (a).)

**Severity:** Very Serious. The department does not ensure that all new and existing supervisors 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.

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<sup>9</sup> The Cal Expo failed to provide any documentation related to sexual harassment prevention training. The CRU was unable to determine if sexual harassment prevention training was completed by any supervisors or managers employed by the Cal Expo during the compliance review period.

**Cause:** The Cal Expo states that it does not have a system in place for tracking and maintaining training certificates.

**Corrective Action:** Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that supervisors 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**

### **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, March 1, 2019, through November 30, 2019, the Cal Expo issued a pay differential<sup>10</sup> to 1 employee. The CRU reviewed the pay differential to ensure compliance with applicable CalHR policies and guidelines. This is listed below:

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<sup>10</sup> For the purposes of CRU's review, only monthly pay differentials were selected for review at this time.

Classification	Pay Differential	Monthly Amount
Supervising Groundskeeper I	6	\$50

**FINDING NO. 8 – Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines**

The CRU found no deficiencies in the pay differential that the Cal Expo authorized during the compliance review period. The pay differential was issued correctly in recognition of unusual competencies, circumstances, or working conditions in accordance with applicable rules and guidelines.

**Leave**

**Positive Paid Employees**

Actual Time Worked (ATW) is a method that can be used to keep track of a Temporary Authorization Utilization (TAU) employee’s time to ensure that the Constitutional limit of 9 months in any 12 consecutive months is not exceeded. The ATW method of counting time is used in order 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 of the working days of a month. When counting 189 days, every day worked, including partial days<sup>11</sup> worked and paid absences,<sup>12</sup> is counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day is 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

<sup>11</sup> For example, two hours or ten hours counts as one day.  
<sup>12</sup> For example, vacation, sick leave, compensating time off, etc.

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).)

Generally, permanent intermittent employees may work up to 1500 hours in any calendar year. (Applicable Bargaining Unit Agreements.) However, Bargaining Unit 6 employees may work up to 2000 hours in any calendar year.

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 Cal Expo had 763 positive paid employees whose hours were tracked. The CRU reviewed 20 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Time Worked <sup>13</sup>
Carpenter I	Permanent	1/1/19-12/31/19	Unknown
Management Services Technician	Permanent	1/1/19-12/31/19	Unknown
Lieutenant, State Fair Police	Retired	7/1/18-6/30/19	Unknown
Security Guard	Retired	7/1/18-6/30/19	Unknown
Sergeant, State Fair Police	Retired	7/1/18-6/30/19	376.5
State Fair Police Officer (Seasonal)	Retired	7/1/18-6/30/19	Unknown
State Fair Police Officer (Seasonal)	Retired	7/1/18-6/30/19	Unknown
State Fair Worker, (Casual Employment) (Various)	Retired	7/1/18-6/30/19	273

<sup>13</sup> The Cal Expo failed to provide all requested timesheets for retired annuitants and permanent intermittent employees to demonstrate the total number of hours worked during the review period. Therefore, the CRU was unable to determine the Cal Expo's level of compliance in this area.

Classification	Tenure	Time Frame	Time Worked <sup>13</sup>
State Fair Worker, (Casual Employment) (Various)	Retired	7/1/18-6/30/19	Unknown
State Fair Worker, (Casual Employment) (Various)	Retired	7/1/18-6/30/19	Unknown
Park Aide (Seasonal)	Temporary	4/1/18-3/31/19	1466
Park Aide (Seasonal)	Temporary	5/31/18-5/30/19	1365.5
State Fair Worker, (Casual Employment) (Various)	Temporary	10/1/17-9/30/18	1550.5
State Fair Worker, (Casual Employment) (Various)	Temporary	09/1/17-8/30/18	1358
State Fair Worker, (Casual Employment) (Various)	Temporary	11/1/17-10/30/18	1412.25
State Fair Worker, (Casual Employment) (Various)	Temporary	9/1/2017-8/30/18	1772
State Fair Worker, (Casual Employment) (Various)	Temporary	11/1/17-10/30/18	1304.5
State Fair Worker, (Casual Employment) (Various)	Temporary	7/1/18-6/30/19	755.5
State Fair Worker, (Casual Employment) (Various)	Temporary	3/2/17-2/28/18	1859.5
State Fair Worker, (Casual Employment) (Various)	Temporary	7/1/18-6/30/19	1397

**FINDING NO. 9 – Department Did Not Properly Monitor Time Worked for All Positive Paid Employees**

**Summary:** The Cal Expo did not provide documentation to demonstrate that they consistently monitor the actual number of hours worked in order to ensure that 2 permanent intermittent positive paid employees did not exceed the 1,500-hour limitation in any calendar year.

Additionally, the Cal Expo did not provide documentation to demonstrate that they consistently track and monitor retired annuitants' total hours worked, potentially allowing employees to work over the 960-hour limitation in any fiscal year.

Lastly, the Cal Expo did not consistently monitor the actual number of days and/or hours worked of 3 State Fair Workers, (Casual Employment) (Various) to ensure their worked time did not exceed the 189-day or 1,500-hour limitation in any 12-consecutive month period.

Specifically, the following employees exceeded the established limitations:

Classification	Tenure	Time Frame	Time Worked	Time Worked Over Limit
State Fair Worker, (Casual Employment) (Various)	Temporary	10/1/17-9/30/18	1550.5	50.5
State Fair Worker, (Casual Employment) (Various)	Temporary	9/1/2017-8/30/18	1772	272
State Fair Worker, (Casual Employment) (Various)	Temporary	3/2/17-2/28/18	1859.5	359.5

**Criteria:** A permanent intermittent employee may work up to 1,500 hours in any calendar year. The number of hours and schedule of work shall be determined based upon the operational needs of each department. (Applicable Bargaining Unit Agreements.)

According to Government Code section 21224, retired annuitant appointments shall not exceed a maximum of 960 hours in any fiscal

year (July-June) for all state employers without reinstatement or loss or interruption of benefits.

If any employee is appointed to an intermittent time base position on a TAU basis, there are two controlling time limitations that must be considered. The first controlling factor is the constitutional limit of nine months in any 12 consecutive months for temporary appointments that cannot be extended for any reason. (Cal Const., art VII § 5.) Time worked shall be counted on a daily basis with every 21 days worked counting as one month or 189 days equaling nine months. (Cal. Code Regs., tit. 2, § 265.1 subd. (b).) Another controlling factor limits the maximum work time for student, youth, and seasonal classifications to 1,500 hours. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

**Severity:**

Serious. The number of days or hours an individual may work in a permanent intermittent appointment is limited in the state civil service. To ensure permanent intermittent appointments are not made on a full-time basis, a maximum of 1,500 hours has been placed on the number of hours which a permanent intermittent employee may work any calendar year.

Existing law allows a person retired from state service to be rehired by the State as a retired annuitant. However, retired annuitants shall not work more than 960 hours each fiscal year without reinstatement, loss or interruption of benefits for all state employers.

The number of days or hours an individual may work in a temporary appointment is limited in the state civil service. TAU appointments are distinguished from other appointments as they can be made in the absence of an appropriate employment list. Intermittent appointments are not to be used to fill full-time or part-time positions. Such use would constitute illegal circumvention of these eligible lists.

**Cause:**

The Cal Expo states that a lack of staff and unexpected loss of a key personnel staff member created a deficit in monitoring.

**Corrective Action:** Within 90 days of the date of this report, the Cal Expo 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 21224, and California Code of Regulations, title 2, section 599.665, *and/or* applicable Bargaining Unit agreement(s). Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Leave Auditing and Timekeeping

Departments must keep complete and accurate time and attendance records for each employee and officer employed within the agency over which it has jurisdiction. (Cal. Code Regs., tit. 2, § 599.665.)

Departments are directed to create 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, July 1, 2019, through September 30, 2019, the Cal Expo reported 31 units comprised of 744 active employees. The pay periods and timesheets reviewed by the CRU are summarized below:

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
August 2019	None	58	None	None
September 2019	None	58	None	None

**FINDING NO. 10 – No Evidence Provided That Department Has Implemented a Monthly Internal Audit Process to Verify All Leave Input Is Keyed Accurately and Timely<sup>14</sup>**

**Summary:** The Cal Expo failed to provide evidence that the department has implemented a monthly internal audit process to verify all timesheets were keyed accurately and timely.

**Criteria:** Each appointing power shall keep complete and accurate time and attendance records for each employee and officer employed within the agency over which it has jurisdiction. (Cal. Code Regs., tit. 2, § 599.665.) Departments are directed to create an audit process to verify all leave input is keyed accurately and timely. (Human Resources Manual Section 2101.) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*)

**Severity:** Serious. In order for Department leave accounting reports to reflect accurate data, the review of the leave accounting records and corrections, if necessary, are to be completed by the pay period following the pay period in which the leave was keyed into the leave accounting system. This means corrections are to be made prior to the next monthly leave activity report being produced.

**Cause:** The Cal Expo states that a lack of staff and unexpected loss of a key personnel staff member created a deficit in tracking.

**Corrective Action:** Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that their monthly internal audit process was documented and that all leave input is keyed accurately and timely. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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<sup>14</sup> The Cal Expo failed to provide any documentation related to leave auditing. The CRU was unable to determine if timesheets were keyed accurately and timely during the compliance review period.

## Leave Reduction Efforts

Departments must create a leave reduction policy for their organization and monitor employees' leave to ensure compliance with the departmental leave policy; and ensure employees who have significant "over-the-cap" leave balances have a leave reduction plan in place. (Human Resources Manual Section 2124.)

Applicable Memorandums of Understanding and the California Code of Regulations prescribe the maximum amount of vacation or annual leave permitted. "If a represented employee is not permitted to use all of the vacation to which he or she is entitled in a calendar year, the employee may accumulate the unused portion."<sup>15</sup> (Cal. Code Regs., tit. 2, § 599.737.) If it appears an excluded employee will have a vacation or annual leave balance that will be above the maximum amount<sup>16</sup> as of January 1 of each year, the appointing power shall require the supervisor to notify and meet with each employee so affected by the preceding July 1, to allow the employee to plan time off, consistent with operational needs, sufficient to reduce their balance to the amount permitted by the applicable regulation, prior to January 1. (Cal. Code Regs., tit. 2, § 599.742.1.)

It is the intent of the state to allow employees to utilize credited vacation or annual leave each year for relaxation and recreation, ensuring employees maintain the capacity to optimally perform their jobs. (Cal. Code Regs., tit. 2, § 599.742.1.) For excluded employees, the employee shall also be notified by July 1 that, if the employee fails to take off the required number of hours by January 1, the appointing power shall require the employee to take off the excess hours over the maximum permitted by the applicable regulation at the convenience of the agency during the following calendar year. (*Ibid.*) To both comply with existing civil service rules and adhere to contemporary human resources principles, state managers and supervisors must cultivate healthy work- life balance by granting reasonable employee vacation and annual leave requests when operationally feasible. (Human Resources Manual Section 2124.)

As of December 2019, 11 Cal Expo employees exceeded the established limits of vacation or annual leave. The CRU reviewed six of those employees' leave reduction plans to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

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<sup>15</sup> For represented employees, the established limit for annual or vacation leave accruals is 640 hours, however for Bargaining Unit 06 there is no established limit and for Bargaining Unit 05 the established limit is 816 hours.

<sup>16</sup> Excluded employees shall not accumulate more than 80 days.

Classification	Collective Bargaining Identifier	Total Hours Over Established Limit	Leave Reduction Plan Provided
Account Manager, California Exposition and State Fair	S01	914	No
Building Maintenance Worker	R12	1141	No
CEA II	M01	1126.25	No
Information Technology Supervisor II	S01	918.25	No
Staff Services Analyst (General)	R01	1409.5	No
Staff Services Manager II	S01	831.25	No
<b>Total</b>		6340.25	

**FINDING NO. 11 – No Evidence Provided that Leave Reduction Plans Were Developed for Employees Whose Leave Balances Exceeded Established Limits<sup>17</sup>**

**Summary:** The Cal Expo did not provide documentation demonstrating leave reduction plans were provided to the six employees selected for review whose leave balances significantly exceeded established limits. Additionally, Cal Expo did not provide a general departmental policy addressing leave reduction.

**Criteria:** It is the policy of the state to foster and maintain a workforce that has the capacity to effectively produce quality services expected by both internal customers and the citizens of California. (Human Resources Manual Section 2124.) Therefore, appointing authorities and state managers and supervisors must create a leave reduction policy for the organization and monitor employees’ leave to ensure compliance with the departmental leave policy. Employees who have significant “over-the-cap” leave balances must have a leave reduction plan in place and be actively reducing hours. (*Ibid.*)

**Severity:** Technical. California state employees have accumulated significant leave hours creating an unfunded liability for departmental budgets. The value of this liability increases with each passing promotion and salary increase. Accordingly, leave balances exceeding established limits need to be addressed immediately.

<sup>17</sup> The Cal Expo failed to provide any documentation related to leave reduction plans. The CRU was unable to determine if leave reduction plans were created or implemented during the compliance review period.

**Cause:** The Cal Expo concedes it was deficient in formalizing leave reduction plans, and maintaining appropriate documentation that the plans had been developed and implemented.

**Corrective Action:** Within 90 days of the date of this report, the Cal Expo must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure employees who have significant “over-the-cap” leave balances have a leave reduction plan in place. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### **Policy and Processes**

#### Nepotism

It is the policy of the State of California to recruit, hire and assign all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. (Human Resources Manual Section 1204.) Nepotism is expressly prohibited in the state workplace because it is antithetical to California’s merit based civil service. (*Ibid.*) Nepotism is defined as the practice of an employee using his or her influence or power to aid or hinder another in the employment setting because of a personal relationship. (*Ibid.*) Personal relationships for this purpose include association by blood, adoption, marriage and/or cohabitation. (*Ibid.*) All department nepotism policies should emphasize that nepotism is antithetical to a merit-based personnel system and that the department is committed to the state policy of recruiting, hiring and assigning employees on the basis of merit. (*Ibid.*)

#### **FINDING NO. 12 – Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines**

The CRU verified that the policy was disseminated to all staff and emphasized the Cal Expo’s commitment to the state policy of recruiting, hiring and assigning employees on the basis of merit. Additionally, the Expo’s nepotism policy was comprised of specific and sufficient components intended to prevent favoritism, or bias, based on a personal relationship from unduly influencing employment decisions.

## Workers' Compensation

Employers shall provide to every new employee, either at the time of hire or by the end of the first pay period, written notice concerning the rights, benefits, and obligations under workers' compensation law. (Cal. Code Regs., tit. 8, § 9880 subd. (a).) This notice shall include the right to predesignate their personal physician or medical group; a form that the employee may use as an optional method for notifying the employer of the name of employee's "personal physician," as defined by Labor Code section 4600. (Cal. Code Regs., tit. 8, § 9880, subd. (c)(7) & (8).) Additionally, within one working day of receiving notice or knowledge that the employee has suffered a work related injury or illness, employers shall provide a claim form and notice of potential eligibility for benefits to the injured employee. (Labor Code, § 5401 subd. (a).)

Public employers may choose to extend workers' compensation coverage to volunteers that perform services for the organization. (Human Resources Manual Section 1415.) Workers' compensation coverage is not mandatory for volunteers as it is for employees. (*Ibid.*) This is specific to the legally uninsured state departments participating in the Master Agreement. (*Ibid.*) Departments with an insurance policy for workers' compensation coverage should contact their State Compensation Insurance Fund (State Fund) office to discuss the status of volunteers. (*Ibid.*)

The CRU was unable to determine if the Cal Expo employed volunteers during the compliance review period since they failed to respond to CRU's repeated document requests.

### **FINDING NO. 13 – Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines**

The CRU verified that the Cal Expo provides notice to their employees to inform them of their rights and responsibilities under California's Workers' Compensation Law. Furthermore, the CRU verified that when the Cal Expo received worker's 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 CRU selected 20 permanent Cal Expo employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines. These are listed below:

Classification	Date Performance Appraisals Due
Accounting Administrator III	8/1/2019
Area Operations Supervisor California State Fair	12/31/2019
Area Operations Supervisor California State Fair	12/31/2019
Area Operations Supervisor California State Fair	3/1/2019
Associate Personnel Analyst	10/4/2019
Electrician II	9/30/2019
Executive Secretary II	12/31/2019
Graphic Designer III	2/2/2019
Groundskeeper	9/1/2019
Health and Safety Officer	8/1/2019
Information Technology Associate	12/31/2019
Information Technology Associate	1/31/2019
Information Technology Supervisor II	6/30/2019
Maintenance & Operations Supervisor II	7/2/2019
Maintenance & Operations Supervisor II	8/1/2019
Satellite Facility Supervisor	12/1/2019
Staff Services Analyst (General)	3/19/2019
Staff Services Analyst (General)	4/2/2019
Staff Services Manager III	8/1/2019
Supervising Groundskeeper I	4/30/2019

**FINDING NO. 14 – No Evidence Presented to Demonstrate Performance Appraisals Were Provided to All Employees<sup>18</sup>**

**Summary:** The Cal Expo did not provide documentation demonstrating that annual performance appraisals were provided to any of the 20 employees selected for review.

**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 of its employees are apprised of work performance issues and/or goals in a systematic manner.

**Cause:** The Cal Expo states that it has a manual process for tracking performance appraisals. This unfortunately left room for error and missed reviews.

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

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<sup>18</sup> The Cal Expo failed to provide any documentation related to performance appraisals. The CRU was unable to determine if performance appraisals were created or provided to any employees during the compliance review period.



## **SPB REPLY**

This compliance review exposed some concerning practices within the Cal Expo, particularly in the human resources division. For many of the identified findings, it is unclear how or if the Cal Expo will be able to comply with the corrective actions specified in the report given that the Cal Expo has reported that it does not have adequate staffing to maintain compliance. Therefore, in addition to a written corrective action response, the SPB Executive Officer will be requesting a meeting with the Cal Expo Executive Director to discuss solutions that will allow Cal Expo to comply with the civil service and human resources rules in light of their resource limitations.



July 8, 2020

Ms. Suzanne Ambrose, Executive Officer  
Policy and Compliance Review Unit  
State Personnel Board  
801 Capitol Mall  
Sacramento, California 95814

Ms. Ambrose:

The California Exposition & State Fair (Cal Expo) is submitting its departmental response to the findings presented in the Compliance Review Report dated June 11, 2020 by the State Personnel Board (SPB). Cal Expo acknowledges the findings in the 2019 SPB Compliance Review Report. Cal Expo has taken steps to address and correct all finding as outlined below.

Finding #1

In compliance

Finding #2 Appointment Documentation

Cal Expo does retain Personnel documentation for the required amount of time. Cal Expo was unable to produce the documentation because our agency was closed for COVID and we had a staffing change in the warehouse and the new staff was unable to locate the secured files in a timely manner. Cal Expo will work on a system to scan and attach the employees NOPAs to their individual personnel files in our personnel software to provide easier access.

Finding #3 DAC was not Active

Cal Expo has an established DAC; however, the committee did not convene during the SPB audit review period. During the audit period Cal Expo hosted the SDAC meetings but did not meet at the departmental level.

Cal Expo HRO will continue to be diligent in recruitment efforts and meet with standing members regularly.



*Finding #4 Unions were not notified of Personal Services contracts*

Cal Expo will be more diligent in documenting and substantiating notification of unions for future personal services contracts. Cal Expo will also implement a process to attach the verification of notification to our executed contracts in our accounting software.

*Finding #5 Ethics Training*

Although Cal Expo has training in place for all of our staff, we are deficient in tracking and maintaining up to date certificates. Cal Expo is implementing a tracking system in our personnel software that will allow us to run reports monthly for staff that is deficient in training and to follow up on the training until it is complete. Cal Expo will also work on a system to scan and attach the employees training certificates to their individual personnel files.

*Finding #6 Leadership Training*

Although Cal Expo has training in place for all of our staff, we are deficient in tracking and maintaining up to date certificates. Cal Expo is implementing a tracking system in our personnel software that will allow us to run reports monthly for staff that is deficient in training and to follow up on the training until it is complete. Cal Expo will also work on a system to scan and attach the employees training certificates to their individual personnel files.

*Finding #7 Sexual Harassment Training*

Although Cal Expo has training in place for all of our staff, we are deficient in tracking and maintaining up to date certificates. Cal Expo is implementing a tracking system in our personnel software that will allow us to run reports monthly for staff that is deficient in training and to follow up on the training until it is complete. Cal Expo will also work on a system to scan and attach the employees training certificates to their individual personnel files.

*Finding #8*

In compliance

*Finding #9 Positive Pay*

Cal Expo will work on internal procedures to better monitor time worked for all positive pay employees.

*Finding #10 FT Leave Audit*

Cal Expo has implemented a monthly audit procedure for verifying full time leave usage.



Finding #11 Leave Reduction Plans

Cal Expo does have leave reduction plans in place for all rank and file employees with excessive balances. Cal Expo was deficient in formalizing those leave reduction plans with staff and having that documentation in the employee file. Moving forward leave reduction plans will be formalized. However, Cal Expo is a very small agency and is unfortunately not in a position to allow many of our managers to have formal leave plans as we do not have enough staff in place to cover the workload. This will likely be an ongoing issue for Cal Expo.

Finding #12

In compliance

Finding #13

In compliance

Finding #14 Performance Appraisals Were Not Provided for all Appointments Reviewed

Cal Expo makes a good faith effort to notify and advise all supervisors and managers of the requirements of completing performance appraisals. Cal Expo is implementing a tracking system in our personnel software that will allow us to run reports monthly for staff that are due performance appraisals and to follow up on the review until it is complete. Cal Expo will also work on a system to scan and attach the completed employee review to their individual personnel files.

Sincerely,

Samantha Brown

Deputy General Manager, Administration



October 23, 2020

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

Ms. Ambrose:

As requested the California Exposition & State Fair (Cal Expo) has prepared an additional status update in response to the findings presented in the Compliance Review Report dated June 11, 2020 by the State Personnel Board. Our original response was delivered on July 8, 2020. Upon requesting our corrective action plan, it was noted that the Executive Officer of the SPB Compliance unit would set up a meeting with Cal Expo to discuss our deficiencies.

Unfortunately, that meeting was never set up or requested by SPB, so we proceeded with a corrective action plan to the best of our available resources. Before addressing the concerns in the report, we would like to provide an update to the status of Cal Expo as it can potentially affect our ability to meet these requirements in the future. As you are aware, the COVID-19 pandemic has created a dire financial crisis for Cal Expo that has led to a massive layoff which will be effective January 21, 2021. In addition to the layoffs, our HR director has been on an extended leave of absence, which has impacted our human resources department significantly. We are committed to meeting the standards set in our compliance review but wanted you to have an understanding of the issues facing Cal Expo moving forward.

Finding #1: Examinations Complied with Civil Service Laws and Board Rules

Cal Expo is in compliance

Finding #2: No Evidence Presented that Appointment Documentation was Kept for the Appropriate Amount of Time

According to California's records retention requirement we should retain specific records for a minimum of five years from the creation of the record. Cal Expo was storing these records in a warehouse and new staff was unable to locate the necessary files. Cal Expo has created a system to scan and attach the employees NOPAs to their individual personnel files in our personnel software to provide easier access to the documents when requested. During the three-month period after our initial response, we have had no new hires to show compliance. A later response will include an example of the electronic personnel system that will track the required appointment documentation in the future.

Finding #3: No Evidence Presented that a Disability Advisory Committee has been established

Every state agency is required to establish a 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

disability related concerns for employees with disabilities. The Cal Expo DAC did not have regular meetings because of recruitment issues. In August, a member of our staff met with State DAC members to discuss options for complying with DAC requirements as a very small agency. From that discussion we learned the minimum requirements that need to be met, which includes at least 3 people run the committee, positions to be chair, vice chair, secretary. We need to create bylaws, meetings with agenda and meeting minutes and to meet with the executive officer of the agency once a year.

Cal Expo now has an established DAC and they last met on October 15, 2020 to establish their bylaws and the structure of the committee. There are two members and they, along with two members of leadership, are actively attempting to recruit more members. The DAC will be discussing Cal Expo's telework policy given the needs during the pandemic. Please see the notes attached from our previous meeting, attachment A.

Finding #4: Unions were Not Notified of Personal Services Contracts

Government Code §19132(b)(1) says that a state agency may only execute a contract if they have notified all organizations that represent state employees who perform the type of work to be contracted. Cal Expo pledged to be more diligent in our documenting and substantiating notification of unions for future personal service contracts. We also plan to implement a process to attach the verification of notification to our executed contracts in our accounting software. During the three-month period since our response, we have not executed any personal service contracts and likely will not do so in the near future, so we are unable to prove evidence that we have fixed the issue.

Finding #5: No Evidence Presented that Ethics Training was Provided for All Filers

Cal Expo did not have a tracking system in place to provide evidence of ethics training provided to appointments as required by Government Code §11146.3(b) and can't guarantee all filers have been made aware of prohibitions based on their position. Since our response, all filers have completed/are in process of completing their ethics training. All certifications for ethics trainings are scanned and attached to the personnel file with recall dates in the system that triggers recertification reminders. This same system will track appointment documents and sexual harassment prevention training certifications in the electronic personnel files. See attachment B.

Finding #6: No Evidence Presented that Leadership and Development Training Was Provided for All Supervisors, Managers, and CEAs

New supervisors, managers, and CEAs should all receive initial training of varying hours depending on the position and then subsequently receive follow up training biennially. With our lack of funds from the cancellation of all events at Cal Expo and the layoffs because of the pandemic, we are not able to spend money on sending supervisors and managers to the required leadership trainings at this time. We will attempt to train remaining staff once layoffs

are complete. We will track these trainings similarly to our ethics trainings in the personnel system. See Attachment B.

Finding #7: No Evidence Presented that Sexual Harassment Prevention Training Was Provided for All Supervisors

Cal Expo was unable to provide evidence that sexual harassment prevention training was provided to new supervisors within six months of appointment and every 2 years after. While we have training in place for all of our staff, we did not have a system in place in our personnel software to keep track. All certifications for trainings are scanned and attached to the personnel file with recall dates in the system that triggers recertification reminders. All staff members have completed the adequate sexual harassment prevention training and we have implemented a process to scan the document into the electronic personnel file. See Attachment B.

Finding #8: Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines.

Cal Expo is in compliance

Finding #9: Department Did Not Properly Monitor Time Worked for All Positive Paid Employees

Cal Expo was not able to provide documentation to demonstrate that they consistently monitor the actual number of hours worked as required by bargaining units. Cal Expo has worked to implement a program to track the amount of hours worked by temporary employees. This will not be an issue in the foreseeable future because seasonal staff is not being hired. Managers of temporary employees are receiving monthly reports of hours worked so they can better monitor their employee's hours and restrict them to less than the maximum allowed hours in a year. See example attached, attachment C.

Finding #10: No Evidence Provided That Department Has Implemented a Monthly Internal Audit Process to Verify All Leave Input is Keyed Accurately and Timely

According to CalHR's Human Resources Manual section 2101 there needs to be an audit process to verify all leave inputted correctly and attendance records need to be corrected by the pay period following the pay period in which the error occurred. As stated above our HR Director is on an extended leave and the short staffing created a backlog with tracking leave balances. Cal Expo has implemented a monthly audit procedure for verifying full time leave usage. We did an audit of all leave balances, starting in January 2020. All leave balances are being tracked with a spreadsheet. See Attachment D.

Finding #11: No Evidence Provided that Leave Reduction Plans Were Developed for Employees Whose Leave Balances Exceeded Established Limits

State of California employees at Cal Expo have accumulated significant leave hours creating an unfunded liability for departmental budgets. Cal Expo has leave reduction plans in place for all rank and file employees as well as managers and supervisors with excessive balances but were

deficient in formalizing those plans and documenting in personnel files. Leave reduction plans have been formalized for all employees who have exceeded leave balances. We are a small agency, and it will be difficult for our limited staff once the layoff takes place to take the leave they're required to and still manage day to day functions. See Attachment E.

Finding #12: Nepotism, Policy Complied with Civil Service Laws, Board Rules, and/or Cal HR Policies and Guidelines

Cal Expo is in compliance

Finding #13: Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

Cal Expo is in compliance

Finding #14: No Evidence Presented to Demonstrate Performance Appraisals Were Provided to All Employees

Cal Expo had a manual process for tracking appraisals and that left room for error and missed reviews. We have made a good faith effort to notify and advise all supervisors and managers of the requirements of completing annual performance appraisals. Cal Expo stated we would work on a tracking system and a way to attach the completed employee review to the electronic personnel file but have no evidence of progress on completed performance appraisals in the last three months.

The Human Resources staff has worked hard over the last three months to improve our controls and ensure compliance moving forward. Our goal is to show significant improvement in the deficient areas on our next audit.

Sincerely,

 10/23/2020

Rick Pickering

CEO

California Exposition & State Fair

 10-23-2020

Samantha Brown

Deputy General Manager, Administration

California Exposition & State Fair





June 23, 2021

Suzanne M. Ambrose, Executive Officer  
State Personnel Board  
801 Capitol Mall, Suite 1200  
Sacramento, CA 95814

Dear Ms. Ambrose,

As requested the California Exposition & State Fair (Cal Expo) has prepared additional information in response to the findings presented in the Compliance Review Report dated July 24, 2020 by the State Personnel Board staff.

- **FINDING 2- No Evidence that Appointment Documentation Was Kept for the Appropriate Amount of Time:** The Cal Expo's CAR states "Cal Expo has created a system to scan and attach the employees NOPAs to their individual personnel files in our personnel software to provide easier access to the documents when requested. A later response will include an example of the electronic personnel system that will track the required appointment documentation in the future." This is insufficient evidence that the Cal Expo's internal procedures have been established and/or updated to ensure continuing compliance with California Code of Regulations section 26. The Cal Expo must provide more specifics about the personnel software being used as well as the internal procedures and workflow for ensuring all required documentation is stored for the appropriate amount of time and accessible for future compliance reviews.

**Response:** Attached is Cal Expo's Personnel Office procedure, screen shots of the system indicating where the NOPAs will be stored, and a copy of what was attached in the system.

- **FINDING 3- No Evidence Presented that a Disability Advisory Committee has Been Established:** Although it is evident that the Cal Expo has established a DAC, this is the third consecutive time this has been a finding in a Compliance Review Report.<sup>[1]</sup> In order to ensure the Cal Expo's commitment to the long term viability of the new DAC, the Cal Expo must provide more details about recruitment efforts including e-mails sent to staff, DAC bylaws, and meeting minutes for the past three meetings.

**Response:** As you are aware, the COVID-19 pandemic has created a dire financial crisis for Cal Expo that led to a massive layoff which was effective January 21, 2021. Staffing levels went from 560 to 272. Of the 272 staff members, 27 are fulltime; 49 are permanent-intermittent; 23 are seasonal State Fair Police Officers; and 173 are intermittent State Fair Workers. The DAC members consisted of three employees in 2020. After the layoff, the DAC consisted of only one member who took on additional work due to the layoffs. Cal Expo is committed to recruiting new members. Even though Cal Expo was going through a layoff in 2020, emails recruiting new members were sent out on the following dates: September 2, 2020; September 8, 2020; October 1, 2020; October 13, 2020 and June 22, 2021. Attached are the emails that were sent to all Cal Expo staff and meeting notes for October 15, 2020.

- **FINDING 4- Unions Were Not Notified of Personal Services Contracts:** The Cal Expo's CAR indicates a plan of action for ensuring compliance with Government Code section 19132(b)(1), however it states that "during the three-month period since our response, we have not executed any personal service contracts and likely will not do so in the future, so we are unable to prove evidence that we have fixed the issue." The Cal Expo does not need to execute new personal services contracts in order to show corrective action. Please provide documentation showing how the Cal Expo will ensure that unions are notified of all personal services contracts going forward.

**Response:** Attached is Cal Expo's Accounting Office procedure, Review Check List, Personnel Office procedure, and a sample union notification email.

- **FINDING 10- No Evidence That Department Has Implemented a Monthly Internal Audit Process to Verify All Leave Input is Keyed Accurately and Timely:** The Cal Expo's CAR states that the "Cal Expo has implemented a monthly audit procedure for verifying full time leave usage." The Cal Expo provided a tracking spreadsheet with employee leave balances, however this is insufficient evidence. The Cal Expo must provide documentation that outlines what the audit procedures are and how the Cal Expo will ensure that leave is keyed accurately and timely as required in Human Resources Manual Section 2101.

**Response:** Attached is Cal Expo's Personnel Office procedure, calendar indicating when leave is keyed and audited, and a sample leave audit form.

- **FINDING 14- No Evidence Presented to Demonstrate Performance Appraisals Were Provided to All Employees:** The Cal Expo's CAR indicates that a tracking system is being created however the Cal Expo has "no evidence of progress on completed performance appraisals in the last three months." This is insufficient evidence that the Cal Expo's internal procedures have been established and/or updated to ensure compliance with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798. The Cal Expo must provide evidence demonstrating how the Cal Expo will ensure that performance appraisals are provided to employees annually.

**Response:** Attached is Cal Expo's Personnel Office procedure, copy of IDP tracking spreadsheet, and a screen shot of the Activity system indicating where IDPs are tracked and stored. In addition, as a sample, we have included July 2021 calendar indicating the date we follow up on the IDPs.

Thank you for the opportunity to discuss and respond to the Compliance Review Report. If you have any questions, please contact me directly.

Sincerely,



Mary Sue Paul, Human Resources Director (RA)  
California Exposition & State Fair  
916-263-0866

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Finding #2

**Notice of Personnel Action (NOPA) process:**

After a transaction is processed in PIMS and a NOPA has been received, scan and attach the NOPA to the appropriate transaction note in Activity. If the NOPA requires a signature from the employee, one NOPA will be kept in the Pending NOPA folder in the Front Desk file drawer and the other will be mailed to the employee for signature. Once the signed NOPA is received, scan and attach to the corresponding note in Activity.

For NOPA's that list probationary periods, create 3 separate "Prob Report" notes in Activity for each due date. Send a STD 636 to the unit manager / supervisor along with the first, second and final due dates of each report. When the probationary reports are received, scan and attach to the corresponding note in Activity.

Use the Monthly Payroll calendar as a reminder to notify management of upcoming probationary reports that are due.

To recall upcoming probation report due dates in Activity, go to Notes under Payroll/Human Resources and use the filter, ? Note Type, and choose Prob Report #1, 2 or 3. This will show due dates for upcoming probationary periods.

File all original NOPA's and STD 636's in the employee's Official Personnel File.