

**Suzanne M. Ambrose, Executive Officer  
State Personnel Board  
November 21, 2013 Testimony**

**How has the State Personnel Board's day-to-day functioning has changed following the reorganization, and any improvements or efficiencies achieved as result of the reorganization.**

Effective July 1, 2012, the Governor's Reorganization Plan #1 (GRP1) of 2011 consolidated all of the functions of the Department of Personnel Administration and the merit-related transactional functions of the State Personnel Board (SPB) into the Department of Human Resources (CalHR). Specifically, SPB programs related to appointments consultation, career executive assignment (CEA) allocations, test development, recruitment, examinations, psychological and medical screening, training, and the Office of Civil Rights transferred to CalHR along with the associated staff and funding. In addition, all of SPB's accounting, budget, business services, human resources, information technology, legislative affairs, and public information office resources were transferred to CalHR. CalHR staff is now charged with providing these services to SPB.

GRP1 recognized and preserved SPB's exclusive constitutional authority to administer the merit system. As a result, in addition to retaining the Appeals Division, GRP1 created both a Policy Division and Compliance Review Division at SPB to establish merit-related policy and conduct reviews of departmental merit-related practices to ensure compliance with laws, rules, and board policy. The following is a description of the new functions and their accomplishments to date.

Policy Division

At the direction of the Board, the Policy Division implements changes in processes, rules, and policies related to the civil service system. The Policy Division works collaboratively with stakeholders to identify policy changes for adoption by the Board.

The Policy Division has:

- Recruited for, selected, and hired staff.
- Indexed 1,600 SPB policy memos (pinkies) from 1960 that provide guidance to departments.
- Created a project inventory outlining the laws, rules, "pinkies," and Personnel Management Policy and Procedures Manual and Selection Manual sections applicable to each major topic area (i.e., appointments, classifications, career executive assignments (CEA), examinations, and the limited examination and appointment program (LEAP)).
- Launched workgroups comprised of departmental staff and employee organization representatives to review existing policies and procedures and make recommendations to the Board that will improve the efficiency and

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effectiveness of the civil service system. The groups are working on five major areas: appointments, classifications, CEAs, examinations, and LEAP.

Compliance Review Division

The Compliance Review Division (CRD) performs cyclical standard reviews of four major areas: exams, appointments, equal employment opportunity, and personal service contracts. CRD also conducts focused investigations of certain departments' personnel practices as determined by the Board. Special investigations may be initiated in response to a specific request or when SPB obtains information suggesting a potential merit-related violation.

In the prior fiscal year, CRD:

- Recruited for, selected, and hired staff.
- In partnership with the Policy Division, reviewed existing civil service laws, rules, and policies and defined the scope of and procedures for the compliance reviews.
- Researched, identified, and implemented an auditing database to digitally capture documents and findings and to track workload and staff time.
- Developed standardized compliance review and special investigation forms, letters, and report templates.
- Prepared a desk manual.
- Conducted nearly 80 baseline compliance reviews.
- At the request of the Legislature, conducted a special investigation of managerial and supervisory employees serving in additional rank-and-file appointments at 11 departments.

This fiscal year, we have created a three-year audit schedule, prioritizing compliance reviews based on the prior year baseline findings.

**The progress of the policy work groups, and the effect they may have on the state's human resources system overall. Please also describe the steps and support that will be needed for the groups' policy reforms to be successful.**

SPB's Policy Division, in partnership with departmental and employee organization representatives, has launched a major effort to reinvent the civil service process. The project's goals include:

- Review, streamline, and increase the effectiveness of the merit-based selection process.

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- Address outdated resource information.
- Create a new regulatory scheme and manual content to provide clear and consistent guidance to stakeholders.

As mentioned previously, SPB has established partnerships with state departments and employee associations to establish work groups that are covering the following major subject areas: appointments, CEAs, classifications, examinations, and LEAP. The work groups are currently:

- Reviewing and evaluating “pinkies,” the Personnel Management Policy and Procedures Manual, the Selection Manual, and current law and regulations.
- Recommending what information, rules, and procedures given in the “pinkies” and manuals should be adopted through the regulatory process, or revoked as outdated, no longer relevant, superseded, or inappropriate for the rulemaking process.
- Reviewing current processes and rules to propose improvements to increase clarity and simplicity.
- Recommending regulatory additions, changes, or amendments for centralization within the California Code of Regulations (CCR).

SPB is reliant upon the continued support of CalHR, departments, and employee associations to move forward in this effort. Our goal is to implement efficient and effective change, which can only be accomplished by collaborating with partners of varied backgrounds and perspectives.

**Additional reforms that are needed, if any, to ensure the human resources system operates smoothly in serving its client departments.**

While SPB has improved state hiring through offering more online civil service exams, providing open supervisory and managerial exams, adding flexibility to selection process, and improving the jobs portal in the recent years prior to the reorganization, more can be done. Specifically, the State’s antiquated classification plan consists of over 4,000 classes, uses unfamiliar nomenclature to describe jobs, and includes minimum qualifications specific to state experience rather than private sector experience. Unused classes should be eliminated and the remaining classes should be consolidated and redesigned to provide for greater upward mobility, easier movement within civil service, streamlined process, and be more aligned with private sector jobs.

All governing principles should be reviewed and those which are appropriate for regulatory adoption should be formally centralized in the CCR as rules. All HR guidance not appropriate for the rulemaking process should be centralized in a single,

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comprehensive, up-to-date, online manual on the CalHR website. Departments should not have to search through hundreds of policy memos or a multitude of materials to obtain guidance on their human resources functions.