



# **COMPLIANCE REVIEW REPORT**

## **CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**

Compliance Review Unit  
State Personnel Board  
March 22, 2021

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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 Department of Housing and Community Development (HCD) personnel practices in the areas of examinations, appointments, EEO, PSC's, mandated training, compensation and pay, leave, and policy and processes. The following table summarizes the compliance review findings.

Area	Severity	Finding
Examinations	In Compliance	Examinations Complied with Civil Service Laws and Board Rules
Examinations	In Compliance	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	Serious	Probationary Evaluations Were Not Provided for All Appointments Reviewed and Those That Were Provided Were Untimely <sup>1</sup>
Appointments	In Compliance	Unlawful Appointment Investigation Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied With All Civil Service Laws and Board Rules
Personal Services Contracts	In Compliance	Personal Services Contracts Complied with Procedural Requirements
Mandated Training	In Compliance	Mandated Training Complied with Statutory Requirements
Compensation and Pay	In Compliance	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Alternate Range Movements Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

<sup>1</sup> Repeat finding. June 10, 2015, the HCD's compliance review report identified 8 missing probation reports of the 43 appointment files reviewed.

Area	Severity	Finding
Compensation and Pay	In Compliance	Hiring Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Bilingual Pay Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Out of Class Pay Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Leave	In Compliance	Positive Paid Employees' Tracked Hours Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	In Compliance	Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	In Compliance	Leave Auditing and Timekeeping Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	In Compliance	Leave Reduction Plans Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Policy	In Compliance	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	In Compliance	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Serious	Performance Appraisals Were Not Provided to All Employees

### **BACKGROUND**

The HCD is headquartered in Sacramento and includes six smaller district offices throughout the state. The mission of the department is to provide leadership, policies, and programs to preserve and expand safe and affordable housing opportunities and promote strong communities for all Californians. The department has a staff of approximately 927 employees who serve in seven divisions:

- Codes and Standards
- Financial Assistance
- Housing Policy Development
- Legal Affairs
- Legislation and Governmental Affairs
- Administration and Management
- Audit and Evaluation

Codes and Standards administers, adopts, and enforces uniform statewide housing standards to ensure the health and safety of Californians; to protect buyers from fraud and abuse; and, safeguard the affordability of housing.

Financial Assistance administers more than 20 programs which award loans and grants for the construction, acquisition, rehabilitation, and preservation of affordable rental and ownership housing; homeless shelters and transitional housing; public facilities and infrastructure; and, the development of jobs for lower income workers.

Housing Policy Development (HPD) administers state housing element law, including the review of local general plan housing elements; prepares numerous state plans and reports and conducts research to facilitate housing development and improvement; and, provides a wide range of technical assistance to local governments, public and private housing providers, business and industry groups, housing advocates, and interested citizens. In addition, the HPD prepares and implements the federal consolidated planning and performance reporting requirements for the United States Department of Housing and Urban Development. This work includes the analysis of impediments to fair housing, ensuring California's receipt of millions of federal housing and community development dollars.

The Legal Affairs Division (LAD) performs an administrative support function in providing accurate, timely, prudent legal advice and assistance, and support to all divisions in the department. The LAD performs research and drafts legal opinions, represents the department in litigation, processes Public Records Act requests, drafts loan documents for recording, drafts legislative bills, promulgates rulemaking/regulation packages, resolves legal issues pertaining to the registration and titling of manufactured housing, and provides general legal support.

Legislation and Governmental Affairs is the department's principal liaison to the Legislature. The division advises the Director and the Administration on housing-related legislative issues. It also promotes the Administration's housing policies and programs by

testifying before legislative committees and negotiating with members of the Legislature and interest groups.

Administration and Management provides administrative support and mandates most of the general administrative functions described in the State Administrative Manual.

Audit and Evaluation provides independent assurance and consulting services for all of the HCD's divisions. For all external audits of the HCD, they provide a single-point-of-contact for external audit staff.

### **SCOPE AND METHODOLOGY**

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

A cross-section of the HCD'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 HCD provided, which included examination plans, examination bulletins, job analyses, and scoring results. The CRU also reviewed the HCD's permanent withhold actions documentation, including Withhold Determination Worksheets, State applications (STD. 678), class specifications, and withhold letters.

A cross-section of the HCD'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 HCD 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 CRU also reviewed the HCD's policies and procedures concerning unlawful appointments to ensure departmental practices conform to state civil service laws and Board regulations. The HCD did not make any additional appointments during the compliance review period.

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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.

The HCD's appointments were also selected for review to ensure the HCD applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the HCD provided, which included employees' employment and pay history and any other relevant documentation such as certifications, degrees, and/or the appointee's application. Additionally, the CRU reviewed specific documentation for the following personnel functions related to compensation and pay: hiring above minimum (HAM) requests, bilingual pay, monthly pay differentials, alternate range movements, and out-of-class assignments.

During the compliance review period, the HCD did not issue or authorize red circle rate requests or arduous pay.

The review of the HCD'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.

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

The HCD'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 sexual harassment prevention training within statutory timelines.

The CRU also identified the HCD'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 HCD to provide a copy of their leave reduction policy.

The CRU reviewed the HCD's Leave Activity and Correction Certification forms to verify that the HCD created a monthly internal audit process to verify all leave input into any

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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.



leave accounting system was keyed accurately and timely. The CRU selected a small cross-section of the HCD's units in order to ensure they maintained accurate and timely leave accounting records. During the compliance review period, the HCD did not have any employees with non-qualifying pay period transactions. Additionally, the CRU reviewed a selection of the HCD employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRU reviewed a selection of HCD positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements.

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

On February 18, 2021, an exit conference was held with the HCD to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the HCD's written response on March 1, 2021, which is attached to this final compliance review report.

## **FINDINGS AND RECOMMENDATIONS**

### **Examinations**

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

During the period under review, December 1, 2018, through August 30, 2019, the HCD conducted six examinations. The CRU reviewed all of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Career Executive Assignment (CEA) A, Assistant Deputy Director, Division of Financial Assistance	CEA	Statement of Qualifications (SOQ) <sup>4</sup>	10/26/2018	29
CEA A, Chief Information Officer, Administration and Management Division	CEA	SOQ	4/12/2019	18
CEA B, Deputy Director, Administration and Management Division	CEA	SOQ	11/01/2018	18
Codes and Standards Administrator I	OPEN	Training and Experience (T&E) <sup>5</sup>	Continuous	5
Codes and Standards Administrator II	OPEN	T&E	Continuous	4
Codes and Standards Administrator III	OPEN	T&E	Continuous	2

<b>IN COMPLIANCE</b>	<b>FINDING No. 1 EXAMINATIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES</b>
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The CRU reviewed three CEA examinations and three open examinations which the HCD administered in order to create eligible lists from which to make appointments. The HCD published and distributed examination bulletins containing the required information for all examinations. Applications received by the HCD were accepted prior to the final filing

<sup>4</sup> In a Statement of Qualifications examination, applicants submit a written summary of their qualifications and experience related to a published list of desired qualifications. Raters, typically subject matter experts, evaluate the responses according to a predetermined rating scale designed to assess their ability to perform in a job classification, assign scores and rank the competitors in a list.

<sup>5</sup> The Training and Experience examination is administered either online or in writing, and asks the applicant to answer multiple-choice questions about his or her level of training and/or experience performing certain tasks typically performed by those in this classification. Responses yield point values.

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 HCD conducted during the compliance review period.

Permanent Withhold Actions

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

During the period under review, December 1, 2018, through August 30, 2019, the HCD conducted 23 permanent withhold actions. The CRU reviewed all of these permanent withhold actions, which are listed below:

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Accountant I (Specialist)	OPB31	12/11/2018	12/19/2019	Failed to meet MQs
Administrative Assistant I	3PB31	2/27/2019	2/27/2019	Failed to meet MQs
Attorney III	9PB08	10/2/2018	10/2/2019	Failed to meet MQs

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
District Representative I, Division of Codes and Standards (Non-Peace Officer)	7CAA01	6/4/2019	6/4/2020	Failed to meet MQs
District Representative I, Division of Codes and Standards (Non-Peace Officer)	7CAA01	2/7/2019	2/7/2020	Failed to meet MQs
District Representative I, Division of Codes and Standards (Non-Peace Officer)	7CAA01	6/4/2019	6/4/2020	Failed to meet MQs
Housing and Community Development Representative I	0PB1701	1/17/2019	1/17/2020	Failed to meet MQs
Housing and Community Development Representative I	0PB1701	11/2/2018	11/2/2019	Failed to meet MQs
Housing and Community Development Representative I	0PB1701	3/5/2019	3/5/2020	Failed to meet MQs
Housing and Community Development Representative I	0PB1701	4/18/2018	4/18/2019	Failed to meet MQs
Housing and Community Development Representative I	0PB1701	1/25/2019	1/25/2020	Failed to meet MQs
Housing and Community Development Representative I	0PB1701	11/5/2018	11/5/2019	Failed to meet MQs
Housing and Community Development Representative I	0PB1701	8/17/2018	8/17/2019	Failed to meet MQs
Housing and Community Development Representative I	0PB1701	5/21/2018	5/21/2019	Failed to meet MQs
Housing and Community Development Representative II	0PB1701	1/29/2019	1/29/2020	Failed to meet MQs
Housing and Community Development Representative II	0PB1701	5/21/2018	5/21/2019	Failed to meet MQs

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Housing and Community Development Representative II	0PB1701	3/5/2019	3/5/2020	Failed to meet MQs
Housing and Community Development Representative II	0PB1701	1/24/2019	1/24/2020	Failed to meet MQs
Housing and Community Development Representative II	0PB1701	1/30/2019	1/30/2020	Failed to meet MQs
Housing and Community Development Specialist I	6CDAA01	12/27/2019	12/27/2020	Failed to meet MQs
Housing and Community Development Specialist II	6CDAA02	4/24/2019	4/24/2020	Failed to meet MQs
Program Technician II	2PB30	6/27/2019	6/27/2021	Failed to meet MQs
Staff Services Analyst (General)	7PB34	5/21/2019	5/21/2021	Failed to meet MQs

<b>IN COMPLIANCE</b>	<b>FINDING NO. 2 PERMANENT WITHHOLD ACTIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES</b>
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The CRU found no deficiencies in the permanent withhold actions undertaken by the department during the compliance review period.

### **Appointments**

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

does not apply to intra-agency job reassignments. (Cal. Code Regs., tit. 2, § 250, subd. (e).)

During the period under review, December 1, 2018, through August 30, 2019, the HCD made 143 appointments. The CRU reviewed 37 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Career Executive Assignment (CEA) A, Assistant Deputy Director, Division of Financial Assistance	Certification List	Permanent	Full Time	1
CEA A, Chief Information Officer, Administration and Management Division	Certification List	Permanent	Full Time	1
CEA B, Deputy Director, Administration and Management Division	Certification List	Permanent	Full Time	1
Accountant I (Specialist)	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	1
Attorney	Certification List	Permanent	Full Time	1
Attorney III	Certification List	Permanent	Full Time	2
District Representative I, Division of Codes and Standards (Non-Peace Officer)	Certification List	Permanent	Full Time	1
District Representative II, Division of Codes and Standards (Non-Peace Officer)	Certification List	Permanent	Full Time	1
Housing and Community Development Representative I	Certification List	Permanent	Full Time	1
Housing and Community Development Representative II	Certification List	Permanent	Full Time	7

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Limited Examination and Appointment Program Candidate	Certification List	Temporary	Full Time	1
Program Technician II	Certification List	Permanent	Full Time	1
Program Technician III	Certification List	Permanent	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	1
Staff Services Manager II (Managerial)	Certification List	Permanent	Full Time	1
Staff Services Manager III	Certification List	Permanent	Full Time	1
Accounting Administrator I (Supervisor)	Transfer	Permanent	Full Time	1
Attorney III	Transfer	Permanent	Full Time	1
District Representative I, Division of Codes and Standards (Non-Peace Officer)	Transfer	Permanent	Full Time	1
Housing and Community Development Representative I	Transfer	Permanent	Full Time	1
Housing and Community Development Representative II	Transfer	Permanent	Full Time	1
Housing and Community Development Specialist II	Transfer	Temporary	Intermittent	1
Housing and Community Development Specialist II	Transfer	Temporary	Intermittent	1
Information Technology Specialist II	Transfer	Temporary	Intermittent	1
Program Technician II	Transfer	Permanent	Full Time	1
Senior Personnel Specialist	Transfer	Temporary	Intermittent	1
Staff Services Analyst (General)	Transfer	Permanent	Full Time	1
Staff Services Manager I	Transfer	Permanent	Full Time	1
Staff Services Manager II (Supervisory)	Transfer	Permanent	Full Time	1

<b>SEVERITY: SERIOUS</b>	<b>FINDING NO. 3 PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED AND THOSE THAT WERE PROVIDED WERE UNTIMELY</b>
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**Summary:** The HCD did not provide 3 probationary reports of performance for 2 of the 37 appointments reviewed by the CRU. In addition, the HCD

did not provide in a timely manner 4 probationary reports of performance for the 37 appointments reviewed by the CRU, as reflected in the tables below. This is the second consecutive time this has been a finding for the HCD.

Classification	Appointment Type	Number of Appointments	Total Number of Missing Probation Reports
Attorney	Certification	1	1
Housing and Community Development Representative	Certification	1	2

Classification	Appointment Type	Number of Appointments	Total Number of Late Probation Reports
Housing and Community Development Representative II	Certification	1	2
Program Technician III	Certification	1	2

**Criteria:**

The service of a probationary period is required when an employee enters or is promoted in the state civil service by permanent appointment from an employment list; upon reinstatement after a break in continuity of service resulting from a permanent separation; or after any other type of appointment situation not specifically excepted from the probationary period. (Gov. Code, § 19171.) During the probationary period, the appointing power shall evaluate the work and efficiency of a probationer in the manner and at such periods as the department rules may require. (Gov. Code, § 19172.) A report of the probationer’s performance shall be made to the employee at sufficiently frequent intervals to keep the employee adequately informed of progress on the job. (Cal. Code Regs., tit. 2, § 599.795.) A written appraisal of performance shall be made to the Department within 10 days after the end of each one-third portion of the probationary period. (*Ibid.*) The Board’s record retention rules require that appointing powers retain all probationary reports for five years from the date the record is created. (Cal. Code Regs., tit. 2, § 26, subd. (a)(3).)



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

**Cause:** The HCD acknowledges its probationary evaluations were not provided to all employees, and those that were provided were untimely. The HCD states that it had a significant increase in positions during the audit period. Subsequently, many of the vacant manager positions were filled with either first time managers or new state employees who were not aware of the requirement to complete probationary evaluations in a timely manner.

**Corrective Action:** The HCD provides it has taken steps since the review to develop and train managers and supervisors on the completion of probation reports, and informs supervisors and managers of past due, current and future report dates. Within 90 days of the date of this report, the HCD must submit to the SPB relevant documentation demonstrating that it has implemented the corrective actions to achieve compliance in this area. .

### Unlawful Appointment Investigations

Departments that entered into an Unlawful Appointment Investigation Delegation Agreement between their executive management and the CalHR have the authority to manage their own unlawful appointment investigations. The Delegation Agreement defines the reporting requirements, responsibilities, obligations, and expectations of the department in this process. The delegation agreement mandates that departments maintain up-to-date records on each unlawful appointment investigation including, at a minimum: the specific facts surrounding the appointment in question, a description of the circumstances which may have resulted in the unlawful appointment, copies of relevant appointment documents, and any documentation which may demonstrate that the agency and employee acted in good faith when the appointment was offered and accepted. Departments must also maintain a tracking system to monitor its unlawful appointments.

During the period under review, December 1, 2018, through August 30, 2019, the HCD conducted one unlawful appointment investigation. The CRU reviewed the unlawful appointment investigation, which is listed below:

Classification	Date Investigation Initiated	Date Investigation Concluded
Staff Services Analyst (General)	1/30/2019	2/19/2019

<b>IN COMPLIANCE</b>	<b>FINDING No. 4 UNLAWFUL APPOINTMENT INVESTIGATION COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The HCD’s unlawful appointment investigation was found to comply with the rules set forth in the signed Delegation Agreement with the CalHR.

**Equal Employment Opportunity**

Each state agency is responsible for an effective EEO program. (Gov. Code, § 19790.) The appointing power for each state agency has the major responsibility for monitoring the effectiveness of its EEO program. (Gov. Code, § 19794.) To that end, the appointing power must issue a policy statement committed to EEO; issue procedures for filing, processing, and resolving discrimination complaints; and cooperate with the CalHR, in accordance with Civil Code section 1798.24, subdivisions (o) and (p), by providing access to all required files, documents and data necessary to carry out these mandates. (*Ibid.*) In addition, the appointing power must appoint, at the managerial level, an EEO Officer, who shall report directly to, and be under the supervision of, the director of the department to develop, implement, coordinate, and monitor the department’s EEO program. (Gov. Code, § 19795, subd. (a).)

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

IN COMPLIANCE	<b>FINDING No. 5 EQUAL EMPLOYMENT OPPORTUNITY PROGRAM          COMPLIED WITH ALL CIVIL SERVICE LAWS AND BOARD          RULES</b>
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After reviewing the policies, procedures, and programs necessary for compliance with the EEO program’s role and responsibilities according to statutory and regulatory guidelines, the CRU determined that the HCD’s EEO program provided employees with information and guidance on the EEO process including instructions on how to file discrimination claims. Furthermore, the EEO program outlines the roles and responsibilities of the EEO Officer, as well as supervisors and managers. The EEO Officer, who is at a managerial level, reports directly to the Executive Director of the HCD. The HCD also provided evidence of its efforts to promote EEO in its hiring and employment practices and to increase its hiring of persons with a disability.

**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, December 1, 2018, through August 30, 2019, the HCD had 29 PSC’s that were in effect. The CRU reviewed 15 of those, which are listed below:

Vendor	Services	Contract Dates	Contract Amount	Justification Identified?	Union Notification?
CPS HR Consulting	Communication Consultant	12/10/18 - 04/30/19	\$49,000	Yes	Yes
BCSH	Administration Services	12/13/18 - 6/30/19	\$349,548	Yes	Yes
CPS HR Consulting	Developmental Consultant	08/1/18 - 06/30/21	\$1,446,000	Yes	Yes
CPS HR Consulting	CDBG Program Redesign	01/24/19 - 05/31/19	\$19,250	Yes	Yes
Lang & Associates	"Can We Chat" Sessions	06/4/19 - 01/1/20	\$9,995	Yes	Yes
GCR, Inc.	AFFH Analysis Consultant	07/16/19 - 06/30/21	\$410,660	Yes	Yes
CPS HR Consulting	Communication Consultant	12/11/18 - 12/31/19	\$99,000	Yes	Yes
CalHFA	Administrative Services	10/2/18 - 06/30/20	\$330,000	Yes	Yes
BCSH	Administrative Services	12/11/18 - 06/30/19	\$747,096	Yes	Yes
GCR, Inc.	Data Collection	01/5/18 - 06/30/20	\$820,243	Yes	Yes
AML Global	CDBG -DR Action Plan	11/13/18 - 06/30/19	\$9,700	Yes	Yes
CPS HR Consulting	Leadership Coaching	07/1/18 - 06/30/20	\$154,560	Yes	Yes
CHPC	Affordable Housing Preservation	08/7/19 - 06/30/22	\$492,300	Yes	Yes
PlaceWorks	Technical Assistance Consultant	02/1/19 - 06/30/21	\$2,352,250	Yes	Yes
LeSar Development Consultants	Change Management Consultant	07/1/18 - 06/30/20	\$573,420	Yes	Yes

<b>IN COMPLIANCE</b>	<b>FINDING No. 6</b>	<b>PERSONAL SERVICES CONTRACTS COMPLIED WITH PROCEDURAL REQUIREMENTS</b>
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The total dollar amount of all the PSC's reviewed was \$7,863,022. It was beyond the scope of the review to make conclusions as to whether HCD justifications for the contract were legally sufficient. For all PSC's reviewed, the HCD provided specific and detailed

factual information in the written justification as to how each of the contracts met at least one condition set forth in Government Code section 19130, subdivision (b). Additionally, the HCD complied with proper notification to all organizations that represent employees who perform the type of work contracted. Accordingly, the HCD PSC's complied with civil service laws and board rules.

**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 and 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.)

Additionally, new supervisors must be provided sexual harassment prevention training within six months of appointment. Thereafter, each department must provide its supervisors two hours of sexual harassment prevention training every two years. (Gov. Code, § 12950.1, subds. (a) and (b); Gov. Code § 19995.4.)

The Board may conduct reviews of any appointing power’s personnel practices to ensure compliance with civil service laws and Board regulations. (Gov. Code, § 18661, subd. (a).) In particular, the Board may audit personnel practices related to such matters as selection and examination procedures, appointments, promotions, the management of probationary periods, and any other area related to the operation of the merit principle in state civil service. (*Ibid.*) Accordingly, the 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 HCD’s mandated training program that was in effect during the compliance review period, September 1, 2017, through August 30, 2019.

<b>IN COMPLIANCE</b>	<b>FINDING No. 7</b>	<b>MANDATED TRAINING COMPLIED WITH STATUTORY REQUIREMENTS</b>
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The HCD provided ethics training to its 72 new filers within 6 months of appointment and, for 299 existing filers, “at least once during each consecutive period of 2 calendar years,

commencing on the first odd-numbered year thereafter.” The HCD also provided supervisory training to its 14 new supervisors within 12 months of appointment. In addition, the HCD provided sexual harassment prevention training to its 14 new supervisors within 6 months of appointment, and sexual harassment prevention training to its 87 existing supervisors every two years. Thus, the HCD complied with mandated training requirements within statutory timelines.

## **Compensation and Pay**

### **Salary Determination**

The pay plan for state civil service consists of salary ranges and steps established by CalHR. (Cal. Code Regs., tit. 2, § 599.666.) Several salary rules dictate how departments calculate and determine an employee’s salary rate<sup>6</sup> upon appointment depending on the appointment type, the employee’s state employment and pay history, and tenure.

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

During the period under review, December 1, 2018, through August 30, 2019, the HCD made 143 appointments. The CRU reviewed 5 of those appointments to determine if the HCD applied salary regulations accurately and correctly processed employees’ compensation, which are listed below:

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Accounting Administrator I (Supervisor)	Transfer	Permanent	Full Time	\$7,608
Attorney III	Transfer	Permanent	Full Time	\$12,140
CEA	Transfer	Permanent	Full Time	\$9,343
Housing and Community Development Representative I	Transfer	Permanent	Full Time	\$4,496

<sup>6</sup> “Rate” is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (Cal. Code Regs., tit. 2, section 599.666).

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Staff Services Analyst (General)	Transfer	Permanent	Full Time	\$4,281

<b>IN COMPLIANCE</b>	<b>FINDING No. 8 SALARY DETERMINATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the salary determinations that were reviewed. The HCD appropriately calculated and keyed the salaries for each appointment and correctly determined employees' anniversary dates ensuring that subsequent merit salary adjustments will satisfy civil service laws, Board rules and CalHR policies and guidelines.

Alternate Range Movement Salary Determination (within same classification)

If an employee qualifies under established criteria and moves from one alternate range to another alternate range of a class, the employee shall receive an increase or a decrease equivalent to the total of the range differential between the maximum salary rates of the alternate ranges. (Cal. Code Regs., tit. 2, § 599.681.) However, in many instances, the CalHR provides salary rules departments must use when employees move between alternate ranges. These rules are described in the alternate range criteria. (CalHR Pay Scales). When no salary rule or method is cited in the alternate range criteria, departments must default to Rule 599.681.

During the period under review, December 1, 2018, through August 30, 2019, the HCD employees made five alternate range movements within a classification. The CRU reviewed all of those alternate range movements to determine if the HCD applied salary regulations accurately and correctly processed each employee's compensation, which are listed below:

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Information Technology Associate	Range C	Range D	Full Time	\$6,557
Staff Services Analyst (General)	Range A	Range B	Full Time	\$3,688

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Staff Services Analyst (General)	Range B	Range C	Full Time	\$4,281
Staff Services Analyst (General)	Range B	Range C	Full Time	\$4,534
Staff Services Analyst (General)	Range B	Range C	Full Time	\$4,401

<b>IN COMPLIANCE</b>	<b>FINDING No. 9</b>	<b>ALTERNATE RANGE MOVEMENTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU determined that the alternate range movements the HCD made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

Hiring Above Minimum Requests

The CalHR may authorize payment at any step above the minimum limit to classes or positions to meet recruiting problems, or to obtain a person who has extraordinary qualifications. (Gov. Code, § 19836.) For all employees new to state service, departments are delegated to approve HAMs for extraordinary qualifications. (Human Resources Manual Section 1707.) Appointing authorities may request HAMs for current state employees with extraordinary qualifications. (*Ibid.*) Delegated HAM authority does not apply to current state employees. (*Ibid.*)

Extraordinary qualifications may provide expertise in a particular area of a department's program. (*Ibid.*) This expertise should be well beyond the minimum qualifications of the class. (*Ibid.*) Unique talent, ability or skill as demonstrated by previous job experience may also constitute extraordinary qualifications. (*Ibid.*) The scope and depth of such experience should be more significant than its length. (*Ibid.*) The degree to which a candidate exceeds minimum qualifications should be a guiding factor, rather than a determining one. (*Ibid.*) The qualifications and hiring rates of state employees already in the same class should be carefully considered, since questions of salary equity may arise if new higher entry rates differ from previous ones. (*Ibid.*) Recruitment difficulty is a factor to the extent that a specific extraordinary skill should be difficult to recruit, even though some applicants are qualified in the general skills of the class. (*Ibid.*)



If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Government Code section 3517.5, the memorandum of understanding shall be controlling without further legislative action.<sup>7</sup> (Gov. Code, § 19836 subd. (b).)

Appointing authorities may request and approve HAMs for former legislative employees who are appointed to a civil service class and received eligibility for appointment pursuant to Government Code section 18990. (Human Resources Manual Section 1707.) The salary received upon appointment to civil service shall be in accordance with the salary rules specified in the California Code of Regulations. (*Ibid.*) A salary determination is completed comparing the maximum salary rate of the former legislative class and the maximum salary rate of the civil service class to determine applicable salary and anniversary regulation. (*Ibid.*) Typically, the legislative employees are compensated at a higher rate of pay; therefore, they will be allowed to retain the rate they last received, not to exceed the maximum of the civil service class. (*Ibid.*)

Appointing authorities may request/approve HAMs for former exempt employees appointed to a civil service class. (Human Resources Manual Section 1707.) The salary received upon appointment to civil service shall be competitive with the employee’s salary in the exempt appointment. (*Ibid.*) For example, an employee appointed to a civil service class which is preceded by an exempt appointment may be appointed at a salary rate comparable to the exempt appointment up to the maximum of the salary range for the civil service class. (*Ibid.*)

During the period under review, December 1, 2018, through August 30, 2019, the HCD authorized five HAM requests. The CRU reviewed all of those authorized HAM requests to determine if the HCD correctly applied Government Code section 19836 and appropriately verified, approved and documented candidates’ extraordinary qualifications, which are listed below:

Classification	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Staff Services Manager II (Supervisor)	New	Permanent	\$6495-\$8070	\$7,666
Staff Services Manager III	Current	Permanent	\$8173-\$9280	\$9,280

<sup>7</sup> Except that if the provisions of the memorandum of understanding requires the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Classification	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Research Data Specialist II	New	Permanent	\$6213-\$7777	\$6,949
Codes and Standards Administrator I, (Non-Peace Officer)	New	Permanent	\$6377-\$7925	\$6,696
Housing and Community Development Specialist II	New	Permanent	\$6213-\$7777	\$7,138

<b>IN COMPLIANCE</b>	<b>FINDING No.10 HIRING ABOVE MINIMUM REQUESTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU found that the HAM requests the HCD made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

### Bilingual Pay

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

Typically, the department must review the position duty statement to confirm the percentage of time performing bilingual skills and verify the monthly pay differential is granted to a certified bilingual employee in a designated bilingual position. The position, not the employee, receives the bilingual designation and the department must verify that the incumbent successfully participated in an Oral Fluency Examination prior to issuing the additional pay.

During the period under review, December 1, 2018, through August 30, 2019, the HCD issued bilingual pay to 25 employees. The CRU reviewed 6 of these bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

District Representative I, Division of Codes and Standards (Non-Peace Officer)	R07	FT	1
District Representative II, Division of Codes and Standards (Non-Peace Officer)	R07	FT	1
Program Technician	R04	FT	1
Program Technician II	R04	FT	1
Program Technician III	R04	FT	1
Staff Services Analyst (General)	R01	FT	1
District Representative I, Division of Codes and Standards (Non-Peace Officer)	R07	FT	1

<b>IN COMPLIANCE</b>	<b>FINDING No.11 BILINGUAL PAY AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU found that the bilingual pay authorized to employees during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

### Pay Differentials

A pay differential is special additional pay recognizing unusual competencies, circumstances, or working conditions applying to some or all incumbents in select classes. A pay differential may be appropriate in those instances when a subgroup of positions within the overall job class might have unusual circumstances, competencies, or working conditions that distinguish these positions from other positions in the same class. Typically, pay differentials are based on qualifying pay criteria such as: work locations or shift assignments; professional or educational certification; temporary responsibilities; special licenses, skills or training; performance-based pay; incentive-based pay; or, recruitment and retention. (Classification and Pay Manual Section 230.)

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

During the period under review, December 1, 2018, through August 30, 2019, the HCD issued pay differentials<sup>8</sup> to three employees. The CRU reviewed all of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount
District Representative III, Division of Codes and Standards	244 Education	\$125
District Representative III, Division of Codes and Standards	244 Education	\$125
District Representative III, Division of Codes and Standards	245 Longevity	2% above base salary

<b>IN COMPLIANCE</b>	<b>FINDING No.12 PAY DIFFERENTIAL AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the pay differentials that the HCD authorized during the compliance review period. Pay differentials were issued correctly in recognition of unusual competencies, circumstances, or working conditions in accordance with applicable rules and guidelines.

### Out-of-Class Assignments and Pay

For excluded<sup>9</sup> and most rank and file employees, out-of-class (OOC) work is defined as performing, more than 50 percent of the time, the full range of duties and responsibilities allocated to an existing class and not allocated to the class in which the person has a current, legal appointment. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(2).) A higher classification is one with a salary range maximum that is any amount higher than the salary range maximum of the classification to which the employee is appointed. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(3).)

According to the Classification and Pay Guide, OOC assignments should only be used as a last resort to accommodate temporary staffing needs. All civil service alternatives should be explored first before using OOC assignments. However, certain MOU

<sup>8</sup> For the purposes of CRU's review, only monthly pay differentials were selected for review at this time.

<sup>9</sup> "Excluded employee" means an employee as defined in section 3527, subd. (b) of the Government Code (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to section 18801.1 of the Government Code.

provisions and the California Code of Regulations, title 2, section 599.810 allow for short-term OOC assignments to meet temporary staffing needs. Should OOC work become necessary, the assignment would be made pursuant to the applicable MOU provisions or salary regulations. Before assigning the OOC work, the department should have a plan to correct the situation before the 120-day time period expires. (Classification and Pay Guide Section 375.)

During the period under review, December 1, 2018, through August 30, 2019, the HCD issued OOC pay to two employees. The CRU reviewed all of these OOC assignments to ensure compliance with applicable MOU provisions, salary regulations, and CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Accounting Administrator III	Excluded	Deputy Director of Division of Financial Assistance/Exempt	8/31/18-5/31/19
CEA (A)	Excluded	CEA (B), Administrative Deputy	2/1/19-9/20/19

<b>IN COMPLIANCE</b>	<b>FINDING No.13 OUT OF CLASS PAY AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the OOC pay assignments that the HCD authorized during the compliance review period. OOC pay was issued appropriately to employees performing, more than 50 percent of the time, the full range of duties and responsibilities allocated to an existing class and not allocated to the class in which the person has a current, legal appointment.

**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>10</sup> worked and paid absences,<sup>11</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 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 HCD had 11 positive paid employees whose hours were tracked. The CRU reviewed 9 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

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<sup>10</sup> For example, two hours or ten hours counts as one day.

<sup>11</sup> For example, vacation, sick leave, compensating time off, etc.

Classification	Tenure	Time Frame	Time Worked (Hours)
District Representative I, Division of Codes and Standards (Non-Peace Officer)	Intermittent	Full Time	960
Housing and Community Development Representative II	Intermittent	Full Time	214.5
Housing and Community Development Specialist II	Intermittent	Full Time	439.5
Housing and Community Development Specialist I	Intermittent	Full Time	960
District Representative I, Division of Codes and Standards (Non-Peace Officer)	Intermittent	Full Time	777.5
Attorney III	Intermittent	Full Time	535
Associate Governmental Program Analyst	Intermittent	Full Time	953
Associate Governmental Program Analyst	Intermittent	Full Time	689
Housing and Community Development Specialist I	Intermittent	Full Time	960

<b>IN COMPLIANCE</b>	<b>FINDING No.14 POSITIVE PAID EMPLOYEES' TRACKED HOURS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the positive paid employees reviewed during the compliance review period. The HCD provided sufficient justification and adhered to applicable laws, regulations and CalHR policy and guidelines for positive paid employees.

Administrative Time Off

ATO is a form of paid administrative leave status initiated by appointing authorities for a variety of reasons. (Human Resources Manual Section 2121.) Most often, ATO is used when an employee cannot come to work because of a pending investigation, fitness for duty evaluation, or when work facilities are unavailable. (*Ibid.*) ATO can also be granted when employees need time off for reasons such as blood or organ donation; extreme weather preventing safe travel to work; states of emergency; voting; and when employees need time off to attend special events. (*Ibid.*)

During the period under review, December 1, 2018, through September 30, 2019, the HCD placed six employees on ATO. The CRU reviewed all of these ATO appointments to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	Amount of Time on ATO
Associate Governmental Program Analyst	February 2019	5 days
Associate Governmental Program Analyst	September 2019	5 days

Classification	Time Frame	Amount of Time on ATO
District Representative I, Division of Codes and Standards (Non-Peace Officer)	March 2019	5 days
Housing and Community Development Representative II	April 2019	5 days
Housing and Community Development Representative II	May 2019	5 days
Staff Services Manager I	March 2019	5 days

<b>IN COMPLIANCE</b>	<b>FINDING No.15 ADMINISTRATIVE TIME OFF AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU found no deficiencies in the ATO transactions reviewed during the compliance review period. The HCD provided the proper documentation justifying the use of ATO and adhered to applicable laws, regulations and CalHR policy and guidelines.

#### 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, March 1, 2018, through May 31, 2019, the HCD reported 33 units comprised of 605 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
March 2019	271	51	51	0
April 2019	104	33	33	0

<b>IN COMPLIANCE</b>	<b>FINDING No.16 LEAVE AUDITING AND TIMEKEEPING COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU reviewed employee leave records from two different leave periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines. Based on our review, the CRU found no deficiencies. The HCD kept complete and accurate time and attendance records for each employee and officer employed within the department and utilized a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely.

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>12</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>13</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 2018, 40 HCD employees exceeded the established limits of vacation or annual leave. The CRU reviewed 20 of those employees’ leave reduction plans to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Classification	Collective Bargaining Identifier	Total Hours Over Established Limit	Leave Reduction Plan Provided
Associate Accounting Analyst	R01	63.25	Yes
Associate Accounting Analyst	R01	71.25	Yes
Associate Governmental Program Analyst	R01	130.5	Yes
Attorney IV	R02	10.9	Yes
Attorney IV	R02	47.5	Yes

<sup>12</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>13</sup> Excluded employees shall not accumulate more than 80 days.

Classification	Collective Bargaining Identifier	Total Hours Over Established Limit	Leave Reduction Plan Provided
Attorney IV	R02	262	Yes
CEA	M01	1394	Yes
Codes and Standards Administrator I	S07	83.75	Yes
District Representative I	R07	50	Yes
District Representative II	R07	127.25	Yes
Housing and Community Development Representative II	R01	1.25	Yes
Housing and Community Development Representative II	R01	82	Yes
Housing and Community Development Representative II	R01	43.5	Yes
Housing and Community Development Specialist II	R01	377	Yes
Housing and Community Development Specialist II	R01	1138.5	Yes
Information Technician Specialist II	R01	849.5	Yes
Senior Accounting Officer (Specialist)	R01	178	Yes
Staff Services Manager II (Supervisory)	S01	353	Yes
Staff Services Manager III (Managerial)	M01	64	Yes
Supervising Program Technician III	S04	432	Yes
<b>Total</b>		<b>5759.15</b>	

<b>IN COMPLIANCE</b>	<b>FINDING No.17 LEAVE REDUCTION PLANS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRU reviewed employee vacation and annual leave to ensure that those employees who have significant “over-the-cap” leave balances have a leave reduction plan in place and are actively reducing hours. In addition, the CRU reviewed the department’s leave reduction policy to verify its compliance with applicable rule and law, and to ensure its accessibility to employees. Based on our review, the CRU found no deficiencies in this area.

## **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.*)

<b>IN COMPLIANCE</b>	<b>FINDING No.18 NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU verified that the policy was disseminated to all staff and emphasized the HCD’s commitment to the state policy of recruiting, hiring and assigning employees on the basis of merit. Additionally, the HCD’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) and (8).) Additionally, within one working day of receiving notice or knowledge that the employee has suffered a work-related injury or illness, employers shall provide a claim form and notice of potential eligibility for benefits to the injured employee. (Labor Code, § 5401 subd. (a).)

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

In this case, the HCD did not employ volunteers during the compliance review period.

<b>IN COMPLIANCE</b>	<b>FINDING No.19 WORKERS' COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRU verified that the HCD 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 HCD 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 37 permanent HCD 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
Accountant I (Specialist)	1/4/2018
Accountant I (Specialist)	7/31/2018
Accounting Officer (Specialist)	4/30/2019
Administrative Assistant I	8/22/2018
Assistant Chief Counsel	10/25/2018

Classification	Date Performance Appraisals Due
Associate Budget Analyst	4/11/2019
Associate Budget Analyst	6/30/2019
Associate Governmental Program Analyst	10/30/2018
Associate Governmental Program Analyst	7/31/2019
Associate Governmental Program Analyst	5/13/2018
Attorney	2/28/2018
Attorney III	2/26/2019
Attorney IV	11/30/2018
Codes and Standards Administrator I	4/30/2018
Codes and Standards Administrator II	6/30/2019
District Representative I	4/30/2020
District Representative I	5/17/2019
District Representative I	6/30/2019
District Representative I	7/14/2019
District Representative II	2/28/2018
District Representative II, Division Codes & Standards	10/8/2018
Executive Assistant	1/15/2019
Housing and Community Development Manager I	12/15/2018
Housing and Community Development Representative II	10/1/2018
Housing and Community Development Representative II	3/5/2018
Housing and Community Development Representative II	10/31/2018
Housing and Community Development Specialist II	4/19/2019
Information Technology Associate	11/15/2018
Information Technology Supervisor II	7/13/2019
Program Technician II	1/2/2019
Program Technician II	4/24/2019
Program Technician II	11/1/2018
Program Technician II	10/30/2018
Program Technician II	4/30/2019

Classification	Date Performance Appraisals Due
Staff Services Analyst (General)	6/30/2019
Staff Services Manager I	8/1/2018
Staff Services Manager I	5/31/2018

<b>SEVERITY: SERIOUS</b>	<b>FINDING No.20 PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES</b>
------------------------------	--

**Summary:** The HCD did not provide annual performance appraisals to 7 of 37 employees reviewed after the completion of the employee’s probationary period.

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

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

**Cause:** The HCD acknowledges its annual performance appraisals were not provided to all employees. The HCD states that it had a significant increase in positions during the audit period. Subsequently, many of the vacant manager positions were filled with either first time managers or new state employees who were not aware of the requirement to complete performance appraisals in a timely manner.

**Corrective Action:** The HCD provides it has taken steps since the review to develop and train managers and supervisors on the completion of annual performance appraisals, and informs supervisors and managers of past due, current and future report dates. Within 90 days of the date of this report, the HCD must submit to the SPB relevant documentation demonstrating that the corrective action has been implemented.

## **DEPARTMENTAL RESPONSE**

The HCD's response is attached as Attachment 1.

## **SPB REPLY**

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



**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT****Human Resources Branch**

2020 W. El Camino Avenue, Suite 350

Sacramento, CA 95833

(916) 263-6735/ (FAX) 263-6871

[www.hcd.ca.gov](http://www.hcd.ca.gov)

March 1, 2021

**MEMORANDUM FOR:** State Personnel Board

**FROM:** Michele Barney, Personnel Operations Manager  
Human Resources Branch

**SUBJECT:** SPB Compliance (Audit) Review Response

The Department of Housing and Community Development (HCD), Human Resources Branch is respectfully submitting the below response to the State Personnel Board (SPB) Compliance Review Unit.

On February 12, 2021, the Human Resources Branch (HRB) received the attached Compliance Review Report from the State Personnel Board (SPB) which outlines the departments audit findings related to the departments personnel practices in the areas of examinations, appointments, EEO, personnel service contracts, mandated training, compensation and pay, leave and policy and processes. SPB determined the department was in compliance in all areas except probation evaluations and performance appraisals.

On February 18, 2021, HRB met with SPB to discuss the findings and discussed the departments expectation to provide SPB with a response to the audit findings by March 1, 2021. Below is HCD's formal response to the SPB Compliance Review.

#### 1. Probation Reports

##### Cause

The department had a significant increase in positions during the audit period of December 1, 2018 through August 30, 2019. Many of the manager positions that were vacant were either filled with first time managers or new state employees that were not aware of the SPB compliance requirement to submit probation reports in a timely manner.

##### Response

The Department of Housing and Community Development (HCD) agrees with SPB's findings. HCD has developed and provided training for managers and supervisors to educate and make them aware of the requirement and provide

resources to complete the probation report. Additionally, the department has implemented a monthly report to all managers and supervisors to provide them with past due, current, and future report dates so management can stay aware of reporting requirements. Furthermore, the department began reporting department wide monthly statistics of probation reports received to provide transparency across the department to all staff of the expectations to complete reports in a timely manner. HCD is committed to providing all probationary staff with probation reports during each period of evaluation. The department will continue to monitor if the measures put in place increase the completion rate and will pursue additional strategies if necessary, to be compliant.

## 2. Performance Appraisals

### Cause

The department had a significant increase in positions during the audit period of December 1, 2018 through August 30, 2019. Many of the manager positions that were vacant were either filled with first time managers or new state employees that were not aware of the SPB compliance requirement to submit annual reports in a timely manner.

### Response

The HCD agrees with SPB's findings. HCD has developed and provided training for managers and supervisors to educate and make them aware of the requirement and provide resources to complete the annual performance appraisals. Additionally, the department implemented a monthly report to all managers and supervisors to provide them with past due, current, and future report dates so management can stay aware of reporting requirements. Furthermore, the department began reporting department wide monthly statistics of annual performance appraisals received to provide transparency across the department to all staff of the expectations to complete reports in a timely manner. HCD is committed to providing all staff with performance appraisal reports each twelve calendar months. The department will continue to monitor if the measures put in place increase the completion rate and will pursue additional strategies if necessary, to be compliant.

If you have any questions, please feel free to contact me at (916) 263-6866.

Sincerely,

Michele Barney, Personnel Operations Manager  
Human Resources Branch  
Administration and Management Division

Attachment

The Corrective Action Response (CAR) is an opportunity for departments to demonstrate necessary steps have been implemented to correct the non-compliant Findings (deficiency) found as a result of the Compliance Review.

For each non-compliant Finding, refer to the Corrective Action section of that Finding in the review report. Copies of relevant documentation demonstrating that the Corrective Action has been or is in the process of being corrected must be included with the CAR. Examples include, but are not limited to, a training log for supervisory training, leave reduction policy and/or any new procedures that have been implemented.

## CORRECTIVE ACTION RESPONSE

DEPARTMENT: <b>Department of Housing and Community Development</b>	BRANCH/DIVISION/PROGRAM: <b>Human Resources Branch / Administration and Management Division</b>
CONTACT PERSON (NAME AND TITLE): <b>Michele Barney, Personnel Operations Manager</b>	CORRECTIVE ACTION RESPONSE DATE: <b>June 21, 2021</b>

FINDING (DEFICIENCY) BY NUMBER	ACTION ITEM(S) ALREADY OR TO BE COMPLETED	TIMEFRAME(S)
Finding as stated in the report, by number	Description of 1) completed or planned corrective action(s) and 2) of supporting documentation (if applicable)	Actual or Estimated Completion Date
<p><b>FINDING NO. 3:</b> PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED AND THOSE THAT WERE PROVIDED WERE UNTIMELY</p> <p><b>AND</b></p> <p><b>FINDING NO.20:</b> PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES</p>	<p>1) The Department implemented a monthly report sent to all managers and supervisors to provide them with past due, currently due, and upcoming report dates so management can stay aware of reporting requirements and deadlines. The monthly reports were sent out with the standard forms and the department’s guidelines for completing the reports.</p> <p>2) Monthly Reminder Email</p>	<p>Implemented 9/1/2020 - Replaced 5/1/2021 with personalized email notifications.</p>

FINDING (DEFICIENCY) BY NUMBER	ACTION ITEM(S) ALREADY OR TO BE COMPLETED	TIMEFRAME(S)
<b>Finding No. 3</b> <b>AND</b> <b>Finding No. 20</b>	1) The Department began reporting departmentwide monthly statistics of probation reports received to provide transparency across the department to all staff of the expectations to complete reports in a timely manner.  2) N/A	Implemented 9/1/2020 - Ongoing Practice
<b>Finding No. 3</b> <b>AND</b> <b>Finding No. 20</b>	1) Departmentwide survey conducted with all supervisor and managers to assess challenges and needs around timely completion of probation reports and performance appraisals.  2) Survey results	Conducted on 12/9/2020
<b>Finding No. 3</b> <b>AND</b> <b>Finding No. 20</b>	1) The Department developed and provided training for managers and supervisors on requirements and best practices for Drafting Probation Reports and Performance Appraisals. This training helped us to educate and make supervisors and managers aware of the requirement to complete reports timely and also provided resources for completing the probation report.  2) PowerPoint Presentation Slides and Training Handbook	Completed 1/31/2021 Included as part of onboarding for new supervisors.
<b>Finding No. 3</b> <b>AND</b> <b>Finding No. 20</b>	1) The Department is holding monthly Performance Report Workshops to provide training and information to new supervisors and managers provide as well as focus on techniques and best practices for seasoned managers to assist in getting their Probation Reports and Performance Appraisals completed timely and effectively. The workshops also provide an open office hour for managers to get assistance and ask question about completing the reports.  2) Description and Calendar from HCD SharePoint site	Implemented 02/01/2021 - Ongoing Practice
<b>Finding No. 3</b>	1) The Department has implemented new hire outreach efforts to supervisors and managers, providing them with the three probation report due dates once a new hire has been approved to start.  2) Sample Approved to Hire Email	Implemented 03/01/2021 – Ongoing Practice

FINDING (DEFICIENCY) BY NUMBER	ACTION ITEM(S) ALREADY OR TO BE COMPLETED	TIMEFRAME(S)
<b>Finding No. 3</b> <b>AND</b> <b>Finding No. 20</b>	1) The Department has implemented an automated tracking and reminder system. Supervisors and managers now receive personalized email notifications alerting them 30 days prior to a probation or appraisal report being due and reminds them 10-days before and the day it is due. These notices include links to the standard forms and the department's guidelines for completing the reports.  2) Sample PeopleSoft email notice	Implemented 5/1/2021 - Ongoing Practice
<b>Finding No. 20</b>	1) HCD is committed to providing all staff with performance appraisal reports each twelve calendar months. The department has updated its policy and guideline around due dates.  2) Policy Update Memorandum sent to managers and supervisors on April 27, 2021.	Implemented 5/1/2021
<b>Finding No. 3</b> <b>AND</b> <b>Finding No. 20</b>	1) New Supervisory Discussion Group was created and meets weekly to discuss supervisory issues and best practices and provide a space for knowledge and information sharing.  2) Supervisory Discussion Group Invitation	Implemented 5/7/2021
<b>Finding No. 3</b> <b>AND</b> <b>Finding No. 20</b>	1) The Department will have the assigned Personnel Management Analyst reach out and schedule one-on-one time with each new supervisor or manager to provide them with the expectations and policies and procedures for timely completion of probation reports and performance appraisals.  2) N/A	To Be Implemented 6/1/2021

# DRAFTING PROBATION REPORTS AND PERFORMANCE APPRAISALS

Classification and Consultation Unit  
Human Resources Branch  
Department of Housing and Community Development

January 2021



## Introductions

**Rebecca Herzog**

Classification and Consultation Manager

[Rebecca.Herzog@hcd.ca.gov](mailto:Rebecca.Herzog@hcd.ca.gov)

**Latda Vongmany**

Personnel Management Analyst

[Latda.Vongmany@hcd.ca.gov](mailto:Latda.Vongmany@hcd.ca.gov)



## Agenda

- Objective
- The Probationary Period
- Report of Performance for Probationary Employees
- Performance Appraisal Summaries
- Best Practices
- Dos and Don'ts
- Resources
- Questions



## Objective

- **Purpose:** Provide direction and resources for the timely completion of probation reports and annual appraisals.
- **Goal:** Increase completion rates and effective use of reports and appraisals.



## Understanding the Probation Period

- Final step in the selection and hire process. During this phase, the employee must demonstrate their ability to perform the full scope of duties.
- The probationary period is a specified period of time (e.g., 6 or 12 months) determined at the beginning of an appointment.
- It is used for close review of an employee's performance in order to determine if they meet the standards and expectations required for permanent civil service status.



## Report of Performance for Probationary Employee (std. 636)

- Helps the supervisor and the employee measure how well the employee is adapting to their job.
- Three reports are due at two or four month intervals throughout the probation period.
  - Every two months for a six month probation and every four months for a 12-month probation.
- Reports shall be completed and provided to the employee in a timely manner.
  - 10-day grace period from date due.





## Timely Completion and Submission

- Due dates assigned in accordance with the employee's effective date of appointment.
- Failure to meet the due date will reflect on the supervisor and the department.
- Important to complete reports and provide timely feedback to the employee.
- Electronic Reports should be sent to:  
[Performance@hcd.ca.gov](mailto:Performance@hcd.ca.gov)



## Completing the Report of Performance for Probationary Employee (std. 636)

- Fill out the top section and check whether it is the first, second, or third/final probationary report.
- Objectively rate the employee's performance on the qualifying factors listed on the left side of the prob report.
- Provide Comments to the employee that support the rating given.
- Make time to review and discuss the report with the employee.



## Qualification Factors

1. **SKILL**—Expertise in doing specific tasks; accuracy; precision, completeness, neatness, quantity.
2. **KNOWLEDGE**—Extent of knowledge of methods, materials, tools, equipment, technical expressions and other fundamental subject matter.
3. **WORK HABITS**—Organization of work; care of equipment; punctuality and dependability; industry; follows good practices of vehicle and personal safety.
4. **RELATIONSHIPS WITH PEOPLE**—Ability to get along with others; effectiveness in dealing with the public, other employees, patients or inmates.
5. **LEARNING ABILITY**—Speed and thoroughness in learning procedures, laws, rules and other details; alertness; perseverance.
6. **ATTITUDE**—Enthusiasm for the work; willingness to conform to job requirements and to accept suggestions for work improvement; adaptability.
7. **COMMUNICATION**—Exhibits aptitude toward good writing and verbal skills, can give concise information in working situations.
8. **ABILITY AS SUPERVISOR**—Proficiency in training employees and planning, organizing, assigning and expediting work; leadership; understanding of and effectiveness in implementing departmental and State Personnel Board (SPB) personnel management policies including equal employment opportunity and affirmative action.
9. **ADMINISTRATIVE ABILITY**—Promptness of action; soundness of decision, application of good management practices; understanding and effective implementation of departmental and SPB personnel management policies related to equal employment opportunity and affirmative action.
10. **FACTORS NOT LISTED ABOVE** (Use additional sheets if more space is needed.)

8. Only applies to supervisors and managers

9. Only when applicable



## Ratings

RATINGS ARE INDICATED BY "X" MARKS											
UNACCEPTABLE			IMPROVEMENT NEEDED			STANDARD			OUTSTANDING		

### DEFINITIONS OF RATINGS

**OUTSTANDING**—Performance on the job indicates qualifications are definitely superior-performance by the end of the probationary period can be expected to be well above the standard required of a competent permanent employee in that job. (If the overall rating is Outstanding, the Rater must give a written statement of factual substantiation for the rating. General statements such as "Outstanding in skill and knowledge" are not acceptable.)

**STANDARD**—Performance on the job indicates qualifications are thoroughly satisfactory-performance by the end of the probationary period can be expected to be up to, or somewhat above, the standard required of a competent permanent employee in that job.

**IMPROVEMENT NEEDED**—Performance on the job indicates qualifications are somewhat inadequate-to reach the standard required of a competent permanent employee by the end of the probationary period, greater effort or training is needed.

**UNACCEPTABLE**—Performance on the job indicates qualifications are very inadequate-special training, reassignment, or rejection may be advisable. (Any factor or overall rating of Unacceptable must be substantiated by the Rater's written statement of specific reasons for each such rating.)



## Purpose of Rating

- Making careful analysis of the employee's work
- Making work assignments that will be to the best advantage of the employee and the organization
- Determining the additional training needs of the employee
- Determining whether the employee should be granted permanent status



## Comments to the Employee

Factor and/or overall ratings of unacceptable, improvement needed, or outstanding ***must be substantiated with comments to the employee.***

Comments should:

- Include factual examples of exceptional or poor work
- Provide suggestions as to how performance can be improved



## What to Consider and Include

- Duty statement
- Classification specifications
- Onboarding and training provided
- Knowledge, skills and abilities demonstrated
- Outcome of work assignments and projects
- Observations
- Documentation



## Addressing Poor Performance

- Contact [Performance@hcd.ca.gov](mailto:Performance@hcd.ca.gov) as soon as you start having concerns.
  - Work with your PMA on any report where the employee will be rated below standard.
- Discuss problems/concerns with employee timely
  - Document concerns and discussions
  - Do not wait for the next report
- If there is a problem, it needs to be addressed with employee
  - They also need to be given the tools, resources, and training to succeed in their position.



## Required Signatures

- **Rater** – The employee’s direct supervisor
  - Completes and signs the std. 636 form
    - More than one supervisor may contribute to a report; all raters must sign the form
  - Reviews and discuss report with employee
  
- **Employee** – The staff member being evaluated
  - Reviews and signs the report
  - May request to discuss report with reviewing officer
  - May submit a rebuttal to be attached to the report

RATER'S SIGNATURE	TITLE	DATE SIGNED
<i>In signing this report, I do not necessarily agree with the conclusions of the rater.</i>		
EMPLOYEE'S SIGNATURE	DATE SIGNED	<input type="checkbox"/> I would like to discuss this report with the reviewing officer



## Required Signatures (cont.)

- **Reviewing Officer** – the supervisor’s manager
  - Reviews and signs report if in agreement
    - The Reviewing Officer cannot change the report
  - Meets with employee if requested

<i>I concur in the ratings given by the rater. I have made no change in this report</i>		As requested, reviewing officer discussed report with employee on: DATE
REVIEWING OFFICER'S SIGNATURE	DATE SIGNED	



## Role of the Reviewing Officer

- Ensure reports are thoroughly and promptly prepared.
- Maintain uniformity in the application of standards.
- Securing corrective action when bias or a misinterpretation of rating standards is evident.
- Discuss the report with the Rater or employee when requested.
- Review statements made in support of ratings outside of Standard; see that the reasons are specific, substantial and accurate.



## Limited Examination and Appointment Program (LEAP)

- When a LEAP candidate is hired, the hiring manager will be contacted by their PMA.
- LEAP employees are appointed Limited Term until they complete the necessary Job Examination Period (JEP).
- The JEP evaluation form (SPB Form 273) must be completed monthly.
- After successful completion of the JEP, the employee will achieve permanent civil service status.



## Performance Appraisal Summaries

- Once an employee successfully completed their probation and obtains permanent civil service status in their classification, they will receive annual evaluations.
  - Performance Appraisal Summary (std. 638)
- Summarizes the employee's previous year's performance and outline areas for development over the next year.
- Only one form of feedback, informal feedback should be given through the year.



## Timely Completion and Submission

- Due in the employee's birth month
  - 30 day grace period
- Failure to meet the due date will reflect on the supervisor and the department.
- Important to complete reports and provide timely feedback to the employee.



## Completing the std. 638: Performance Appraisal Summary

- Fill out the top section with the employee information
- Objectively rate the employee's performance by choosing a rating and/or providing comments for each category
- Provide objective, factual and useful rating or comments
  - Include supporting examples and documentation where appropriate.



## Qualifying Factors

- Quality of work
- Quantity of work
- Work habits
- Relationships with people
- Taking action independently
- Meeting work commitments
- Analyzing situations and materials
- Supervising the work of others\*
- Personnel management practices\*

*\*If applicable*





## Ratings

- **I - Improvement** needed for performance to meet expected standards
- **M** - Performance fully **meets** expected standards
- **E** - Performance consistently **exceeds** expected standards.



## Review and Sign the Report

- Make time to review and discuss the report with employee
  - Schedule adequate time
  - Provide report in advance
  - Employee should already be aware of their performance
- You and the employee sign the report
  - Give the employee a date and time for signing the report by
- Forward copies to Human Resources Branch
  - Electronic copy to [Performance@hcd.ca.gov](mailto:Performance@hcd.ca.gov)
  - Hard copy to HRB Office



## Best Practices for Performance Evaluations

- Take time to onboard new employees
- Make yourself available to the employee to answer questions and provide guidance
- Ensure resources and training opportunities are provided
- Discuss problems/concerns with employee in a timely manner
- Provide reports and feedback regularly and timely
  - within 10 days for Probation Reports and 30 days for Performance Appraisals
- Document performance, both good and bad



## Best Practices (cont.)

### Do

- Set clear expectations and deadlines
- Be objective
- Document
- Address concerns
- Complete reports timely
- Reach out to your PMA

### Don't

- Be emotional
- Wait until the final probation report to address performance concerns
- Provide feedback and reports late



## Resources

- [Performance@hcd.ca.gov](mailto:Performance@hcd.ca.gov)
- Personnel Management Analyst (PMA)
  - **Latda Vongmany** (Latda.Vongmany@hcd.ca.gov)
- SharePoint
  - HR Operations Manual
  - Manager and Supervisor Resources
  - Onboarding Toolkit / Hiring Toolkit
- Training Handbook



## Training Handbook

- List of Resources
- Communication Tips
- Sample Phrases for Effective Evaluations
- Measuring Performance
- Documenting Tips & Tricks
- Performance Tracker
- Guide to Completing std. 636: Report of Performance for Probationary Employee
- Sample Report of Performance for Probationary Employee
- Sample Comments to Employee
- Guide to Completing Standard Form 638: Performance Appraisal Summary
- Sample Performance Appraisal Summary
- HCD Guidelines
- Supervisors Responsibilities During the Probation Period – CalHR



**QUESTIONS?**



**THANK YOU!!**

**For assistance with performance issues and  
to submit your reports, please email:**

**[Performance@hcd.ca.gov](mailto:Performance@hcd.ca.gov)**

*To provide feedback on this training - please complete  
the survey link in the chat.*

# Drafting Probation Reports and Performance Appraisals

Handbook



Classification and Consultation Unit  
Human Resources Branch  
December 2020

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## Resources for Managers and Supervisors

### Internal HCD Links:

[HCD Guidelines for Probation Reports - SharePoint](#)

Form: [STD. 636](#) (DGS Link)

[HCD Guidelines for Annual Performance Appraisals - SharePoint](#)

Form: [STD 638](#) (DGS Link)

[Manager and Supervisor Resources - SharePoint](#)

[General Expectations and Guideline for HCD Employees- SharePoint](#)  
(HCD Expectations Memo)

[HR Operations Manual - SharePoint](#)

[Hire Process Guideline - SharePoint](#)

### External Links:

[LEAP Manual](#) – Contains JEP forms for each classification

California Code of Regulations –

[Title 2. Administration – Division 1. Administrative Personnel- Chapter 3. Department of Human Resources – Subchapter 1. General Civil Services Rules](#)

- [Article 14 - Performance](#)
  - [§ 599.795. Performance Appraisal of Probationers](#)
  - [§ 599.798. Performance Appraisal](#)

[Human Resources Manual - CalHR](#)

[Supervisor's Responsibilities During the Probation Period - CalHR](#)

[Guide on Preparing to Become a First-Level State Supervisor - CalHR](#)

(Section: Guidance for Supervisors and Managers)

[Performance Appraisal: Methods, Examples, Process \[2020\] \(valamis.com\)](#)

[16 Ways to Measure Employee Performance \(tompkinscountyny.gov\)](#)

# Communication Tips for Effective Coaching and Feedback

## Non-verbal Communication

- Be aware of your posture, gestures and facial expressions.
- Send consistent messages, your body language should match and reinforce your verbal statements.
- Strive for a friendly tone of voice.
- Maintain eye contact, but don't stare or glare.
- Rehearse your body language as much as you research your words.

## Sharing Information

- Articulate vision, values, strategies, goals and alignment.
- Clearly define priorities and expectations.
- Communicate face to face when possible.
- Express your confidence in the Staff Member and his/her work.

## Listening

- Be receptive. Show interest.
- Give your complete attention.
- Paraphrase his/her main points (not yours).
- Reflect back content/feelings or what you've heard

## Questioning

- Be curious - no condemning. Focus on the problem - not the person.
- As "W" questions - what, where, when, why, plus how.
- Open up the opportunity for the other person to think.
- Probe deeper - ask for examples, evidence, reasons. "In addition to that, is there anything else?" or "Suppose we"

## Positive Feedback

- Catch Staff Members doing it right.
- Be specific in describing the positive behavior/performance.
- Explain the importance of this behavior to you, the work group and the department/unit.
- Sincerely express your appreciation.



## Sample Phrases for Effective Performance Reviews

### Attendance and Punctuality (Reliability)

#### Standard or Outstanding:

- Is fully reliable in terms of attendance and punctuality
- Complies with all departmental standards of performance and conduct
- Is consistently dependable and conscientious
- Arrives to meetings on time and well prepared

#### Needs Improvement:

- Does not meet standards for attendance and punctuality
- Fails to follow appropriate call-in procedures during absence
- Demonstrates a lack of respect for others' time by arriving late at meetings
- Frequently arrives to meetings late and unprepared

### Communication and Cooperation

#### Standard or Outstanding:

- Cultivates a culture of openness in information sharing
- Creates an inclusive work environment
- Asks well-thought-out and well-prepared questions
- Provides timely feedback and follow-up

#### Needs Improvement:

- Regularly complains of a lack of necessary resources to perform effectively
- Has difficulty boiling down complex issues into their component parts
- Is too wordy to communicate a clear and compelling message
- Is reluctant to provide subordinates with constructive feedback

### Job Knowledge

#### Standard or Outstanding:

- Demonstrates a thorough knowledge of their key responsibilities
- Maintains an extensive network of industry associates
- Shares their knowledge with their peers in the department
- Independently documented common processes and steps in an internal trouble shooting guide

#### Needs Improvement:

- Has difficulty locating information when needed
- Fails to demonstrate mastery of basic concepts in their area of responsibility
- Depends too readily on specific instruction from supervisors
- Produces below standard and untimely work products

### Time Management

#### Standard or Outstanding:

- Allocates time according to the peaks and valleys of the production cycle
- Ensures that their day is planned as productively as possible
- Sets realistic time frames
- Regularly projects and updates specific timetables with "next steps"

#### Needs Improvement:

- Lacks a disciplined approach to time management
- Appears overwhelmed at peak time periods and/or average workload
- Is frequently disorganized
- Does not pace themselves effectively through periods of peak and low activity

## Measuring Performance

*"Each organization must create and communicate performance measures that reflect its unique strategy." - Dr. Robert S. Kaplan, Harvard Business School*

### Why Measure?

Performance measurement yields many benefits for the Department. One benefit is that it provides a structured approach for focusing on goals and individual performance results. Another benefit is that measurement provides a mechanism for reporting on performance to upper management.

Performance measurement information is used to:

- set goals and standards;
- detect and correct problems;
- manage, describe and improve processes; and
- document accomplishments.

In general, a good measure:

- is a quantitative or qualitative characterization of performance;
- is accepted by and meaningful to the Supervisor and Staff Member;
- tells how well expected job results are being met;
- is simple, understandable, logical and repeatable;
- shows a trend;
- is unambiguously defined;
- allows for economical data collection; and
- is timely.

Above all, however, a good measure drives appropriate action. Several characteristics are associated with the implementation of a successful performance measurement system. Such a system:

- comprises a balanced set of a limited vital few measures;
- produces timely and useful reports at a reasonable cost;
- displays and makes readily available information that is shared, understood, and used by the Health System; and
- supports the Health System's values and the relationship it has with customers, suppliers and stakeholders.

By creating an operational definition for each measure, leaders can ensure that these measures are understood by staff. A typical definition includes:

- a specific goal or result;
- data requirements, such as the population the metric will include, the frequency of measurement, and the data source;
- the calculation methodology, including required equations and precise definition of key terms;
- reports in which the data will appear and the graphic presentation that will eventually be used to display the data; and
- any other relevant rationale for the measure.

## Examples of Performance Measures

<b>Speed / Time: Transaction processing and Service Volume: Process improvement, eliminate unnecessary steps, customer service</b>	
<b>Measurement</b>	<b>Example</b>
Number days to complete	200 transactions completed per week
Number or percent so many days old (backlog)	Processed within 7 amount of days of receiving
Number complaints and customer satisfaction levels	90% to 95% of surveyed customers are satisfied that there questions were answered.

<b>Cost: Direct or indirect costs; units of activities and/or materials</b>	
<b>Measurement</b>	<b>Example</b>
Percent variance from budget	±X% budget variance (except for unforeseen circumstances)
Dollars saved over previous period (efficiency/effectiveness)	At least \$400 to \$4000 per fiscal year are saved from previous year's budget.
Number labor hours to complete each time	19.42 to 19.71 labor hours per 1000 cases

<b>Specifications / Quality Requirements: Applies to any challenge that demands adherence to one or more specifications or expectations</b>	
<b>Measurement Description</b>	<b>Example</b>
Number items processed (orders, forms)	Accurately processing/completing all new requests within 24 hours of receipt.
Number citations after inspection or probations	No more than two Type 1 citations in each category per inspection.
Percent work redone (or rejected completely)	No more than 2 work products returned for correction for the same problem.

## Tips & Tricks for Documenting Performance

The following list provides best practices for documenting performance.

- Create a Supervisor's Dropfile (hardcopy or electronic)
- Save or print emails
  - Create subfolders or hard copy file for employees when kudos are given or employee exceeds expectations to easily refer back to when writing reports
- Email summaries of meetings or events to yourself
- Email examples to PMA for filing in the employee HRB files in cases of poor performance
- Provide Echo-backs or recap emails to employee
  - Summarize comments, directives and/or corrections given.
  - Recap verbal expectations or deadlines given.
  - Allow the employee time to respond.
- Keep copies of Training Request Forms and Certificates
  - Email yourself brief summaries if informal or peer training is given where a sign up or certificate would not be provided.
    - Include dates, length of training and summary of subject matter addressed.
- Calendar meetings with agendas of what was discussed
  - Follow up calendar invites if meeting was missed or cancelled, or other issues were covered/addressed.
  - Notate what questions the employee asked and what resources were given.
- Stick to the facts, avoid vague phrases. Don't assign feelings.
- Clearly identify the rule, policy, or procedure being violated when possible.
- Utilize HRB's Performance Attendance Counseling Tracking Spreadsheet
  - Save documents in PDF format with an Exhibit #.

## Employee Performance Tracker

The attached Performance Tracker is intended to assist supervisors in monitoring performance and attendance issues. This will help you document ongoing issues, by keeping track of attendance, training, counseling, and assignments and performance items.

When assigning tasks, it is important to provide clear expectations and firm deadlines, so in the event the task is not completed as required or a deadline is missed you can reach out to the employee and ask for explanation. You can document errors in work product and what the impact was for this mistake, etc. This type of documentation will help substantiate any future corrective action that may be needed.

There are three tabs in the tracker: Performance, Attendance and Counseling 1x1. The attendance tab allows you to track when an employee calls in, if they followed call-in procedures, if a note was requested etc.

Please see examples below of how to use the other tabs when tracking performance issues.

### **Performance Tab Example:**

**Assignment title:** Contract renewal

**Summary of assignment:** Employee was tasked with renewing a contract for consultative services

**Due date:** 7/31/2020

**Date Submitted:** 8/5/2020

**Late:** Y

**Impact:** Contract was not renewed, causing the Department to lose funds and were unable to use contractor for the next fiscal year.

**Exhibit:** You would save the emails, and the completed product showing the error or missed deadline, and outcome

### **Counseling 1x1 Tab Example:**

**Type of discussion:** 1x1 weekly meeting

**Summary:** Discussed with employee the project to renew contract, asked reasons why deadline was missed, went over the repercussions of the error.

**Training given:** Y

**Type of training given:** Contract management training manuals were provided after the 1x1 meeting, employee has been signed up for future fiscal contract training.

**Was counseling documented:** Y (example, after 1x1 meetings or verbal discussions it's advisable to recap the meeting what was discussed, mention the reasons the employee gave for being late and what the discussed resolution going forward this will help in the documentation process so we can reflect all efforts to assist employees)

**Exhibit:** This would be where you save the email follow up, pick a specific title for the file and save all related items similarly.





EE Name: Jane Doe

1x1 / Counseling

Date	Type of Discussion or Documentation (i.e., verbal, 1x1 meeting, etc.)	Summary of counseling (what was discussed)	Training Given (Y/N)	Type of Training Given	Was counseling documented (Y/N)	*Exhibit
8/19/2020	1x1 weekly meeting	Discussed with employee the project to renew contract, asked reasons why deadline was missed, went over the repercussions of the error.	Y	Contract management training manuals were provided after the 1x1 meeting, employee has been signed up for future fiscal contract training.	Y	3

\* If documenting performance, it's important to retain documentation pertaining to the situation above. Separate the documentation in a file and separate by exhibit pages in your file. This makes it easier to refer back to.



## Completing the STD. 636: Report of Performance for Probationary Employee

The purpose of probation reports is to help the supervisor and employee measure how well the employee is adapting to his/her job, and to provide a tool for guidance in training assignments and granting of permanent civil service status.

STATE OF CALIFORNIA - DEPARTMENT OF HUMAN RESOURCES				<input type="checkbox"/> FIRST <input checked="" type="checkbox"/> SECOND <input type="checkbox"/> THIRD	
REPORT OF PERFORMANCE FOR PROBATIONARY EMPLOYEE					
STD. 636 (REV. 10/2019) (Page of )					
READ INSTRUCTIONS ON BACK BEFORE COMPLETING THIS FORM					
NAME (Last)	(First)	(MI)	SOCIAL SECURITY NUMBER (LAST 4 DIGITS)	REPORT DATE	
Doe	Jane		N/A	12/29/2020	
CIVIL SERVICE TITLE			POSITION NUMBER	DATE PROBATION ENDS	
Staff Services Manager I			401-107-4800-901	12/31/2020	
DEPARTMENT NAME			DIVISION / UNIT	EMPLOYEE'S HEADQUARTERS	
Housing and Community Development			Admin. / HRB	Sacramento	

- Name of employee
- Indicate which probation report this is: First, Second or Third
- Civil Service Title: Employee's classification
- **Social Security Numbers should not be added to Probation Reports**
- Report Date is the date the report is completed by the rater
- Probation end date: Please ask your PMA if you do not know the date your employee's probation ends
- Department / Division / City the Employee's Main office is located
- If combining two reports, please mark boxes accordingly

The qualifications for each probationary employee, as demonstrated by his/her work performance, are rated on no less than five of the factors listed. Factors that do not apply are not listed/checked. For example, Administrative Ability is not rated if the position does not have regular administrative responsibility. Any important qualification factors not listed in items 1-9 can be described by the Rater under item 10 and explained in an attached narrative.

### DEFINITIONS OF RATINGS

**OUTSTANDING**—Performance on the job indicates qualifications are definitely superior—performance by the end of the probationary period can be expected to be well above the standard required of a competent permanent employee in that job. (If the overall rating is Outstanding, the Rater must give a written statement of factual substantiation for the rating. General statements such as "Outstanding in skill and knowledge" are not acceptable.)

**STANDARD**—Performance on the job indicates qualifications are thoroughly satisfactory—performance by the end of the probationary period can be expected to be up to, or somewhat above, the standard required of a competent permanent employee in that job.

**IMPROVEMENT NEEDED**—Performance on the job indicates qualifications are somewhat inadequate—to reach the standard required of a competent permanent employee by the end of the probationary period, greater effort or training is needed.

**UNACCEPTABLE**—Performance on the job indicates qualifications are very inadequate—special training, reassignment, or rejection may be advisable. (Any factor or overall rating of Unacceptable must be substantiated by the Rater's written statement of specific reasons for each such rating.)

## Rating an Employee's Performance:

The probation system is based on the principle that an employee should be kept informed of his/her supervisor's evaluation of his/her work at timely intervals. When a person is appointed as a probationary employee, he/she is capable of "standard" performance and is presumed to have an initial overall performance rating of standard.

If some significant aspect of the work is above or below the level indicated by the factor ratings, this may be further explained with a statement in "Comments to Employee." Where feasible, comments will also include suggestions as to how performance can be improved and suggestions regarding desirable training. Please attach a narrative with the STD. 636, Probationary Report Form.

YOUR WORK PERFORMANCE WILL DETERMINE WHETHER YOU OBTAIN PERMANENT CIVIL SERVICE STATUS				
QUALIFICATION FACTORS	RATINGS ARE INDICATED BY "X" MARKS			
	UNACCEPTABLE	IMPROVEMENT NEEDED	STANDARD	OUTSTANDING
1. <b>SKILL</b> —Expertise in doing specific tasks; accuracy; precision, completeness, neatness, quantity.			X	
2. <b>KNOWLEDGE</b> —Extent of knowledge of methods, materials, tools, equipment, technical expressions and other fundamental subject matter.				X
3. <b>WORK HABITS</b> —Organization of work; care of equipment; punctuality and dependability; industry; follows good practices of vehicle and personal safety.			X	
4. <b>RELATIONSHIPS WITH PEOPLE</b> —Ability to get along with others; effectiveness in dealing with the public, other employees, patients or inmates.				X
5. <b>LEARNING ABILITY</b> —Speed and thoroughness in learning procedures, laws, rules and other details; alertness; perseverance.			X	
6. <b>ATTITUDE</b> —Enthusiasm for the work; willingness to conform to job requirements and to accept suggestions for work improvement; adaptability.				X
7. <b>COMMUNICATION</b> —Exhibits aptitude toward good writing and verbal skills, can give concise information in working situations.				X
8. <b>ABILITY AS SUPERVISOR</b> —Proficiency in training employees and planning, organizing, assigning and expediting work; leadership; understanding of and effectiveness in implementing departmental and State Personnel Board (SPB) personnel management policies including equal employment opportunity and affirmative action.			X	
9. <b>ADMINISTRATIVE ABILITY</b> —Promptness of action; soundness of decision, application of good management practices; understanding and effective implementation of departmental and SPB personnel management policies related to equal employment opportunity and affirmative action.			X	
10. <b>FACTORS NOT LISTED ABOVE</b> (Use additional sheets if more space is needed.)				
<b>OVERALL RATING</b> —The overall rating must be consistent with the factor ratings and comments, but there is no prescribed formula for computing the overall rating.				X
<b>COMMENTS TO EMPLOYEE</b> —(Supervisor should include factual examples of exceptional or poor work and give suggestions as to how performance can be improved. Factor and overall ratings of unacceptable and overall ratings of outstanding must be substantiated. Use additional sheets if more space is needed). See Attached.				

If some significant aspect of the work is above or below the level indicated by the factor ratings, this may be further explained with a statement in "Comments to Employee." Where feasible, comments will also include suggestions as to how performance can be improved and suggestions regarding desirable training. Please attach a narrative with the STD. 636, Probationary Report Form.

**Time Frames and Required Signatures:**

- Probation reports should be issued to employees no earlier than ten days before or after the due date of each probation report.
- If there is concern for the employee’s performance falling under the Standard range, the rating manager must reach out to the appropriate PMA within HRB before issuance of the report to discuss concerns.
- The “Rater” is the employee’s direct reporting manager.
- Rating managers can take in to account comments, and reviews by other managers. For example, if a rating manager is new to the position and has not supervised the employee long enough to make a fair assessment they may discuss with managers within the Unit or Branch who have a direct working knowledge of the employee’s performance.

Each report should be discussed with the employee and “Rater discussed report with employee” should be marked.

Rater discussed report with employee <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
I RECOMMEND YOU BE GRANTED PERMANENT CIVIL SERVICE STATUS (To be checked only on Final Report. If the probationer is rejected, notification must be given as prescribed by Government Code Section 19173.) <input type="checkbox"/> YES <input type="checkbox"/> NO		
RATER'S SIGNATURE	TITLE	DATE SIGNED
<i>In signing this report, I do not necessarily agree with the conclusions of the rater.</i>		
EMPLOYEE'S SIGNATURE	DATE SIGNED	<input type="checkbox"/> I would like to discuss this report with the reviewing officer.
I concur in the ratings given by the rater. I have made no change in this report		
REVIEWING OFFICER'S SIGNATURE	DATE SIGNED	As requested, reviewing officer discussed report with employee on: DATE
DISTRIBUTION COPIES: 1 - Departmental Files 2 - Employee 3 - Supervisor 4 - Miscellaneous		

- Employees can request to discuss the report with the reviewing officer.
- The reviewing officer is the manager one level above the rating manager, the supervisor for the rating manager.
- Employees can add a response to the report if they do not agree, this response will be attached to the report and filed in their Official Personnel File.

**READ INSTRUCTIONS ON BACK BEFORE COMPLETING THIS FORM**

NAME (Last) <b>Doe</b>	(First) <b>Jane</b>	(MI) <b></b>	SOCIAL SECURITY NUMBER (LAST 4 DIGITS) <b>N/A</b>	REPORT DATE <b>12/19/2020</b>
CIVIL SERVICE CLASSIFICATION <b>Associate Governmental Program Analyst</b>			POSITION NUMBER <b>401-107-5393-901</b>	DATE PROBATION ENDS <b>12/25/2020</b>
DEPARTMENT NAME <b>Housing and Community Development</b>			DIVISION / UNIT <b>HRB</b>	EMPLOYEE'S HEADQUARTERS <b>Sacramento, CA</b>

**YOUR WORK PERFORMANCE WILL DETERMINE WHETHER YOU OBTAIN PERMANENT CIVIL SERVICE STATUS**

QUALIFICATION FACTORS	RATINGS ARE INDICATED BY "X" MARKS			
	UNACCEPTABLE	IMPROVEMENT NEEDED	STANDARD	OUTSTANDING
1. <b>SKILL</b> —Expertise in doing specific tasks; accuracy; precision, completeness, neatness, quantity.				X
2. <b>KNOWLEDGE</b> —Extent of knowledge of methods, materials, tools, equipment, technical expressions and other fundamental subject matter.				X
3. <b>WORK HABITS</b> —Organization of work; care of equipment; punctuality and dependability; industry; follows good practices of vehicle and personal safety.			X	
4. <b>RELATIONSHIPS WITH PEOPLE</b> —Ability to get along with others; effectiveness in dealing with the public, other employees, patients or inmates.				X
5. <b>LEARNING ABILITY</b> —Speed and thoroughness in learning procedures, laws, rules and other details; alertness; perseverance.			X	
6. <b>ATTITUDE</b> —Enthusiasm for the work; willingness to conform to job requirements and to accept suggestions for work improvement; adaptability.				X
7. <b>COMMUNICATION</b> —Exhibits aptitude toward good writing and verbal skills, can give concise information in working situations.				
8. <b>ABILITY AS SUPERVISOR</b> —Proficiency in training employees and planning, organizing, assigning and expediting work; leadership; understanding of and effectiveness in implementing departmental and State Personnel Board (SPB) personnel management policies including equal employment opportunity and affirmative action.				
9. <b>ADMINISTRATIVE ABILITY</b> —Promptness of action; soundness of decision, application of good management practices; understanding and effective implementation of departmental and SPB personnel management policies related to equal employment opportunity and affirmative action.				
10. <b>FACTORS NOT LISTED ABOVE</b> (Use additional sheets if more space is needed.)				

**OVERALL RATING**—The overall rating must be consistent with the factor ratings and comments, but there is no prescribed formula for computing the overall rating.

				X
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**COMMENTS TO EMPLOYEE**—(Supervisor should include factual examples of exceptional or poor work and give suggestions as to how performance can be improved. Factor and overall ratings of unacceptable and overall ratings of outstanding must be substantiated. Use additional sheets if more space is needed.)  
 See Attachment

Rater discussed report with employee  YES  NO

**I RECOMMEND YOU BE GRANTED PERMANENT CIVIL SERVICE STATUS**  
 (To be checked only on Final Report. If the probationer is rejected, notification must be given as prescribed by Government Code Section 19173.)  YES  NO

RATER'S SIGNATURE	TITLE	DATE SIGNED
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*In signing this report, I do not necessarily agree with the conclusions of the rater.*

EMPLOYEE'S SIGNATURE	DATE SIGNED	<input type="checkbox"/> I would like to discuss this report with the reviewing officer.
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**I concur in the ratings given by the rater. I have made no change in this report**

REVIEWING OFFICER'S SIGNATURE	DATE SIGNED	As requested, reviewing officer discussed report with employee on: DATE
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## **Report of Performance for Probationary Summary**

*Probationary Period: **Second***

*Employee: **Jane Doe***

*Classification: **Associate Governmental Program Analyst***

*Position number: **401-114-5393-901***

*Manager: **John Doe***

### **1. SKILL: Outstanding**

The skill sets you have brought to this position have supported you in successfully completing your assignments. For example, while completing the recent XYZ training module, you worked with a new staff member to develop reports to distribute to various units. The tables you developed in excel were clear and comprehensive. Not only did the tables support management in reviewing the information, the tables were also shared with the all staff and supported their understanding of the report. Having the ability to summarize information and develop tables that support information increases the efficiency and effectiveness of staff.

### **2. KNOWLEDGE: Outstanding**

You continue to demonstrate a solid understanding of unit concepts and to show your willingness to share your knowledge with the team. For example, you have been providing on-the-job training to a new analyst since July 2020. During your second probation period (September and October 2020) you continued to provide on-the-job training that supported the new analyst's growth and development. Some of the topics you provided training on included training module review, eRPA training and assistance with duty statement writing. Furthermore, your knowledge of classification & pay has allowed you to share best practices with our hiring managers and helped them to understand where their hiring processes can be improved. Overall, your knowledge and enthusiasm has allowed you to jump right in and take on various assignments successfully.

### **4. RELATIONSHIPS WITH PEOPLE: Outstanding**

You continue to work collaboratively with your team. For example, during September and October you provided training to a new analyst on the team who was onboarding remotely. You were available to answer questions as needed and helped ensure the auditor had the appropriate support to complete his tasks. You understood the challenges the analyst was going through in learning a new skill remotely and modified your training approach to support the new analyst.

You have demonstrated the ability to effectively build rapport and maintain respect while working with hiring managers when there is disagreement with hiring requests. For example, in October 2020, a hiring manager disagreed with your recommendation for recruitment. You responded to the hiring manager with respect. You took time to share the criteria you used and the impact of the risk and were able to back up why you saw this as a potential issue. At the end of the meeting, the hiring manager expressed they were open to your recommendation.

Having the ability to build relationships and collaborate with those around you is a critical skill that supports you in the successful completion of your audit assignments. Keep up the good work!

#### **6. ATTITUDE: Outstanding**

Your willingness and enthusiasm in working with the Administration and Management Division is appreciated. In September you volunteered to support management in maintaining the hiring procedures and templates in MS Teams. In October you volunteered to support the HR Systems Unit in implementing timesheet training. You bring positive energy to the team and your willingness to take on additional assignments supports HRB and is appreciated!

#### **OVERALL COMMENTS**

Jane, you are a valued member of HCD, the Administration and Management Division, and my team. The skill set and knowledge you have brought into this position have contributed to your successful completion of assignments. In addition, your enthusiasm and positive energy is appreciated. You're a pleasure to work with and I look forward to working with you more in the future.

## Sample Comments to Employee - *Outstanding*

### Report of Performance Summary

Probationary Period **OR**

Date of Performance Appraisal: [First, Second or Third] or [Date]

Employee: **Jane Doe**

Classification: **Staff Services Manager I**

Position number: [employee's position number- ex: 401-175-1234-001]

Manager: **John Doe**

#### 1. **SKILL:** *Outstanding*

**EXAMPLE:** The skill sets you have brought to this position, as well as the skills you have learned quickly on the job have served you well and allowed you to jump right in with developing the new team and taking on assignments. *[Insert and example of skills the employee has exhibited that exceeded expectations, i.e. expert level excel - skills creating interactive workbooks that have increased productivity and work output.]*

#### 2. **KNOWLEDGE:** *Outstanding*

**EXAMPLE:** The knowledge that you have brought to this position or have learned on the job have been a valuable addition and asset to the Division. *[Insert specific example of on the job knowledge that the employee has shown that exceeded expectations, i.e. resources/knowledge base shared with a group that positively impacted a project.]*

#### 3. **WORK HABITS:** *Outstanding*

**EXAMPLE:** You have excellent work habits, ensuring work is laid out and meet deadlines and goals in a timely manner. Your organization skills are excellent. *[Insert example of meeting deadlines, or organization that exceeded expectations, i.e. creating unit wide shared calendar in order to create a centralized space tracking Division wide deadlines, resulting in no deadlines missed this quarter despite many staff suddenly being absent due to COVID-19.]*

#### 4. **RELATIONSHIPS WITH PEOPLE:** *Outstanding*

**EXAMPLE:** You are very personable and have built relationships with staff and other members of the organization. You have implemented various team building activities such as birthday celebrations, pizza parties, and quarantine care packages. *[Insert a specific example of how the employee's relationships with people have exceeded expectations, i.e. implementing ice breaker activities at unit meetings which resulted in more staff engagement.]*

#### 5. **LEARNING ABILITY:** *Outstanding*

**EXAMPLE:** Your ability to grasp the concepts of the statutes and regulations and their practical application to your daily inspection duties is a great benefit to you and HCD. *[Insert specific examples of how the employee exceeded expectations for learning ability, i.e. completed project XYZ with very little instruction, taking classes and implementing knowledge learned which positively impacted the Division/Branch/Unit]*

#### 6. **ATTITUDE:** *Outstanding*

**EXAMPLE:** Your willingness to work with others is positive. You demonstrate an eagerness to take on additional work when your own work as needed. As an example, *[insert specific example of a positive attitude that exceeded expectations, i.e. reaching out to check in on coworkers adjusting to telework, brainstorming ideas to work virtually together.]*

**7. COMMUNICATION: Outstanding**

**EXAMPLE:** Your communication skills are strong. You reach out as needed with questions, concerns and recommendations. You also reach out to your team members frequently and keep them in the loop, as needed. This has built strong working relationships within your unit, *[insert example of a time communication exceeded expectations, i.e. scheduling frequent team meetings, 1 on 1's to check in on projects, assignments and have provided clarification for tasks to employees who needed it.]*

**8. ABILITY AS A SUPERVISOR: Outstanding**

**EXAMPLE:** You have created an environment that promotes the active sharing of information and ideas within the team. Due to COVID-19, you have helped the team manage continuous change and ambiguity as the team transitions to a different way of operating while adapting to the change yourself. *[Insert specific examples of how the employee's ability to supervise exceeded expectations, i.e. you provided very clear and concise instructions and guidelines that allowed staff to quickly adjust to teleworking, checking in virtually with staff to make sure everyone was given resources needed to succeed in the new working environment. Staff members have expressed your strengths in leadership during a stressful transition.]*

**9. ADMINISTRATIVE ABILITY: Outstanding**

**EXAMPLE:** During this probationary period, you have accomplished a lot. *[insert specific examples of exceeding expectations for administrative ability, i.e. you have hired and onboarded 4 new staff members, restructured the unit to align better with the Department's mission, and created new policies to help guide staff.]* All while trying to learn about the programs and working on assignments in your new position.

**10. FACTORS NOT LISTED ABOVE: Outstanding**

This can be used for any comments from the rater relating to areas outside of the factors listed above.

**EXAMPLE:** “[Employee name], you are a valued member of HCD, the [Branch or Division Name], and my team. You continue to uphold the vision and mission of HCD, providing safe and affordable housing in your communities. Your dedication to the training of our [staff the employee may supervise or train] during the current state of emergency is exemplary. I appreciate and applaud your response to all your duties.”

Rater's Signature\_\_\_\_\_

Date:\_\_\_\_\_

Employee's Signature\_\_\_\_\_

Date:\_\_\_\_\_

Reviewing Officer's Signature\_\_\_\_\_

Date:\_\_\_\_\_



## Sample Comments to Employee - *Improvement Needed*

### Report of Performance Summary

Probationary Period **OR** Date of Performance Appraisal: [First, Second or Third] or [Date]

Employee: **Jane Doe**

Classification: **Staff Services Manager I**

Position number: [employee's position number- ex: 401-175-1234-001]

Manager: **John Doe**

#### 1. **SKILL: Rating: Needs Improvement**

Your skill level needs improvement in order to be successful in this position. Your position should be able to work at a level that is highly independent and not require direct direction and supervision. You are expected to be the subject matter expert (SME) in areas [please provide specific ongoing tasks, reports, assignments that NAME should be able to handle independently or as a SME.] your unit handles. I am often having to provide extensive guidance, provide reminders of training materials given and more instructions on simple tasks and assignments. [Please provide specific instances where the employee lacked the skill level expected of their classification.]

Expectations going forward will be that you use the skills learned in your recent Completed Staff Work course, you will also be required to attend courses such as Project Management, Critical Thinking Tools and Communicating with Data.

#### 2. **KNOWLEDGE: Rating: Needs Improvement**

Your knowledge as it pertains to your position needs improvement. At this stage in your probation, assignments such as month reports should not require extensive oversight and follow up by me. Please use the knowledge learned on [insert specific dates] during the recent review session with the XYZ Management Office regarding how to pull Reports and XYZ reports, you have also been provided training materials for these tasks. As the Manager over your unit, it is expected that you are the SME on various projects, materials, and subject areas. [Please provide any specific instance where employee knowledge of workload for his position was not meeting the expectations. Please provide remedies to this, i.e. what procedures NAME should review and a deadline for him to have completed his review.]

#### 3. **WORK HABITS: Rating: Needs Improvement**

Your work habits need improvement. Often your work products require a great deal of review and corrections, and on many occasions such as the Monthly XYZ Request, on [insert specific dates], I received your submission that you called a "final product ready to send." This submission did not include all the requested changes, requiring my extensive review and a second correction request on [insert specific dates]. Ultimately, the final product was corrected and submitted free of errors by your staff. It is unacceptable that your subordinates are having to make corrections of your work, this creates a larger workload for them as well as delays in assignments.

In order to be successful in this position, you will need to improve your organization, and work extensively on proofing each work product before submission, thorough note taking ability in order to reduce confusion on instructions given. You recently attended a Completed Staff Work course, please utilize the still you learned going forward to improve the work products being turned in.

#### **4. RELATIONSHIPS WITH PEOPLE: Rating: Standard**

Not all areas may need improvement. You can leave this area either off the narrative, or just the title and rating without extensive explanation.

#### **5. LEARNING ABILITY: Rating: Needs Improvement**

I would like to see more improvement in your ability to learn. You have been provided with procedures, training manuals and attended multiple training courses that were meant to assist you in your ability to learn your position. If you do not understand a project, assignment or request please work with me for more explanation. On the recent request for a database correction, you made a quick assessment and emailed staff without consulting me first, which was an incorrect analysis. You later admitted in a follow up email having had no training or experience with that particular module of the database. If you are uncertain of how something works, are uncomfortable performing the task, please ask questions before disseminating incorrect information. Errors in corrections cause further confusion and delays in assignments.

The expectation going forward is you will clarify corrections on tasks you are unfamiliar with. You will review the training procedures that you have been provided, as mentioned in my email response on DATE.

#### **6. ATTITUDE: Rating: Needs Improvement**

Your attitude when interacting with staff and management needs improvement. When responding to emails with me specifically, you have made it a point to respond back to disagree with a statement or directions I have made. On the afternoon of DATE, you responded back to my email regarding the database correction request to say that your analysis was not incorrect as I had concluded. I had already reviewed your work submitted and established that it was incorrect. Please work on your ability to handle constructive criticism and suggestions when it pertains to changes in work products or procedures. [Try to add specific examples of recent issues, poor attitude or behavior that should not be repeated.]

The expectation going forward is that you will maintain professionalism when responding management. Please use these examples as learning experiences to improve on your skills and work products in the future.

#### **7. COMMUNICATION: Rating: Needs Improvement**

Your communication falls within the standard range. You are communicative when responding to receipt of assignments, please continue to do this as it lets me know you are aware and working on each request. I would like to see a more organized approach to your responses. Please respond back to emails within the same email chain when applicable, and please follow up on verbal conversations with a written summary. Doing these requested tasks will also help with areas such as work habits, learning ability and ability as a supervisor; doing this will allow staff and myself to review instructions as you perceived them or have given verbally and make corrections if needed.

#### **8. ABILITY AS A SUPERVISOR: Rating: Needs Improvement**

Your ability as a supervisor needs to improve, recently your subordinate staff required clarification on project from Division Management. As a supervisor, you should be able to clarify projects with your staff directly, reducing the need for oversight by management above you. On [Insert Specific Dates], you emailed you were having issues with finding errors your staffs completed work and your review would cause delay in an assigned project. This delay was a result of your misinformation and confusing

directions being given to staff. Your ability to supervise would benefit greatly from attending courses such as Managerial Skills Refresher and Leading Effectively. You will be signed up for these courses as a requirement of your probationary period. [Try to use specific examples, with dates and times where applicable.]

**9. ADMINISTRATIVE ABILITY: Needs Improvement**

Your administrative ability needs improvement. Your ability to make sound decisions, and prompt action often requires oversight and is ineffective in implementing management policies and procedures.

**10. Overall Rating: Needs Improvement**

As identified above, there are several areas that require immediate improvement. Over the next remaining months of your probationary period I must see improvements in the areas outlined above. You are expected to complete the trainings and follow the recommendations provided to ensure improvements in your performance. I am available to you to answer any questions or provide clarification when you need it. Please continue to use your resources and apply your knowledge, skills and abilities to meet the standards and expectations.

Rater's Signature \_\_\_\_\_

Date: \_\_\_\_\_

Employee's Signature \_\_\_\_\_

Date: \_\_\_\_\_

Reviewing Officer's Signature \_\_\_\_\_

Date: \_\_\_\_\_

## Guide to Completing the STD. 638: Performance Appraisal Summary

The purpose of the annual Performance Appraisal (PA) is to allow employees to receive timely feedback on their work performance from their supervisor. This process assists the supervisor and the employee in measuring how well the employee is performing in their current classification throughout a one-year period. Adapting this systematic and comprehensive approach to employee evaluation and development demonstrates an organizational culture that values its employees and results in increased job satisfaction and retention.

PERFORMANCE APPRAISAL SUMMARY			
OF PAST JOB PERFORMANCE OF PERMANENT EMPLOYEES			
STD. 638 (NEW 7/2017)			
EMPLOYEE LAST NAME	FIRST NAME	MI	DATE OF LAST PAS DISCUSSION
Doe	Jane		12/2019
CIVIL SERVICE TITLE	POSITION NUMBER	EMPLOYEE'S HEADQUARTERS	
Staff Services Manager I	401-107-4800-901	Sacramento - HQ	
STATE DEPARTMENT NAME	DEPARTMENT SUBDIVISION		
Housing and Community Development	Administration and Management		

- Name of employee
- Indicate date of last appraisal given, typically would be prior years report
- Civil Service Title: Employee's classification
- Department / Division / City the Employee's Main office is located

### Ratings for Performance Appraisals:

The supervisor may make "comments" only, or may use rating categories only, or may use either or both methods of appraisal on any performance factor, as he or she prefers. The rating categories are:

- I - Improvement needed for performance to meet expected standards
- M - Performance fully meets expected standards
- E - Performance consistently exceeds expected standards.

You will rate employees in the following areas:

**Quality of Work:** Consider the extent to which completed work is accurate, neat, well-organized, thorough, and effective.

**Quantity of Work:** Consider the extent to which the amount of work produced compares to quality standards for the job.

**Work Habits:** Consider the employee's effectiveness in organizing and using work tools and time, in caring for equipment and materials, in following good practices of vehicle and personal safety, etc.

**Relationships with People:** Consider the extent to which the employee recognizes the needs and desires of other people, treats others with respect and courtesy, and inspires their respect and confidence, etc.

**Taking Action Independently:** Consider the extent to which the employee shows initiative in making work improvements, identifying and correcting errors, initiating work activities, etc.

**Meeting Work Commitments:** Consider the extent to which the employee completes work assignments, meets deadlines, follows established policies and procedures, etc.

**Analyzing Situations and Materials:** Consider the extent to which the employee applies consistently good judgment in analyzing work situations and materials, and in drawing sound conclusions.

**Supervising the work of others (if applicable):** Consider the employee's effectiveness in planning and controlling work activities, motivating and developing subordinates, improving work methods and results, encouraging and supporting employee suggestions for work improvement, applying policies, selecting and developing subordinates in accordance with State Personnel Board and departmental affirmative action policies.

**Personnel Management Practices (If applicable):** Consider the extent to which the employee understands and applies good personnel management practices including affirmative action and upward mobility. Does the employee contribute effectively to the implementation of State Personnel Board and departmental equal employment opportunity policies and to the attainment of affirmative action goals?

**An ongoing process of employee evaluation for an Annual Performance Appraisal is of great benefit to the Department and the employee in:**

- Encouraging continuous development and enhancement of skills related to new technology, innovations, changes in statutes, and other revisions to state and departmental operations, strategic objectives, etc.;
- Serving as an administrative mechanism for annually identifying, tracking and updating employees' developmental needs and career plans;
- Tracking of any mandated training or continuous education requirements based on an individual's classification and/or duties and responsibilities;
- Recognizing employees' value and contributions to the Department in highlighting extraordinary or outstanding accomplishments;
- Ensuring employees are informed of any short-comings or performance deficiencies and are provided with the opportunity to improve.

Rating managers can take into account comments, and reviews by other managers. For example, if a rating manager is new to the position and has not supervised the employee long enough to make a fair assessment they may discuss with managers within the Unit or Branch who have a direct working knowledge of the employee's performance.

Please attach a narrative with the STD. 638, Annual Performance Appraisal, if more space is needed that the form allows.

**Time Frames and Required Signatures:**

- Probation reports should be issued to employees within their birth month, and no later than 30 days passed the end of their birth month. i.e. employee birth month is in October, appraisal should be submitted no later than November 30<sup>th</sup>.
- If there is concern for the employee's performance falling under the Standard range, the rating manager must reach out to the appropriate PMA within HRB before issuance of the report to discuss concerns.

## **Report of Performance for Probationary Employees**

Owner: Human Resources Branch

Effective Date: June 1, 2020

Supersedes: New

### **Guideline**

A probationary period is a period of a specific time (usually 6 or 12 months) at the beginning of an appointment that is used for a close review of an employee's performance prior to granting the employee permanent status. A probation report is a systematic and comprehensive approach to evaluate an employee's performance to encourage professional development. Timely feedback can demonstrate an organizational culture that values its employees and can result in increased job satisfaction and retention.

The evaluation of state employees during a probationary period is a requirement set forth in various statutes, rules, policies and procedures established by the State Personnel Board (SPB) and the California Department of Human Resources (CalHR). This is the final step in the selection process.

A probationary report helps the supervisor and employee:

- adapt to his/her job and work environment
- recognize effective performance
- identify aspects of performance that could be improved upon
- be used as a tool for guidance in training
- grant permanent civil service status

### **Authority**

This guideline has been developed in accordance with the following laws, rules and regulations:

- California Constitution, Article 7, section 3(a)
- Cal. Code Regs., tit. 2, §§ 599.795, and 599.798
- California Government Code sections 19170 - 19180, 19992
- Bargaining Unit Memoranda of Understanding (MOU): SEIU, Units 1, 4, and 21; CASE, Unit 2; CSLEA, Unit 7.

### **Definitions**

The following terms are defined to facilitate understanding and consistent application of this guideline.

Official Personnel File (OPF): File containing all employment documents for an employee; maintained in the Human Resources office of the employee's current department.

Personnel Management Analyst (PMA): Analyst in the Human Resources Branch (HRB) who provides classification and performance management consultation to supervisors and managers.

Rater: HCD supervisor who completes the probationary performance report.

Reviewing Officer: A second level manager who reviews the report to ensure: 1) uniformity in the application of standards by the Raters under their direction, 2) securing corrective action when bias or a misinterpretation of rating standards is evidenced in rating, 3) reports are thoroughly and promptly prepared, and 4) that the report is discussed with the rater or employee when requests or otherwise appropriate.

Supervisor: HCD employee who is designated as a supervisory or managerial employee.

## **Purpose**

The purpose of the Report of Performance for Probationary Employee is to assist the supervisor and the employee in measuring how well the employee is adapting to the job and to provide a tool for guidance in training assignments and granting of permanent civil service status.

## **Requirement**

The length of a probationary period and whether an employee is required to complete a probationary period are established by the SPB. Depending on the tenure (e.g., permanent, limited-term, etc.), an individual may or may not have to serve a probationary period. The HRB will inform supervisors of the probationary requirements of every employee upon their appointment to HCD or to a new classification. Supervisors should consult with the HRB staff if they have any questions regarding whether an employee is required to serve a probationary period.

## **Rejection During Probation Period**

A department may reject an employee during the probationary period for reasons relating to the probationer's qualifications; the good of the service; and/or failure to demonstrate merit, efficiency, fitness, and moral responsibility. Rejections during probation are part of the selection and examination process within the State Civil Service System. They are not considered to be discipline or adverse actions. The department must give the employee written notice of rejection at least five working days before its effective date and copies of the materials upon which the rejection is based. The employee may appeal the rejection to the SPB Appeals Division.

When performance issues arise or if a rejection is being considered, the supervisor should contact the appropriate PMA in HRB immediately. The PMA will provide assistance in documenting and managing performance issues. The supervisor will be required to provide the PMA with supporting documentation to justify the reason for rejection and support each documented fact within the rejection. The Legal Affairs Division (LAD) will draft and serve the rejection once approved.

## Procedures

A report of performance should be made to the employee at sufficient frequency to keep the employee adequately informed of progress on the job. This is generally every two months for a 6-month, or every four months for a 12-month probationary period. HCD utilizes the State's Report of Performance for Probationary Employee ([STD 636](#)) as its mechanism for documenting all employees subject to serving a probationary period in accordance with SPB and/or CalHR reporting requirements. This form is used to document and review an employee's performance prior to granting the employee permanent status in a classification, the Department, and/or to State Civil Service.

Step 1: HRB sends notice to the supervisor in advance of a Performance Report coming due.

Step 2: The supervisor/rater completes the STD. 636:

- Indicate a rating for each qualification factor. Ratings of unacceptable, needs improvement, or outstanding must be substantiated in writing and attached to the STD. 636. Include factual examples of exceptional or poor work and give suggestions as to how performance can be improved.

*Note: If considering a rating of needs improvement or a rejection during probation, the supervisor shall immediately contact the Division's assigned PMA in HRB. The PMA will work with the supervisor on any performance issues and will provide guidance on performance management.*

- Submit the report to the Reviewing Officer to obtain his/her concurrence with the report, recommend changes, and/or upon request to meet with the employee being evaluated. The Reviewing Officer cannot change the report.
- Provide employee with a copy of the written appraisal and an opportunity to discuss the performance evaluation, identify any concerns, and provide rebuttal.
- Request the employee to sign the report. If an employee refuses to sign the report, the rater is to advise the employee that his/her signature is merely acknowledgement that he/she has seen the report, indicate



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“Employee Refuses to Sign” on the employee signature line and provide a copy to the employee.

- Submit the original, signed STD 636, with supporting documentation (as applicable) to HRB.

Step 3: Once submitted to HRB, the STD. 636 will be logged and the PMA will review the report for completion, required substantiation and signatures; files final report in the employee’s OPF or returns to program if further substitution or signatures are needed.

If you have any questions regarding this guideline, please email [HumanResources@hcd.ca.gov](mailto:HumanResources@hcd.ca.gov).

## Annual Performance Appraisals

Owner: Human Resources Branch

Effective Date: July 1, 2020

Supersedes: New

A Performance Appraisal (PA) is a systematic general and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-established criteria and organizational objectives. In accordance with California Code of Regulations, title 2, section 599.798, HCD supervisors and managers shall complete a Performance Appraisal (PA) Summary ([STD 638](#)) for each of their employees using the employee's birth month as the criteria for the annual performance appraisal period. The PA is intended to fairly assess an employee's performance during the reporting period, provide meaningful feedback to advise the employee on exceptional performance, and guide the employee in areas where performance can be improved.

### Authority

This guideline has been developed in accordance with the following laws, rules and regulations.

- California Government Code §§ 19992 - 19992.4
- Cal. Code Regs., tit. 2, §§ 599.795 and 599.798
- Bargaining Unit Memoranda of Understanding: SEIU Units 1, 4, and 21; CASE Unit 2; and CSLEA Unit 7

### Definitions

The following terms are defined to facilitate understanding and consistent application of this guideline.

Official Personnel File (OPF): File containing all employment documents for an employee maintained in the Human Resources Branch (HRB).

Personnel Management Analyst (PMA): An Analyst in HRB who provides classification and performance management consultation to supervisors and managers.

Rater: HCD supervisor who completes the annual performance appraisal.

Supervisor: HCD employee who is designated as a supervisory or managerial employee.

### Purpose

The purpose of the annual PA is to allow employees to receive timely feedback on their work performance from their supervisor. This process assists the supervisor and the employee in measuring how well the employee is performing in their current classification

throughout a one-year period. Adapting this systematic and comprehensive approach to employee evaluation and development demonstrates an organizational culture that values its employees and results in increased job satisfaction and retention. This guideline describes the performance appraisal procedures used at the Department of Housing and Community Development (HCD or Department) and provides direction to managers and supervisors for conducting Annual Performance Appraisals (STD 638) with their employees.

An ongoing process of employee evaluation is of great benefit to the Department and the employee in:

- Encouraging continuous development and enhancement of skills related to new technology, innovations, changes in statutes, and other revisions to state and departmental operations, strategic objectives, etc.;
- Serving as an administrative mechanism for annually identifying, tracking and updating employees' developmental needs and career plans;
- Tracking of any mandated training or continuous education requirements based on an individual's classification and/or duties and responsibilities;
- Recognizing employees' value and contributions to the Department in highlighting extraordinary or outstanding accomplishments;
- Ensuring employees are informed of any short-comings or performance deficiencies and are provided with the opportunity to improve; and
- Documenting an employee's failure to meet the requirements of their position to substantiate any type of disciplinary action.

### **Procedures**

Step 1: HRB will notify the supervisor of employees who will have an annual appraisal due the following month. Additional criteria will also be considered and applied before notifications are sent, such as:

- If an employee's birthdate occurs while the employee is serving a probationary period, then no annual performance appraisal is required for the current year.
- If an employee's birthdate occurs within six months of the employee's last probation report, then no annual performance appraisal is required for the current year.
- Employees serving in Limited Term appointments lasting longer than one year will have an annual performance appraisal due.

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- Retired Annuitants, Seasonal Clerks, and Special Consultants are temporary employees and are excluded from the annual performance appraisal process.

Step 2: The supervisor/rater will complete the STD 638 by providing comments and/or utilizing the available rating categories indicating a rating for each performance factor. The rating categories are:

- “I” for performance that needs improvement;
- “M” for Performance that meets expected standards; or
- “E” for performance that consistently exceeds expected standards.

Supervisors are required to include factual examples of exceptional or poor work and give suggestions as to how performance can be improved.

*Note: If considering a rating of improvement needed, the supervisor must contact the Division's assigned PMA in HRB. The PMA will work with the supervisor on any performance issues and will provide guidance on performance management.*

The following additional guidance is intended to clarify questions included on the annual performance appraisal and assist supervisors in completing the STD 638:

- a) Question 9 on the STD 638, Personnel Management Practices: When considering if the employee contributes effectively to the implementation of State Personnel Board and departmental equal opportunity policies and to the attainment of affirmative action policies, include:
  - Participation in the Cultural Diversity Committee, the Disability Advisory Committee, or the LGBTQ Committee;
  - Attendance at the monthly Can We Chat sessions;
  - Maintaining compliance in the EEO training requirements and attending Implicit Bias training;
  - Speaking up when conduct goes against HCD core values or established policy.
- b) For supervisors, consider including:
  - Routinely including a diversity question on oral interviews;
  - Ensuring interview panel members are diverse;
  - Building a diverse team, such as hiring employees with different perspectives, experiences, and backgrounds.

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c) In preparing the PA, supervisors should:

- Collect and retain records of performance throughout the reporting period for use in preparing the PA. The PA must be based on factual events and documents, void of unsubstantiated opinion, and substantiated with sufficient documentation to withstand external or internal review; and
- Review the employee's duty statement, previous PA, expectations, notes, emails, and documented discussions during the reporting period.

d) Supervisors can provide fair appraisals by:

- Reviewing performance factors thoroughly;
- Meeting privately with the employee and allowing sufficient time without interruptions;
- Discussing work samples, observations, documentation, etc.;
- Encouraging employee participation and soliciting feedback during the review;
- Considering the employee's capabilities when discussing developmental opportunities for growth; and
- Allowing for honest discussion when delivering the PA and not expecting agreement on all points.

Step 3: Provide a copy of the written performance appraisal and discuss with the employee. This provides the employee with an opportunity to identify any concerns and provide a rebuttal if they choose to do so.

- The supervisor and employee should sign and date the STD 638 and submit the original to the HRB.
- If the employee does not wish to sign the STD 638, the supervisor shall indicate "Employee Refuses to Sign" on the employee signature line and submit it to HRB.

Step 4: Once submitted to HRB, the PMA reviews report for completion, required substantiation and signatures; files final report in the employee's OPF or returns to program if further substitution or signatures are needed.

If you have any questions regarding this guideline, please email [HumanResources@hcd.ca.gov](mailto:HumanResources@hcd.ca.gov).

## SAMPLE PEOPLESOFT NOTIFICATION EMAIL

From: [PeopleSoft@hcd.ca.gov](mailto:PeopleSoft@hcd.ca.gov)  
To: [John.Smith@hcd.ca.gov](mailto:John.Smith@hcd.ca.gov)  
Mon 5/3/2021 8:42 p.m.  
Subject: Probation Report Due for Jane Doe

You are receiving this email because you have a Probation Report due for:

Employee Name: Jane Doe  
Probation Report Due On: 5/31/2021  
Classification: Associate Personnel Analyst  
SCO Position Number: 401-107-5142-901

Below are links to available resources:

[Report of Performance for Probationary Employee \(STD 636\) Form](#)  
[Report of Performance for Probationary Employees Guideline](#)  
[Performance Report Workshop - Upcoming Dates](#)

Please email completed evaluations to [Performance@hcd.ca.gov](mailto:Performance@hcd.ca.gov). If this evaluation is not received timely it will show as incomplete or late on the Department wide monthly report.

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