

CalHR Accomplishments, January 2011 – January 2018

EXECUTIVE SUMMARY

Effective July 1, 2012, the Department of Personnel Administration was merged with the non-constitutional functions of the State Personnel Board to create the California Department of Human Resources (CalHR), as part of the Governor's Reorganization Plan No. 1. The Governor's vision to eliminate a bifurcated personal system and create a single human resources agency for state government created a more focused and effective department, and it produced efficiencies, thereby saving the state money.

The new CalHR has been able to tackle long overdue reforms of the state's human resource functions. Those reforms have included delegating more decision-making to line agencies, improving the recruitment of new state employees, restoring basic training programs for rank-and-file and supervisory employees, and improving employer-employee relations.

CalHR has worked hard to rebuild the partnership between the state, its departments, and the unions. This has produced a culture of trust that allowed CalHR's Labor Relations Division to negotiate significant changes affecting state workers with the unions, such as landmark pension reform, major reforms in retiree health care liabilities, and legislatively mandated structural changes to the Board of Equalization and the Department of Corrections.

Through 2017, CalHR successfully negotiated 43 Memorandums of Understanding (MOUs) for 20 bargaining units. Many of those agreements involved new language on some of the most sensitive issues involving unions and state employees. Thanks to those efforts, the state of California has sound and prudent agreements with bargaining units that provide state employees with fair contracts and benefits.

CalHR has also played a central role in the Governor's Civil Service Improvement (CSI) initiative by leading the charge in developing plans for simplifying, consolidating and modernizing more than 3,000 state job classifications. This is an ongoing process that started in 2015 and most recently resulted in replacing 36 outdated IT job classifications with nine new ones that are better, and clearer, for employees and better for the state, as they allow flexibility to adapt to constant IT industry advances and changes. In addition, CalHR has abolished 991 redundant and unused classifications.

Across the board, CalHR has taken major strides to advance its mission and improve the support it provides to all state departments and their employees. It has overhauled its website, creating the Examination and Certification Online System (ECOS) and a much-improved CalCareers portal. It has created an online Human Resources Manual, streamlining and clarifying state human resources policies, for all state departments to easily access and use.

CalHR has also launched leadership training and state employee recruitment initiatives that are beginning to pay dividends. The California Leadership Academy was established in 2017 to provide supervisors, managers and Career Executive Assignments (CEAs) leadership training. And CalHR has proactively addressed a whole range of key issues confronting the state workforce and its managers, from succession planning to boosting employee engagement, through its policies and programs.

As a result of the Governor's leadership and CalHR's efforts and collaboration with many other departments, the state of California is rising to meet the challenges the 21st century presents to its 220,000 state employees.

DETAILS

Negotiating Contracts and Major Changes with Unions

1. Public Employees' Pension Reform Act (PEPRA)

PEPRA reformed the state's largest public employee pension programs. It established new retirement formulas for public employees who contributed to these pension programs hired after January 1, 2013, reducing the state's liability while still providing new public employees with a fair and reasonable pension for their service. CalHR negotiated PEPRA's implementation and contract language with the state's 21 bargaining units.

2. Memorandums of Understanding

Through 2017, CalHR's Labor Relations Division successfully negotiated 43 MOUs for 20 bargaining units. These agreements included new language for pensions, benefits, and retirement contributions. They also improved and clarified language regarding leave benefits. In 2018, CalHR will negotiate MOUs with bargaining units 5, 6, 9 and 10.

3. Other Post-Employment Benefits (OPEB)

CalHR negotiated OPEB reforms to the retiree health program by reducing the employer health care benefit contribution and requiring state employees to equally share in pre-funding their retirement healthcare. This will offset the future financial liabilities for health benefits for retired members as recommended by the Public Employee Post-Employment Benefits Commission.

4. Legislative changes to the Board of Equalization

The Taxpayer Transparency and Fairness Act of 2017 restructured the State Board of Equalization into three separate entities: The State Board of Equalization, California Department of Tax and Fee Administration (CDTFA) and Office of Tax Appeals (OTA). CalHR worked in partnership with the affected employees' representatives to address any anticipated issues and ensure a smooth transition.

5. Legislative changes to the California Department of Corrections and Rehabilitation (CDCR)

The 2011 Public Safety Realignment Act enabled California to close the revolving door of low-level inmates cycling in and out of prison. With the expected reduction in the prison population, CDCR underwent a realignment that closed community correctional facilities and disbanded the Juvenile Parole Board, which eliminated approximately 3,400 positions statewide. CalHR negotiated the distribution and layoffs of employees affected by this staffing reduction.

Class Consolidation

CalHR has begun overhauling the state's job classifications as part of the Governor's Civil Service Improvement initiative. The aim is to reduce the number of existing classifications and simplify and modernize them, thereby improving examination and hiring practices statewide. As part of this effort, CalHR has:

- Consolidated and revised 36 Information Technology (IT) classifications.

- Consolidated and revised 92 Casual Employment parenthetical classifications.
- Abolished 991 redundant or unused classifications.
- Worked with the line agencies to establish, modify, and abolish classifications.
- Updated the civil service pay scales to accurately reflect existing classifications.

IT class consolidation, which affects more than 10,000 employees, has taken more than three years to plan and execute. To develop the plan, CalHR began holding data collection meetings in January 2015 with a large group of subject matter experts consisting of departmental Human Resources and IT professionals, and CalHR's Personnel Management Division staff. This core team consisted of nearly 50 experts and represented 13 departments and five agencies.

CalHR met with SEIU Local 1000 more than a dozen times over two years to reach agreement on its terms. The driving force behind the plan is to update outdated IT class descriptions that were put in place, in some cases, more than 40 years ago. The modernized system will dramatically improve civil service IT positions – both for the people in the jobs and for the State of California, which will be better able to attract and keep employees with vital technical skills.

IT class consolidation took effect on January 31, 2018. Consolidation plans for other employee classifications are in the works.

Modernizing CalHR's Websites and Access

Over the past six years, CalHR has been developing the Examination and Certification Online System (ECOS), which provides more than 200 Time and Experience assessments online. The ECOS project is the first large-scale statewide Human Resources automated system for the state of California developed in four decades.

CalHR strives to make the system easy to use both for people taking examinations and for the managers charged with culling applications and making hiring decisions. CalHR works to steadily improve and enhance ECOS, and, in June 2017, introduced real-time processing for all selection functions into the system.

Due to high demand, CalHR moved to offer Office Tech examinations online. In the first year of being provided online, the Office Tech exam was taken by more than 22,000 individuals, with more than 16,000 gaining eligibility for the position, thereby saving the state \$150,000 it would have cost to offer the exams with paper and pencil.

In addition, in 2016 CalHR launched the CalCareers (calcareers.ca.gov) website, which allowed for the first time for prospective employees to apply for all state jobs online. It also redesigned its main website and began broadcasting on social media. The goal was to modernize access to state job information and CalHR policies and provide the latest information in the most-timely fashion.

Responding to the concerns raised in a state audit, CalHR made all the material on the 10 websites it maintains compliant with state accessibility standards. This department-wide effort took a year and a half to complete and included updating more than 5,000 website pages and more than 4,000 Portable Document Format (PDF) documents and forms.

CalHR has added many features and sources of valuable information to its websites over the past seven years. One example is the creation of the Online Human Resources Manual. Prior to the online manual, CalHR communicated HR policies through Personnel Management Liaison (PMLs) memos.

These policy statements were difficult to search, frequently contained outdated or superseded information, were not accessible for people with disabilities, and were not written in a clear and consistent style. CalHR consolidated the more than 1,800 PMLs into just over 100 clear, concise, and easy-to-understand policy statements in an online manual that is easy to access and search.

The online manual provides departments with links to laws, regulations, historical policies, relevant forms, and answers to frequently asked questions to help them administer HR programs.

Advancing HR Management and Policies

With the Online HR Manual, CalHR has been able to quickly and directly communicate important additions or changes to HR policies. For instance, CalHR has:

- Developed and issued statewide leave reduction policy.
- Developed and implemented alternate work and non-standard work Schedule policy.
- Developed and implemented a promotions in place policy.
- Developed and implemented a hire above minimum policy.
- Developed and implemented a special consultant policy.
- Developed and implemented a casual employment policy.

In keeping with the Governor's Reorganization Plan No. 1, CalHR established the Delegation Program, which took a phased-in approach to delegating three significant and complex HR functions to 145 state departments from 2013 to 2015. CalHR provided 23 full days of training to 520 staff.

CalHR followed up by leading a separate CSI team to survey departments about the change. Overall, 97.6 percent of respondents said delegation was valuable and 91.4 percent who had delegation at least six months said they experienced efficiencies in the delegated areas.

The department also did a comprehensive review of the state's existing pay differentials. It found that 24 differentials were unnecessary, and it eliminated them.

CalHR reinvigorated the Upward Mobility Program, which was created more than three decades ago to help state employees in low-paying classifications to advance their careers. The project, part of the CSI initiative, involved creating the Upward Mobility policy and providing a package of resources to assist state departments with the effort.

To help train and professionalize HR staff working throughout state government, CalHR created its HR Credentialing Program. The program promotes professional recognition, career advancement, an organizational culture of continuous learning, and the development of HR professionals. To date, the state has awarded 222 credentials to 135 HR and Equal Employment Opportunity (EEO) professionals.

To keep HR professionals engaged and up-to-date, CalHR started an HR online forum, providing state HR professionals a platform to ask questions, start discussions, share documents, and network. The forum

has changed the way state HR professionals communicate, leading people to ask and respond to questions through discussion boards instead of email lists.

In addition, CalHR is leading a multi-departmental team to recommend improvements to the layoff process. The team's recommendations are expected in March 2018.

CalHR developed a training unit to evaluate and improve current HR training primarily in the areas of classification and compensation. The unit has:

- Developed and implemented a communication plan for the IT Classification Consolidation that included change management training for more than 800 HR and IT professionals.
- Developed a best hiring practices guide and delivered best hiring practices training to more than 800 state employees.
- Developed duty statement training and provided it to approximately 160 state employees.
- Delivered permissive reinstatement and transfer training to more than 500 state employees.
- Developed performance measures and best practices for personnel offices and programs in the line agencies.

Workforce Training

Confronted with a graying state workforce and a wave of retirements expected in coming years, CalHR has vigorously pursued workforce recruitment, retention and training programs.

In August 2013, CalHR reinstated the Statewide Training Center to provide state employees a central point for soft skill and leadership training. Since its establishment, the center has grown significantly each year in the number of students attending and days of instruction provided. The center, which had 22,000 registrations in 2017, now operates throughout California in five different regions.

The demand for training led CalHR to develop an automated statewide training registration program. Registration confirmation and logistical information is automatically generated to the student, and registration data is integrated with billing and invoicing processes. The automated system has reduced staffing needed to support training operations and has enabled the Statewide Training Center to process far more registrations than it could under the old manual process.

CalHR expanded statutory leadership training requirements in 2016 to further develop California's supervisors, managers and CEAs. The law now requires mandatory training within 12 months of initial appointment, as follows:

- 80 hours for supervisors.
- 40 hours for managers.
- 20 hours for CEAs.

The new mandated training requirements also state that all supervisors, managers and CEAs are required to complete 20 hours of leadership and development training every two years. CalHR developed a statewide leadership competency model, with values, competencies, and learning objectives that provide departments with guidance on how to progressively develop leaders.

In 2017, the Statewide Training Center established the California Leadership Academy, which provides training for civil service supervisors, managers, and CEAs. The academy is unique in that it offers innovative new leadership training solutions for all state organizations that are designed, developed and delivered by state employees.

The academy developed and now offers the Manager Development Program (MDP). The new cohort-based course is a highly interactive and immersive learning experience designed to enhance the business acumen of managers back in their organizations.

CalHR, in partnership with the Government Operations Agency (GovOps) and the Eureka Institute, jointly developed CalHR's California Lean Academy. To date, CalHR and participating agencies have trained more than 5,000 people in a White Belt level process improvement methodology using the Toyota Production System (Lean).

The academy also offers a trainer certification program, so those certified can return to their departments to train others in Lean. Using the core Lean principles of creating customer value through the elimination of waste, instructors attend an intense three-day training with feedback, followed by delivering the course under observation by a Lean training evaluator. The final step in the certification process requires the instructor to identify a problem in his or her sphere and take it through a seven-phase improvement process. The academy has trained approximately 125 instructors and certified 75.

Workforce and Succession Planning

In 2015, GovOps implemented the first-ever statewide employee engagement survey. A total of 5,000 state employees at all levels were randomly selected to participate. Survey results showed that a majority of state employees believe what they do is important to the lives of Californians and that many wanted more employee recognition.

Recognizing that organizations with highly engaged employees outperform organizations with low engagement and retain their employees at higher rates, CalHR created a Statewide Employee Engagement Program to offer departments of all sizes an opportunity to annually survey employees.

This CalHR program allows state departments to identify and respond to engagement trends specific to their organizations. Additionally, CalHR benchmarks department survey results with other public and private organizations, and it identifies those statewide engagement trends common to multiple state organizations that would benefit from statewide solutions.

To help employees transition into their new state jobs, CalHR created an onboarding manual in November 2016 and posted it to CalHR's website. The manual provides a consistent approach for departments to orient new employees and help them succeed.

The department also created a website in 2015 dedicated to new employees to provide information about employer benefits, forms to complete, and union information and employee rights.

To plan for waves of vacancies expected by coming retirements and to smooth transitions within departments, CalHR established a Workforce and Succession Planning Program in 2013. CalHR collaborated with multiple state organizations to create a new five-phased State of California Workforce Planning Model.

The model serves as a guide to help state organizations develop a comprehensive workforce plan that aligns staffing with strategic missions, critical business needs, and plans for succession. These models support organizations in planning to ensure they have the right number of people with the right skillsets in the right jobs at the right time.

To assist workforce planning, CalHR established a quarterly forum. The department has also developed a one-stop-shop webpage providing access to industry standard tools and resources, such as a variety of workforce plan templates, examples of plans, guides and articles.

CalHR instituted a policy requiring state departments to have a current workforce and succession plan and report annually on their progress implementing it.

Furthermore, CalHR has created an innovative new cohort-based training program that blends workshop training with one-on-one consultation services to help state organizations create their workforce and succession plans. To date, 30 state organizations have graduated from the new CalHR Workforce and Succession Planning Training Program, increasing the number of completed workforce and succession plans statewide by 20 percent.

Finally, in 2015, CalHR set out to identify workforce trends and challenges faced across state organizations by conducting interviews with nearly 100 department directors. The feedback received from the director interviews was used to create the first-ever Statewide Workforce Planning Report.

In the future, as more state organizations develop workforce plans, CalHR will review those plans to create an annual Statewide Workforce Planning Report, thereby allowing the state to identify and address civil service workforce challenges that are common to multiple state agencies and that could benefit from a statewide solution.

Workforce Recruiting

With nearly half of the state civil workforce approaching retirement eligibility, CalHR in 2014 established the Statewide Recruitment Program. This program supports state organizations with strategies for recruiting and hiring qualified employees.

The program works to facilitate collaboration among state departments, develop innovative strategies to address shortages of candidates in key classifications, create strategic alliances with academia and advocacy coalitions, and conduct focused recruitment efforts to increase underrepresented populations in the workplace.

CalHR has also stepped up efforts to recruit former and transitioning members of the Armed Forces to civil service occupations. To make it easier for veterans to successfully navigate the civil service hiring process, CalHR developed veteran-centric resources, such as the “How to Transition from Military Service to State Service” seminar that is delivered monthly at the California Department of Veteran Affairs (Cal Vet), military related events statewide, and California military bases.

CalHR has partnered with transitional assistance programs – such as Marine Corps Installations West, Work for Warriors and Cal Vet’s California Transition Assistance Program – to incorporate state hiring

training into their curriculums, train transitional counselors on the state hiring process, coordinate recruitment events, and administer state examinations onsite.

To further facilitate veterans' transition to state civil service careers, CalHR developed the Military Skills Translator, an online tool to match military skills and occupations to equivalent state civil service classifications.

To increase the number of persons with disabilities in state service, CalHR partnered with the Department of Rehabilitation, the State Personnel Board, and the Civil Rights Coalition to develop a recruitment and retention task force, entitled "The Joint Project to Increase the Employment of Persons with Disabilities in California State Government."

Stakeholders identified barriers to employment and made recommendations to CalHR on how to increase the number of people with disabilities working in California state government. The primary topics included hiring, retention and promotion of people with disabilities, re-engineering the statewide disability survey, and reasonable accommodation. The final report was issued in 2015.

In line with task force recommendations, CalHR coordinated multiple recruitment events for persons with disabilities, including the 2016 "How to Get a State Job Workshop" at Department of Rehabilitation that attracted over 600 attendees. In addition, CalHR has ensured that images of persons with disabilities are incorporated into state job marketing materials and that they include reasonable accommodation information.

Also, in collaboration with Department of Rehabilitation and Department of Developmental Services, CalHR established the Limited Examination and Appointment Program (LEAP) internship program for people with developmental disabilities. This program provides a pathway for individuals with developmental disabilities to enter state service.

Within the past few years, many large companies have downsized their employees. To provide assistance for displaced employees and recruit their talent for civil service employment, CalHR is now a member of the Workforce Investment Board's Rapid Response Roundtable that partners with companies to help displaced workers find employment.

CalHR ensures the appropriate state organizations are present at Rapid Response events and has coordinated recruitment events for employees facing layoffs from Verizon, Sam's Club, Hewlett Packard, and Intel.

To position the state as a premier employer, CalHR partnered with GovOps and California State University, Sacramento to create a new design for statewide recruitment and marketing materials. This campaign includes a brochure designed to attract a talented and diverse candidate pool and specifically features women in traditionally male dominated occupations.

To ensure equal employment opportunity for underserved populations, CalHR developed a process on how to coordinate outreach events in underserved communities. An example of this coordination was a recent event hosted by Senator Richard Pan and Assemblymember Jim Cooper, a workshop titled "How to Begin Your State Career."

CalHR partnered with several state organizations; the California Civil Rights Coalition; California State University, Sacramento; University of California, Davis; and community based career centers to outreach to underserved communities. Workshops were held in multiple locations and included targeted marketing materials, interview preparation seminars, and written assessments administered in the community.

To empower departments and external stakeholders to effectively and accurately recruit on behalf of the State of California, CalHR created a plan for delivering its “How to Begin Your State Career” seminar. This training for trainers has been administered to Department of Rehabilitation counselors throughout the state, Employment Development Department Employment Program representatives, county training agencies, and career center counselors at educational institutions, including California State University, Sacramento and the University of California, Davis.

Savings Plus

Savings Plus, managed by CalHR, is the name of the 401(k) Plan and 457(b) Plan which began in 1974 as a long-term retirement savings program for employees of the State of California, California state universities and the state Legislature.

Savings Plus contributions are through automatic payroll deductions that go into investments the employee selects from the Savings Plus portfolio. It provides state employees another retirement resource to add to California Public Employee's Retirement System (CalPERS) pensions and Social Security payments, which may not be sufficient to maintain an employee's standard of living during retirement.

Over the past seven years, Savings Plus experienced significant growth, with the number of participants invested in Savings Plus increasing by 20 percent to 208,986 and program assets growing by 80 percent to \$13.7 billion.

To better serve participants, Savings Plus made many enhancements. Those included:

- Providing participants the ability to contribute to their account on an after-tax basis.
- Allowing participants to convert their before-tax investments to Roth assets. This creates a taxable event upon conversion and allows for tax-free income upon qualification.
- Allowing participants the ability to view and perform transactions on any mobile device.
- Providing participants a retirement readiness interactive tool that allows them to see their projected retirement outlook. The tool takes into account various factors, such as projected retirement age and desired income in retirement. In calculating projections, it takes into account financial assets, including pension, Social Security benefits, and Savings Plus.
- Boosting education and outreach by hosting retirement planning fairs throughout the state and coordinating with vendors to hold webinars and workshops.

Providing Legal Assistance and Certainty

Established in 2012 by CalHR's Legal Division, the House Counsel Program assists state departments and agencies in navigating employment issues. Since that time, an experienced team of lawyers, personnel managers, and investigators have provided specialized case-by-case consultation, investigations, mentoring, and training to numerous state entities on a wide variety of complex employment issues to reach effective and equitable resolutions.

CalHR's lawyers also made sure the administration and state Legislature maintained their authority over wages, hours, and other terms and conditions of state employment. Of particular note:

- In *Stoetzel v. State* (2017) 14 Cal.App.5th 1256, current and former correctional peace officers brought a class action against the state alleging they were improperly denied pay for time they spent under their employer's control before and after their work shifts. The court largely affirmed the lower court's dismissal of plaintiffs' claims, reasoning that the Legislature through its approval of the parties' MOU provided the proper legal standard for determining what constituted compensable hours worked for represented employees, which supersedes the broader standard found elsewhere in the law that plaintiffs' based their claims upon. The California Supreme Court has decided to review this case, with opening briefs due in March 2018.
- In *California Association of Professional Scientists v. Brown* (2013) 216 Cal.App.4th 421, several public employee unions sought to compel the state to continue to provide two paid holidays—Lincoln's Birthday and Columbus Day—after they were removed from the list of paid holidays in Government Code section 19853. The court held that the unions were not entitled to the two paid holidays.
- In *California Dept. of Human Resources v. Service Employees Intern. Union, Local 1000* (2012) 209 Cal.App.4th 1420, CalHR petitioned to vacate an arbitration award granting MOU salary increases for prison medical employees in addition to salary increases ordered by the federal court. The court held that the award violated public policy because it mandated a fiscal result "that was not explicitly approved by the Legislature."

Increasing Vital Research and Data Collection

CalHR launched the Veteran Opportunity in the Workforce of the State (VOWS) database system that replaced the outdated Management Information System, which went online to implement the Civil Rights Act of 1964. VOWS allows the integration of veteran data into existing Equal Employment Opportunity statistical information.

CalHR re-engineered the statewide disability survey that now includes both state and federal definitions of disability. The new survey also allows employees to select more than one disability type. As a result, CalHR can better analyze disability data to assist with the recruitment of people with disabilities.

And in 2014, CalHR developed a breakthrough in employee compensation research by combining data from two surveys published by the Bureau of Labor Statistics and data from the Congressional Budget Office.

The report compared state employee total compensation with local government, federal government, and, for the first time, private sector workers. CalHR has published the California State Employee Total Compensation Report for 2015, 2016 and 2017.

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