



COMPLIANCE REVIEW REPORT

DEPARTMENT OF REHABILITATION

Compliance Review Division
State Personnel Board
April 9, 2026

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INTRODUCTION

Established by the California Constitution, the State Personnel Board (the SPB or Board) is charged with enforcing and administering the civil service statutes, prescribing probationary periods and classifications, adopting regulations, and reviewing disciplinary actions and merit-related appeals. The SPB oversees the merit-based recruitment and selection process for the hiring of over 200,000 state employees. These employees provide critical services to the people of California, including but not limited to, protecting life and property, managing emergency operations, providing education, promoting the public health, and preserving the environment. The SPB provides direction to departments through the Board's decisions, rules, policies, and consultation.

Pursuant to Government Code section 18661, the SPB's Compliance Review Division (CRD) conducts compliance reviews of appointing authorities' personnel practices in five areas: examinations, appointments, equal employment opportunity (EEO), personal services contracts (PSC's), and mandated training, to ensure compliance with civil service laws and Board regulations. The purpose of these reviews is to ensure state agencies are in compliance with merit related laws, rules, and policies and to identify and share best practices identified during the reviews.

Pursuant to Government Code section 18502, subdivision (c), the SPB and the California Department of Human Resources (CalHR) may "delegate, share, or transfer between them responsibilities for programs within their respective jurisdictions pursuant to an agreement." SPB and CalHR, by mutual agreement, expanded the scope of program areas to be audited to include more operational practices that have been delegated to departments and for which CalHR provides policy direction. Many of these delegated practices are cost drivers to the state and were not being monitored on a statewide basis.

As such, SPB also conducts compliance reviews of appointing authorities' personnel practices to ensure that state departments are appropriately managing the following non-merit-related personnel functions: compensation and pay, leave, and policy and processes. These reviews will help to avoid and prevent potential costly litigation related to improper personnel practices, and deter waste, fraud, and abuse.

The SPB conducts these reviews on a three-year cycle.

The CRD may also conduct special investigations in response to a specific request or when the SPB obtains information suggesting a potential merit-related violation.

It should be noted that this report only contains findings from this hiring authority's compliance review. Other issues found in SPB appeals and special investigations as well as audit and review findings by other agencies such as the CalHR and the California State Auditor are reported elsewhere.

EXECUTIVE SUMMARY

The CRD conducted a routine compliance review of the Department of Rehabilitation (DOR) 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	Compliance	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	Out of Compliance	Appointment Documentation Was Not Kept for the Appropriate Amount of Time
Appointments	Out of Compliance	Probationary Evaluations Were Not Provided for All Appointments Reviewed and Some That Were Provided Were Untimely
Equal Employment Opportunity	Out of Compliance	Complainants Were Not Notified of the Reasons for Delays in Decisions Within the Prescribed Time Period
Personal Services Contracts	Substantial Compliance ¹	Unions Were Notified of Personal Services Contracts With The Exception of One
Mandated Training	Out of Compliance	Ethics Training Was Not Provided for All Filers
Mandated Training	Out of Compliance	Sexual Harassment Prevention Training Was Not Provided for All Employees
Mandated Training	Out of Compliance	Supervisory Training Was Not Provided for All Supervisors, Managers, and CEAs

¹ The department has achieved 90% or more compliance in this area and has provided a response sufficient to address full compliance in the future; therefore, no corrective action is required

Area	Compliance	Finding
Compensation and Pay	In Compliance	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	Out of Compliance	Alternate Range Movements Did Not Comply 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	Out of Compliance	Incorrect Authorization of Pay Differentials
Compensation and Pay	Out of Compliance	Incorrect Authorization of Out-of-Class Pay
Leave	Out of Compliance	Positive Paid Temporary Employees' Work Exceeded Time Limitations
Leave	Out of Compliance	Administrative Time Off Was Not Properly Documented
Leave	In Compliance	Leave Auditing and Timekeeping Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	In Compliance	Service and Leave Transactions Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	In Compliance	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Out of Compliance	Injured Employee Did Not Receive Claim Form Within One Working Day of Notice or Knowledge of Injury
Policy	Out of Compliance	Performance Appraisals Were Not Provided to All Employees

BACKGROUND

The DOR works in partnership with consumers and other stakeholders to provide services and advocacy resulting in employment, independent living, and equality for individuals with disabilities. The DOR administers the largest vocational rehabilitation and independent living programs in the country. Vocational rehabilitation services are designed to help job seekers with disabilities obtain competitive employment in integrated work settings. Independent living services include peer support, skill development, systems advocacy, referrals, assistive technology services, transition services, housing assistance, and personal assistance services.

With 77 field offices throughout California, the DOR strives to empower individuals to prepare to enter the workforce and maximize employability and independence. The DOR employs approximately 1,883 employees.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the DOR's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes². The primary objective of the review was to determine if the DOR'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 actions where deficiencies were identified.

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

A cross-section of the DOR's appointments were selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRD examined the documentation that the DOR provided, which included Notice of Personnel Action (NOPA) forms, Request for Personnel Actions, vacancy postings, certification lists, transfer movement worksheets, employment history records,

² Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

correspondence, and probation reports. The DOR did not conduct any unlawful appointment investigations during the compliance review period.

The DOR's appointments were also selected for review to ensure the DOR applied salary regulations accurately and correctly processed employees' compensation and pay. The CRD examined the documentation that the DOR provided, which included employees' employment and pay history and any other relevant documentation such as certifications, degrees, and/or the appointee's application. Additionally, the CRD reviewed specific documentation for the following personnel functions related to compensation and pay: bilingual pay, monthly pay differentials, alternate range movements, and out-of-class assignments. During the compliance review period, the DOR did not issue or authorize red circle rate requests, or arduous pay.

The review of the DOR'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 DOR's PSCs were also reviewed.³ It was beyond the scope of the compliance review to make conclusions as to whether the DOR's justifications for the contracts were legally sufficient. The review was limited to whether the DOR's practices, policies, and procedures relative to PSC's complied with procedural requirements.

The DOR's mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, that all supervisors, managers, and those serving in Career Executive Assignments (CEA) were provided leadership and development training, that all employees were provided sexual harassment prevention training, and that all officials with authority to represent the state in a tribal government-to-government consultation were provided tribal consultations training within statutory timelines.

The CRD reviewed the DOR's monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely, and to ensure the department certified that all leave records have been reviewed and corrected if necessary. The CRD selected a small cross-section of the DOR's units in order to ensure

³If 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.

they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the DOR's employees' employment and pay history, state service records, and leave accrual histories to ensure employees with non-qualifying pay periods did not receive vacation/sick leave and/or annual leave accruals or state service credit. Additionally, the CRD reviewed a selection of the DOR employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRD reviewed a selection of DOR positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements.

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

On March 18, 2026, an exit conference was held with the DOR to explain and discuss the CRD's initial findings and recommendations. The CRD received and carefully reviewed the DOR's written response on March 30, 2026, 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, 2024, through August 31, 2025, the DOR conducted six examinations. The CRD reviewed five of these examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
CEA A, Assistant Deputy Director, Vocational Rehabilitation Employment Division	CEA	Statement of Qualifications ⁴	2/14/25	20
Counselor, Orientation Center for the Blind	Open	Training and Experience (T&E) ⁵	2/19/25	4
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Open	T&E	Continuous	6
Support Services Assistant (Interpreter)	Open	Performance ⁶	1/24/25	50
Teacher, Orientation and Mobility for the Blind	Open	T&E	3/28/25	1

FINDING NO. 1	EXAMINATIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CRD reviewed one CEA and four open examinations which the DOR administered in order to create eligible lists from which to make appointments. The DOR published and distributed examination bulletins containing the required information for all examinations. Applications received by the DOR were accepted prior to the final filing date. Applicants were notified about the next phase of the examination process. After all phases of the examination process were completed, the score of each competitor was computed, and

⁴ 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.

⁵ 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.

⁶ A Performance examination requires applicants to replicate/simulate job related tasks or duties.

a list of eligible candidates was established. The examination results listed the names of all successful competitors arranged in order of the score received by rank. The CRD found no deficiencies in the examinations that the DOR conducted during the compliance review period.

Permanent Withhold Actions

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

During the period under review, December 1, 2024, through August 31, 2025, the DOR conducted four permanent withhold actions. The CRD reviewed three of these permanent withhold actions, which are listed below:

Exam Title	Reason Candidate Placed on Withhold	No. of Withholds
Associate Governmental Program Analyst	Failed to Meet Minimum Qualifications	1
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Failed to Meet Minimum Qualifications	1
Staff Services Manager I	Failed to Meet Minimum Qualifications	1

FINDING NO. 2	PERMANENT WITHHOLD ACTIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CRD found no deficiencies in the permanent withhold actions undertaken by the department during the compliance review period.

Appointments

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

During the period under review, August 1, 2024, through April 30, 2025, the DOR made 344 appointments. The CRD reviewed 49 of these appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
CEA A, Assistant Deputy Director	CEA	Permanent	Full Time	1
Accounting Officer (Specialist)	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	4
Building Maintenance Worker	Certification List	Permanent	Full Time	1
Office Technician (General)	Certification List	Permanent	Full Time	3
Program Technician II	Certification List	Permanent	Full Time	2
Research Data Analyst II	Certification List	Permanent	Full Time	1
Senior Accounting Officer (Specialist)	Certification List	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Certification List	Permanent	Full Time	8
Staff Services Analyst	Certification List	Permanent	Full Time	7
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	1
Staff Services Manager III	Certification List	Permanent	Full Time	1
Supervising Cook I	Certification List	Permanent	Full Time	1
Supervising Program Technician II	Certification List	Permanent	Full Time	1
Support Services Assistant (General)	Certification List	Permanent	Full Time	3
Teacher, State Hospital (Adult Education)	Certification List	Permanent	Full Time	1
Training Officer I	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Reinstatement	Limited Term	Full Time	1
Information Technology Specialist I	Reinstatement	Permanent	Full Time	1
Office Technician (General)	Reinstatement	Permanent	Full Time	1
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Reinstatement	Permanent	Full Time	1
Staff Services Analyst	Reinstatement	Permanent	Full Time	1
Labor Relations Specialist	Transfer	Permanent	Full Time	1
Office Technician (General)	Transfer	Permanent	Full Time	1
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Transfer	Permanent	Full Time	1
Staff Services Analyst	Transfer	Permanent	Full Time	1
Staff Services Manager I	Transfer	Permanent	Full Time	1
Training Officer I	Transfer	Permanent	Full Time	1

FINDING NO. 3	APPOINTMENT DOCUMENTATION WAS NOT KEPT FOR THE APPROPRIATE AMOUNT OF TIME⁷
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⁷ Repeat finding; see report dated April 24, 2023.

Summary: Of the 49 appointments reviewed, the DOR did not retain 9 NOPAs; and 2 duty statements.

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

FINDING NO. 4	PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED AND SOME THAT WERE PROVIDED WERE UNTIMELY⁸
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Summary: The DOR did not provide 33 of the 115 probationary reports of performance reviewed by the CRD. In addition, the DOR did not provide eight probationary reports of performance in a timely manner.

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).)

⁸ Repeat finding; see reports dated November 8, 2019, and April 24, 2023.

Equal Employment Opportunity

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

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

FINDING NO. 5	COMPLAINANTS WERE NOT NOTIFIED OF THE REASONS FOR DELAYS IN DECISIONS WITHIN THE PRESCRIBED TIME PERIOD
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Summary: The DOR provided evidence that 17 discrimination complaints related to a disability, medical condition, or denial of reasonable accommodation were filed during the compliance review period. The complaint investigations exceeded 90 days, and the DOR failed to provide written communication to the complainant regarding the status of the complaint.

Criteria: The appointing power must issue a written decision to the complainant within 90 days of the complaint being filed. (Cal. Code Regs., tit. 2, § 64.4, subd. (a).) If the appointing power is unable to issue its decision within the prescribed time period, the appointing power must inform the complainant in writing of the reasons for the delay. (*Ibid.*)

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. PSCs 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, 2024, through August 31, 2025, the DOR had 42 PSC’s that were in effect. The CRD reviewed 25 of these, which are listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
A & A Martinez Vending Repair	Vending Repair	\$80,000	Yes	Yes
ACCO Engineered System, Inc.	Refrigeration and Repair	\$135,000	Yes	Yes
Advanced Integrated Pest Management	Pest Control Services	\$9,707	Yes	Yes
Advanced Vending Technologies, Inc. DBA Morgan Vending Co.	Vending Machine Service and Repair	\$225,000	Yes	Yes
American Alarm Systems, Inc	Alarm Monitoring Service	\$1,125	Yes	Yes
Bay Alarm Company	Alarm Services	\$2,160	Yes	Yes

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Blazin Repair Company, Inc.	Appliance Maintenance Service and Repair	\$45,000	Yes	Yes
Cal Interpreting & Translations, Inc.	Written Translations Services	\$9,000	Yes	Yes
G5 Office Interiors, LLC	Moving Services	\$50,000	Yes	Yes
Hilton Anaheim	Vendor Training	\$60,000	Yes	Yes
Homeland Languages Services	Translation and Interpretation	\$100,000	Yes	Yes
Infinite Solutions, Inc.	Consulting Services	\$1,495,800	Yes	Yes
Jorgensen Company	Fire Suppression Sacramento County	\$45,000	Yes	Yes
Change Your Game Coaching, LLC	Coaching Services	\$3,000	Yes	Yes
Language Testing International, Inc.	Language Proficiency Testing	\$30,000	Yes	Yes
Local Foodz Cali, Inc.	Food Services	\$2,550	Yes	Yes
Platinum Security, Inc.	Unarmed Security Guard Services	\$1,160,621	Yes	No
Preferred Interpreting Service, LLC	American Sign Language	\$40,000	Yes	Yes
Preferred Interpreting Service, LLC	Translation and Interpretation	\$900,000	Yes	Yes
Preferred Interpreting Service, LLC	American Sign Language	\$600,000	Yes	Yes
Professional Touch Maintenance Services, Inc. DBA Service Master of the North Valley	Janitorial Services	\$40,000	Yes	Yes
S & B Vending, Inc.	Vending Machine Service and Repair	\$225,000	Yes	Yes
Shred Confidential, Inc.	Confidential Shredding	\$6,000	Yes	Yes

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Southern California Shredding, Inc.	Confidential Shredding	\$9,360	Yes	Yes
Vaneli's, Inc.	Repair and Cleaning Services	\$30,000	Yes	Yes

FINDING NO. 6	UNIONS WERE NOTIFIED OF PERSONAL SERVICES CONTRACTS WITH THE EXCEPTION OF ONE
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Summary: The DOR did not notify unions prior to entering into 1 of the 25 PSCs reviewed.

Criteria: Before a state agency executes a contract or amendment to a contract for personal services conditions specified within Government Code section 19130, subdivision (b), the agency shall notify all organizations that represent state employees who perform or could perform the type of work that is called for within the contract, unless exempted under Government Code section 19132, subdivision (b)(1). (Cal. Code Regs., tit. 2, § 547.60.2.)

Mandated Training

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

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

term of the employee’s probationary period or within six months of the initial appointment, unless it is demonstrated that to do so creates additional costs or that the training cannot be completed during this time period due to limited availability of supervisory training courses. (Gov. Code, § 19995.4, subd. (c).)

Within 12 months of the initial appointment of an employee to a management or CEA position, the employee shall be provided leadership training and development, as prescribed by CalHR. (Gov. Code, § 19995.4, subds. (d) & (e).) For management employees the training must be a minimum of 40 hours and for CEAs the training must be a minimum of 20 hours. (*Ibid.*)

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

The Board may conduct reviews of any appointing power’s personnel practices to ensure compliance with civil service laws and Board regulations. (Gov. Code, § 18661, subd. (a).) In particular, the Board may audit personnel practices related to such matters as selection and examination procedures, appointments, promotions, the management of probationary periods, and any other area related to the operation of the merit principle in state civil service. (*Ibid.*) Accordingly, the CRD reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

The CRD reviewed the DOR’s mandated training program that was in effect during the compliance review period, September 1, 2023, through August 31, 2025. The DOR tribal consultations training was found to be in compliance, while the DOR ethics training, supervisory training, and sexual harassment prevention training were found to be out of compliance.

FINDING NO. 7	ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS⁹
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Summary: The DOR did not provide ethics training to 5 of 100 existing filers. In addition, the DOR did not provide ethics training for 11 of 60 new filers within 6 months of their appointment.

⁹ Repeat finding; see reports dated November 8, 2019, and April 24, 2023.

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

FINDING NO. 8	SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES¹⁰
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Summary: The DOR provided sexual harassment prevention training to the 100 existing non-supervisors every 2 years. However, the DOR did not provide sexual harassment prevention training to 9 of 42 new supervisors within 6 months of their appointment. In addition, the DOR did not provide sexual harassment prevention training to 2 of 218 existing supervisors every 2 years.

Criteria: Each department must provide its supervisors two hours of sexual harassment prevention training every two years and non-supervisory employees one hour of sexual harassment prevention training every two years. New employees must be provided sexual harassment prevention training within six months of appointment. (Gov. Code, § 12950.1, subds. (a) and (b); Gov. Code § 19995.4.)

FINDING NO. 9	SUPERVISORY TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS, MANAGERS, AND CEAS¹¹
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Summary: The DOR provided manager training to its 2 new managers and provided CEA training to its 2 new CEAs within 12 months of appointment. However, the DOR did not provide basic supervisory training to 4 of 26 new supervisors within 12 months of appointment.

Criteria: Each department must provide its new supervisors with a minimum of 80 hours of supervisory training within the probationary period. (Gov. Code, § 19995.4, subd. (b).)

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

¹⁰ Repeat finding; see reports dated November 8, 2019, and April 24, 2023.

¹¹ Repeat finding; see reports dated November 8, 2019, and April 24, 2023.

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

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 rate¹² 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, August 1, 2024, through April 30, 2025, the DOR made 344 appointments. The CRD reviewed 22 of these appointments to determine if the DOR applied salary regulations accurately and correctly processed employees’ compensation.

FINDING NO. 10	SALARY DETERMINATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the salary determinations that were reviewed. The DOR 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

¹² “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).

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, August 1, 2024, through April 30, 2025, the DOR employees made 81 alternate range movements within a classification. The CRD reviewed 29 of these alternate range movements to determine if the DOR applied salary regulations accurately and correctly processed each employee's compensation, which are listed below:

Classification	Prior Range	Current Range	Salary (Monthly Rate)
Attorney	A	B	\$8,708
Graduate Student Assistant	B	C	\$4,087
Graduate Student Assistant	B	D	\$4,214
Graduate Student Assistant	B	C	\$4,174
Graduate Student Assistant	B	C	\$4,292
Information Technology Specialist I	A	B	\$7,715
Office Assistant (General)	A	B	\$3,558
Office Assistant (General)	A	B	\$3,738
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional (2 positions)	B	C	\$7,494
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional (6 positions)	A	B	\$5,748
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	B	C	\$6,019
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	A	B	\$5,607
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	A	B	\$6,071
Staff Services Analyst (2 positions)	B	C	\$5,335
Staff Services Analyst (2 positions)	A	B	\$4,933
Staff Services Analyst (2 positions)	B	C	\$4,868
Staff Services Analyst	B	C	\$5,090
Staff Services Analyst	A	B	\$4,133

Classification	Prior Range	Current Range	Salary (Monthly Rate)
Support Services Assistant (Interpreter)	A	B	\$4,117
Support Services Assistant (Interpreter)	A	C	\$4,500

FINDING NO. 11	ALTERNATE RANGE MOVEMENTS DID NOT COMPLY WITH CIVIL SERVICE LAWS, RULES, AND CALHR POLICIES AND GUIDELINES¹³
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Summary: The CRD found 8 errors in the 29 alternate range movements reviewed:

Classification	Description of Findings	Criteria
Attorney	Incorrect anniversary date keyed, resulting in the employee being undercompensated.	Cal. Code Regs., tit. 2, section 599.674, subd. (c)
Graduate Student Assistant	Incorrect salary determination, resulting in the employee being overcompensated.	Cal. Code Regs., tit. 2, section 599.676
Office Assistant (General)	Employee was not placed into the higher range at the time they met the alternate range criteria, resulting in the employee being undercompensated.	Cal. Code Regs, tit. 2, section 599.676 & ARC # 282
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Incorrect anniversary date keyed, resulting in the employee being undercompensated.	Cal. Code Regs., tit. 2, section 599.676
Staff Services Analyst	Department did not round salary up to the nearest whole dollar, resulting in the employee being undercompensated.	Cal. Code Regs., tit. 2, section 431, subd. (a)(5) and Pay Scales Section 6
Staff Services Analyst	Incorrect salary determination, resulting in the employee being undercompensated.	Cal. Code Regs., tit. 2, section 599.675

¹³ Repeat finding; see report dated April 24, 2023.

Classification	Description of Findings	Criteria
Staff Services Analyst	Employee was not placed into the higher range at the time they met the alternate range criteria, resulting in the employee being undercompensated.	Cal. Code Regs., tit. 2, section 599.676 and ARC # 069
Support Services Assistant (Interpreter)	Employee did not meet alternate range criteria, resulting in the employee being overcompensated.	Alternate Range Criteria 483

Criteria: Alternate ranges are designed to recognize increased competence in the performance of class duties based upon experience obtained while in the class. The employee gains status in the alternate range as though each range were a separate classification. (Classification and Pay Guide Section 220.)

Departments are required to calculate and apply salary rules for each appointed employee accurately based on the pay plan for the state civil service. All civil service classes have salary ranges with minimum and maximum rates. (Cal. Code Regs., tit. 2, § 599.666.)

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, August 1, 2024, through April 30, 2025, the DOR issued bilingual pay to 78 employees. The CRD reviewed 25 of these bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	No. of Appts.
Office Technician (General)	5
Senior Vocational Rehabilitation Counselor	1
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	11
Staff Services Analyst	8

FINDING NO. 12	BILINGUAL PAY AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD found that the bilingual pay authorized to employees during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

Pay Differentials

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

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

During the period under review, August 1, 2024, through April 30, 2025, the DOR authorized 88 pay differentials¹⁴. The CRD reviewed 25 of these pay differentials to ensure compliance with applicable CalHR policies and guidelines, which are listed below:

Classification	Pay Differential	Monthly Amount
Associate Governmental Program Analyst	441	\$250
CEA	412	5%
CEA	441	\$250
Office Technician (General) (2 Positions)	441	\$250
Program Technician II (2 Positions)	441	\$250
Senior Account Clerk	441	\$250
Senior Rehabilitation Engineering Consultant	443	\$4%
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional (8 positions)	151	\$200
Staff Services Analyst (5 Positions)	441	\$250
Staff Services Manager I (2 Positions)	441	\$250
Supervising Program Technician II	441	\$250

FINDING NO. 13	INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS
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Summary: The CRD found 2 errors in the 25 pay differentials reviewed:

Classification	Description of Findings	Criteria
Associate Governmental Program Analyst	The employee continued to receive the pay differential after transferring to an ineligible county code. Employee was overcompensated.	Pay Differential 441
Staff Services Analyst	The employee was appointed to a county code that is not eligible to receive this pay differential. Employee was overcompensated.	Pay Differential 441

Criteria: A pay differential may be appropriate 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. Pay differentials are based

¹⁴ For the purposes of CRD's review, only monthly pay differentials were selected for review at this time.

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. (CalHR Classification and Pay Manual Section 230.)

Out-of-Class Assignments and Pay

For excluded¹⁵ and most rank-and-file employees, out-of-class (OOC) work is defined as performing, more than 50 percent of the time, the full range of duties and responsibilities allocated to an existing class and not allocated to the class in which the person has a current, legal appointment. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(2).) A higher classification is one with a salary range maximum that is any amount higher than the salary range maximum of the classification to which the employee is appointed. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(3).)

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

During the period under review, August 1, 2024, through April 30, 2025, the DOR issued OOC pay to seven employees. The CRD reviewed six of these OOC assignments to ensure compliance with applicable MOU provisions, salary regulations, and CalHR policies and guidelines, which are listed below:

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Account Clerk II	R04	Senior Account Clerk	1/13/25-5/13/25
Staff Services Manager I	S01	Staff Services Manager II	11/20/23-8/16/24

¹⁵ “Excluded employee” means an employee as defined in Government Code section 3527, subdivision (b) (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to Government Code section 18801.1.

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Staff Services Manager I	S01	Staff Services Manager II	11/12/24-3/11/25
Staff Services Manager I	S01	Staff Services Manager II	11/12/24-3/11/25
Staff Services Manager I	S01	Staff Services Manager II	2/3/25-5/30/25
Supervising Program Technician II	S04	Staff Services Manager I	9/3/24-12/2/24

FINDING NO. 14 | INCORRECT AUTHORIZATION OF OUT-OF-CLASS PAY¹⁶

Summary: The CRD found three errors in the six OOC pay assignments reviewed:

Classification	Out-of-Class Classification	Description of Findings	Criteria
Staff Services Manager I	Staff Services Manager II	Incorrect calculation of OOC pay resulted in the employee being overcompensated for the 2/2025 and 3/2025 pay periods. Additionally, the employee received payment for the 6/2025 pay period despite the assignment ending on 5/30/2025.	Pay Differential 91
Staff Services Manager I	Staff Services Manager II	Incorrect calculation of OOC pay calculated resulting in the employee being undercompensated.	Pay Differential 91
Staff Services Manager I	Staff Services Manager II	Incorrect calculation of OOC pay resulted in the employee being overcompensated for the 11/2023 pay period and undercompensated for the 12/2023 through 8/2024 pay periods.	Pay Differential 92

Criteria: An employee may be temporarily required to perform out-of-class work by his/her department for up to one hundred twenty (120) calendar days in any twelve (12) consecutive calendar months when it determines that such an assignment is of unusual urgency, nature, volume, location, duration, or other special characteristics; and,

¹⁶ Repeat finding; see report dated April 24, 2023.

cannot feasibly be met through use of other civil service or administrative alternatives. Departments may not use out-of-class assignments to avoid giving civil service examinations or to avoid using existing eligibility lists created as the result of a civil service examination.

Leave

Positive Paid Employees

Actual Time Worked (ATW) is a method that can be used to keep track of a Temporary Authorization Utilization (TAU) employee's time to ensure that the Constitutional limit of 9 months in any 12 consecutive months is not exceeded. The ATW method of counting time is used to continue the employment status for an employee until the completion of an examination, for seasonal type work, while attending school, or for consulting services.

An employee is appointed TAU-ATW when he/she is not expected to work all the working days of a month. When counting 189 days, every day worked, including partial days¹⁷ worked and paid absences¹⁸, are counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day are not limited by this rule. (*Ibid.*) The 12-consecutive month timeframe begins by counting the first pay period worked as the first month of the 12-consecutive month timeframe. (*Ibid.*) The employee shall serve no longer than 189 days in a 12 consecutive month period. (*Ibid.*) A new 189-days working limit in a 12-consecutive month timeframe may begin in the month immediately following the month that marks the end of the previous 12-consecutive month timeframe. (*Ibid.*)

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).)

¹⁷ For example, two hours or ten hours count as one day.

¹⁸ For example, vacation, sick leave, compensating time off, etc.

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 DOR had 117 positive paid employees whose hours were tracked. The CRD reviewed 25 of these positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Hours Worked
Graduate Student Assistant	Temporary	11/1/24-7/31/25	876
Graduate Student Assistant	Temporary	7/1/24-7/31/25	1,831.5
Graduate Student Assistant	Temporary	10/18/24-7/31/25	1341
Graduate Student Assistant	Temporary	11/12/24-7/31/25	1,270.5
Graduate Student Assistant	Temporary	9/1/24-5/31/25	661.5
Graduate Student Assistant	Temporary	7/1/24-7/31/25	1,722
Labor relations Specialist	Retired Annuitant	7/1/24-5/31/25	728
Seasonal Clerk	Temporary	9/6/24-7/31/25	826.14
Seasonal Clerk	Temporary	7/1/24-7/31/25	1,730.75
Seasonal Clerk	Temporary	7/1/24-7/31/25	1,594.5
Seasonal Clerk	Temporary	7/1/24-7/31/25	1,992
Seasonal Clerk	Temporary	7/1/24-7/31/25	1,615.5
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Retired Annuitant	7/1/24-6/30/25	701
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Retired Annuitant	7/1/24-6/30/25	960
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Retired Annuitant	10/1/24-6/30/25	621
Staff Services Analyst	Retired Annuitant	7/1/24-6/30/25	715
Staff Services Manager I	Retired Annuitant	7/1/24-6/30/25	959
Student Assistant	Temporary	7/1/24-7/31/25	529
Student Assistant	Temporary	7/1/24-7/31/25	825.5
Student Assistant	Temporary	7/1/24-7/31/25	1,612.5
Student Assistant	Temporary	7/1/24-7/31/25	1,759
Student Assistant	Temporary	10/9/24-7/31/25	1,355.5
Student Assistant	Temporary	8/1/24-7/31/25	1,418
Student Assistant	Temporary	7/1/24-7/31/25	1,517.45
Support Services Assistant (General)	Retired Annuitant	1/15/25-6/30/25	286

FINDING NO. 15	POSITIVE PAID TEMPORARY EMPLOYEES' WORK EXCEEDED TIME LIMITATIONS¹⁹
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Summary: The DOR did not consistently monitor the actual number of days and/or hours worked to ensure that 9 of the 25 positive paid employees did not exceed the 189-day or 1,500-hour limitation in any 12-consecutive month period.

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

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, June 1, 2024, through May 31, 2025, the DOR authorized 86 ATO transactions. The CRD reviewed 25 of these ATO transactions to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines.

¹⁹ Repeat finding; see reports dated November 8, 2019, and April 24, 2023.

FINDING NO. 16**ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED²⁰****Summary:**

The DOR did not grant ATO in conformity with the established policies and procedures. Of the 25 ATO authorizations reviewed by the CRD, 3 were found to be out of compliance for failing to document justification for ATO.

Criteria:

Appointing authorities are authorized to approve ATO for up to five (5) working days. (Gov. Code, § 19991.10.) Furthermore, they “have delegated authority to approve up to 30 calendar days.” (Human Resources Manual Section 2121.) Any ATO in excess of 30 calendar days must be approved in advance by the CalHR. (*Ibid.*) In most cases, if approved, the extension will be for an additional 30 calendar days. (*Ibid.*) The appointing authority is responsible for submitting ATO extension requests to CalHR at least 5 working days prior to the expiration date of the approved leave. (*Ibid.*)

When requesting an ATO extension, the appointing authority must provide a justification establishing good cause for maintaining the employee on ATO for an additional period of time. (*Ibid.*) ATO may not be used and will not be granted for an indefinite period. (*Ibid.*) If CalHR denies a request to extend ATO, or the appointing authority fails to request approval from CalHR to extend the ATO, the employee must be returned to work in some capacity. (*Ibid.*)

Regardless of the length of ATO, appointing authorities must maintain thorough documentation demonstrating the justification for the ATO, the length of the ATO, and the approval of the ATO. (*Ibid.*)

Leave Accounting

Departments are directed to create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. (Human Resources Manual Section 2101.) Departments shall create an audit process to review and correct leave input errors on a monthly basis. The review of leave accounting records shall be completed by the pay period following the pay period in which the leave was keyed into the leave accounting system. (*Ibid.*) If an employee’s attendance record is

²⁰ Repeat finding; see report dated April 24, 2023.

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, 2025, through May 31, 2025, the DOR reported 58 units. The CRD reviewed 15 units within 3 pay periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 17	LEAVE ACCOUNTING COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD reviewed leave records from three different leave periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines. Based on our review, the CRD found no deficiencies. The DOR utilized a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely.

State Service

The state recognizes two different types of absences while an employee is on pay status, paid or unpaid. The unpaid absences can affect whether a pay period is a qualifying or non-qualifying pay period for state service and leave accruals.

Generally, an employee who has 11 or more working days of service in a monthly pay period shall be considered to have a complete month, a month of service, or continuous service.²¹ (Cal. Code Regs., tit. 2, § 599.608.) Full time and fractional employees who work less than 11 working days in a pay period will have a non-qualifying month and will not receive state service or leave accruals for that month.

Hourly or daily rate employees working at a department in which the full-time workweek is 40 hours who earn the equivalent of 160 hours of service in a monthly pay period or accumulated pay periods shall be considered to have a complete month, a month of service, or continuous service. (Cal. Code Regs., tit. 2, § 599.609.)

²¹ Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, and 19997.4 and California Code of Regulations, title 2, sections 599.609, 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.776.1, 599.787, 599.791, 599.840 and 599.843 provide further clarification for calculating state time.

For each qualifying monthly pay period, the employee shall be allowed credit for vacation with pay on the first day of the following monthly pay period. (Cal. Code Regs., tit. 2, § 599.608.) When computing months of total state service to determine a change in the monthly credit for vacation with pay, only qualifying monthly pay periods of service before and after breaks in service shall be counted. (Cal. Code Regs., tit. 2, § 599.739.) Portions of non-qualifying monthly pay periods of service shall not be counted nor accumulated. (*Ibid.*) On the first day following a qualifying monthly pay period, excluded employees²² shall be allowed credit for annual leave with pay. (Cal. Code Regs., tit. 2, § 599.752.)

Permanent intermittent employees also earn leave credits on the pay period following the accumulated accrual of 160 hours worked. Hours worked in excess of 160 hours in a monthly pay period, are not counted or accumulated towards leave credits.

During the period under review, November 1, 2024, through July 31, 2025, the DOR had 55 employees with qualifying and non-qualifying pay period transactions. The CRD reviewed 30 transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 18	SERVICE AND LEAVE TRANSACTIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD determined that the DOR ensured employees with non-qualifying pay periods did not receive vacation/sick leave, annual leave, and/or state service accruals. The CRD found no deficiencies in this area.

Policy and Processes

Nepotism

It is the policy of the State of California to hire, transfer, and promote all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. Nepotism is expressly prohibited in the state workplace because it is antithetical to California’s merit based civil service. (Cal. Code Regs., tit. 2, § 87.) (*Ibid.*) All appointing powers shall adopt an anti-nepotism policy that includes the following components: (1) a statement that the appointing power is committed to merit-based hiring

²² As identified in Government Code sections 19858.3, subdivisions (a), (b), or (c), or as it applies to employees excluded from the definition of state employee under Government Code section 3513, subdivision (c), or California Code of Regulations, title 2, section 599.752, subdivision (a), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

and that nepotism is antithetical to a merit-based civil service system; (2) a definition of “nepotism” as an employee’s use of influence or power to hire, transfer, or promote an applicant or employee because of a personal relationship; (3) a definition of “personal relationship” as persons related by blood, adoption, current or former marriage, domestic partnership or cohabitation; (4) a statement that prohibits participation in the selection of an applicant for employment by anyone who has a personal relationship with the applicant, as defined in section 83.6; (5) a statement that prohibits the direct or first-line supervision of an employee with whom the supervisor has a personal relationship, as defined in section 83.6; (6) a process for addressing issues of direct supervision when personal relationships between employees exist. (*Ibid.*)

FINDING NO. 19	NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD verified that the policy was disseminated to all staff and emphasized the DOR’s commitment to the state policy of hiring, transferring, and promoting employees on the basis of merit. Additionally, the DOR’s nepotism policy was comprised of specific and sufficient components intended to prevent favoritism, or bias, based on a personal relationship from unduly influencing employment decisions.

Workers’ Compensation

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

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

to discuss the status of volunteers. (*Ibid.*) In this case, the DOR did not employ volunteers during the compliance review period.

FINDING NO. 20	INJURED EMPLOYEE DID NOT RECEIVE CLAIM FORM WITHIN ONE WORKING DAY OF NOTICE OR KNOWLEDGE OF INJURY²³
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Summary: Out of the five workers' compensation claim forms reviewed by the CRD, one was not provided to the employee within one working day of the employer's notice or knowledge of the injury.

Criteria: An employer shall provide a claim form and notice of potential eligibility for workers' compensation benefits to its employee within one working day of notice or knowledge that the employee has suffered a work-related injury or illness. (Cal. Lab. Code, § 5401, subd. (a).)

Performance Appraisals

According to Government Code section 19992.2, subdivision (a), appointing powers must "prepare performance reports." Furthermore, California Code of Regulations, title 2, section 599.798, directs supervisors to conduct written performance appraisals and discuss overall work performance with permanent employees at least once in each twelve calendar months after the completion of the employee's probationary period.

The CRD selected 55 permanent DOR employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

FINDING NO. 21	PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES²⁴
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Summary: The DOR did not provide annual performance appraisals to 49 of 55 employees reviewed after the completion of the employee's probationary period.

²³ Repeat finding; see report dated November 8, 2019.

²⁴ Repeat finding; see reports dated November 8, 2019, and April 24, 2023.

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.)

DEPARTMENTAL RESPONSE

The DOR's response is attached as Attachment 1.

CORRECTIVE ACTIONS

A written corrective action response addressing all areas identified as out of compliance, along with supporting documentation demonstrating the implementation of the specified corrective actions, must be submitted to the CRD within 90 days of the date of this report.



March 30, 2026

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

Dear Ms. Ambrose:

This letter is in response pursuant to Governmental Code Section 18661, the State Personnel Board's (SPB) Compliance Review Unit (CRU) conducted a review of the Department of Rehabilitation (DOR) personnel practices in September 2025, in the areas of examinations, appointments, Equal Employment Opportunity (EEO), Personal Services Contracts, mandated trainings, compensation and pay, leave, and policy and processes. The DOR has reviewed the draft report and prepared the responses to the findings below.

FINDING No. 3 – Appointment Documentation was not kept for the appropriate amount of time.

Cause: The DOR agrees with the findings of the Notices of Personnel Action (NOPAs) that were not retained for the required amount of time due to filing errors. Turnover among Personnel Specialists resulted in inconsistent communication and enforcement of procedures for obtaining and retaining signed NOPAs. In addition, the absence of a documented, standardized process contributed to inconsistent retention of NOPAs for the required duration.

Department Response: The DOR will address appointment documentation deficiencies by implementing a documented step-by-step process for obtaining and retaining signed NOPAs. The DOR is also working diligently to create a new Hiring Repository where these items will be tracked, and follow-up reminders will be sent out to managerial staff requesting these items. These procedures will be stored electronically and in Personnel Specialist's reference binders with supervisory oversight to ensure documentation is completed and retained for the required duration.

FINDING No. 4 – Probationary evaluations were not provided for all appointments reviewed.

Cause: The DOR understands the importance of ensuring staff receive their probation reports to document their development. Although DOR has a process in place to track and notify supervisors and managers of probationary evaluation requirements, enforcement and accountability mechanisms were insufficient. As a result, some supervisors did not complete evaluations within required timeframes and did not consistently submit signed evaluations to the appropriate parties for proper retention.

Department Response: The DOR will strengthen compliance with probationary evaluation requirements by reinforcing accountability for supervisors and managers to complete and distribute evaluations within required timeframes. This will include general announcements during the department leadership meetings. DOR will create a policy and add an escalation process to address non-compliance to ensure accountability at all levels.

FINDING No. 5 – Complainants were not notified of the reasons for delays in decisions within the prescribed time period.

Cause: The DOR agrees with the findings that the complaint investigations exceeded 90 days, and the DOR failed to provide written communication to the complainant regarding the status of the complaint. Additionally, the department failed to provide written status updates to the complainants. These delays were caused by missed reminders and inadequate tracking of scheduled communications.

Department Response:

Department Response: The department understands the requirements to issue a written decision to a discrimination complaint based on disability within 90-days of being filed. If unable to issue a written decision within the required timeframe, the complainant must be informed in writing of the reasons for the delay. To support this requirement, the department is currently implementing a new EEO

case management system to enhance the efficiency of the complaint process and ensure timely notifications in the future.

FINDING No. 7 – Ethics Training was not provided for all filers.

Cause: The DOR recognizes the importance of Ethics Training. Despite the implementation of a Learning Management System (LMS), which tracks and sends out notices to learners to take the training, and the implementation of an escalation process to help prevent delays occurring with mandated training, not all employees completed the training timely.

Department Response: DOR learned certain Conflict of Interest per working job titles were incorrectly interpreted and applied into the system. This has been resolved, as new filers are now being identified upon their first appearance in the LMS. The DOR will continue to monitor and remind staff, supervisors, and executive leaders, including new and existing filers, of policy requirements and to be accountable for compliance with required trainings.

FINDING No. 8 – Sexual Harassment Prevention Training was not provided for all supervisors.

Cause: The DOR acknowledges the importance of ensuring all supervisors are compliant with Sexual Harassment Prevention Training, and although reminders were sent to inform staff to complete their sexual harassment prevention training, some staff did not complete their training within the designated timeframes.

Department Response: The department has implemented an escalation process to prevent delays occurring with mandated trainings. DOR will continue to monitor and remind staff, supervisors, and executive leaders of policy requirements and to be accountable for compliance with required trainings.

FINDING No. 9 – Supervisor Training was not provided for all Supervisors, Managers, and CEAs.

Cause: The DOR acknowledges the importance of ensuring all managers and supervisors complete their initial supervisor training, and despite our best efforts, a supervisor did not complete their training timely. DOR's LMS system allows the ability to better track and monitor the completion of Supervisor Training for all newly hired Supervisors, Managers, and CEAs.

Department Response: The DOR has implemented an escalation process to prevent delays occurring with mandated training and incorporates a notice schedule. The DOR has assigned training staff to provide direct outreach and

assistance to new supervisors, managers, and CEAs. New supervisors are notified of the training requirement within their first month, and further follow-up and notices are provided subsequently and regularly until completion. Training completion will be monitored to ensure all required courses are completed within prescribed timeframes.

FINDING No. 11 – Alternative Range Movements did not comply with Civil Service Laws, Rules, and CalHR Policies and Guidelines.

Cause: The DOR acknowledges the errors identified in the processing of alternate range movement transactions. These discrepancies resulted from high turnover, insufficient training, and a lack of consistent supervisory review.

Department Response: The Payroll Unit is now fully staffed, and ongoing training is being provided, including formal SCO training and one-on-one instruction with the supervisor. The unit is also updating processes and procedures to prevent similar errors in the future. Additionally, the unit supervisor is ensuring that all work is done timely and properly documented and reviewed prior to keying.

FINDING No. 13– Incorrect authorization of Pay differentials

Cause: The DOR acknowledges the errors related to the authorization of pay differentials. These discrepancies occurred when employees transferred to county codes that were ineligible for the applicable differential.

Department Response: The DOR is updating processes and procedures to prevent recurrence. The supervisor is also reinforcing proper review of all transactions prior to keying. Furthermore, DOR is implementing a standardized process requiring verification of pay differential eligibility at both hire and transfer to ensure compliance.

FINDING No. 14 – Incorrect Authorization of Out-of-Class Pay

Cause: The DOR agrees with the findings and acknowledges issues related to the authorization of OOC pay. These errors were largely due to insufficient training and review.

Department Response: The DOR agrees and will review the errors identified. The Payroll Unit will conduct targeted training for Personnel Specialists to ensure accurate calculation of OOC pay. To maintain compliance, the supervisor will monitor both the salary basis and methodology used in OOC salary determinations.

FINDING No. 15- Positive Paid Temporary Employees Work exceeded the Time Limitation.

Cause: The DOR agrees with the findings. acknowledges the oversight in monitoring intermittent employee hour limitations. Due to staff shortages, high vacancy rates, and competing workload demands within the Human Resources Branch, DOR was unable to consistently track hours worked

Department Response: The DOR is implementing revised processes and procedures to address these issues. Training and guidance will be provided to staff responsible for monitoring intermittent hours to ensure compliance and prevent recurrence.

The DOR will ensure that monthly reports are consistently reviewed by Payroll Supervisor or Manager and all errors are corrected in a timely manner.

FINDING No. 16- Administrative Time Off was not properly documented.

Cause: The DOR acknowledges the discrepancies in ATO documentation. These issues resulted from unclear documentation expectations, lack of secondary review, and competing workload deadlines.

Department Response: The Payroll Unit will issue clear guidance to staff regarding ATO documentation requirements. Additionally, the department will implement procedures to audit ATO usage and conduct training for employees responsible for tracking ATO to ensure proper compliance going forward.

FINDING No. 20 – Injured Employee Did Not Receive Claim Form Within One Working Day of Notice or Knowledge of Injury

Cause: The DOR acknowledges that we did not provide the employee with the workers' compensation claim form timely. In this case, the manager did not inform the Health Management Unit of the injury until 10 days after being notified by the employee. As soon as HMU was made aware the employee was provided with the claim form immediately. HMU informed the manager of the responsibility to provide the employee with a form within one business day.

Department Response: The Health Management Unit will continue to provide quarterly training for all managers and supervisors on the workers' compensation process. The DOR will ensure that all managers and supervisors understand the importance of providing the injured worker with the required forms and submitting those forms in a timely manner.

FINDING No. 21 - Performance Appraisals were not provided to all employees.

Cause: The DOR understands the importance of ensuring staff receive their probation reports to document their development. The DOR lacks sufficient enforcement and accountability mechanisms to ensure all managers complete performance appraisals, resulting in inconsistent compliance despite reminders and notifications.

Department Response: The DOR will develop a process to alert and educate all managers and supervisors on the importance of the performance appraisal to ensure compliance on an annual basis. This will include general announcements during the department leadership meetings. DOR will create a policy and add an escalation process to address non-compliance to ensure accountability at all levels.

DOR thanks SPB for the opportunity to respond to the draft Compliance Review Report. If you have any questions, please contact Amarpal George, Human Resources Branch Chief at amarpal.george@dor.ca.gov or at (916) 767-4314.

Respectfully,

Amarpal George

Amarpal George
Human Resources Branch Chief
Administrative Services Division