

COMPLIANCE REVIEW REPORT

CALIFORNIA DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY

Compliance Review Division
State Personnel Board
December 19, 2025

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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 California Department of Resources Recycling and Recovery (CalRecycle) 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	Unlawful Appointment
Appointments	Out of Compliance	Probationary Evaluations Were Not Provided for All Appointments Reviewed and Some That Were Provided Were Untimely
Appointments	Out of Compliance	Appointment Documentation Was Not Kept for the Appropriate Amount of Time
Appointments	In Compliance	Unlawful Appointment Investigations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Equal Employment Opportunity	Out of Compliance	A Disability Advisory Committee Has Not Been Actively Maintained
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	Out of Compliance	Unions Were Not Notified of Personal Services Contracts

Area	Compliance	Finding
Mandated Training	Substantial Compliance ¹	Sexual Harassment Prevention Training Was Not Provided for All Employees
Mandated Training	Out of Compliance	Ethics Training Was Not Provided for All Filers
Mandated Training	Out of Compliance	Supervisory Training Was Not Provided for All Supervisors, Managers, and CEAs
Compensation and Pay	Substantial Compliance	Incorrect Application of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Appointment
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	Out of Compliance	Incorrect Authorization of Bilingual Pay
Compensation and Pay	In Compliance	Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Leave	In Compliance	Positive Paid Employees' Tracked Hours Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	Out of Compliance	Administrative Time Off Was Not Properly Documented
Leave	Out of Compliance	Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input is Keyed Accurately and Timely
Leave	Substantial Compliance	Incorrect Application of State Service and Leave Transactions
Policy	In Compliance	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

¹The 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
Policy	Out of Compliance	Injured Employee Did Not Receive Claim Forms Within One Working Day of Notice or Knowledge of Injury
Policy	Out of Compliance	Performance Appraisals Were Not Provided to All Employees

BACKGROUND

The CalRecycle protects California's environment and climate for the health and prosperity of future generations through the reduction, reuse and recycling of California resources, environmental education, disaster recovery, and the transition from a disposable to a fully circular economy.

The CalRecycle administers and provides oversight for all of California's state-managed non-hazardous waste handling and recycling programs. Known mostly for overseeing beverage container and electronic-waste recycling, the CalRecycle is also responsible for organics management, used tires, used motor oil, carpet, paint, mattresses, rigid plastic containers, newsprint, construction and demolition debris, medical sharps waste reduction, recycling and reuse goals in the nation. The CalRecycle provides training and ongoing support for Local Enforcement Agencies, which regulate and inspect California's active and closed solid waste landfills, as well as materials recovery facilities, solid waste transfer stations, compost facilities, and more. The permitting and inspection processes help the CalRecycle fulfill its mission to protect the health and safety of Californians and the environment.

SCOPE AND METHODOLOGY

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

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

The CalRecycle's one examination was selected for review. The CRD examined the documentation that the CalRecycle provided, which included examination plans, examination bulletin, job analysis, and scoring results. The CRD also reviewed the CalRecycle's permanent withhold actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and withhold letters.

A cross-section of the CalRecycle's appointments was selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRD examined the documentation that the CalRecycle provided, which included Notice of Personnel Action (NOPA) forms, Request for Personnel Actions (RPA's), vacancy postings, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports. The CRD also reviewed the CalRecycle's policies and procedures concerning unlawful appointments to ensure departmental practices conform to state civil service laws and Board regulations.

The CalRecycle's appointments were also selected for review to ensure the CalRecycle applied salary regulations accurately and correctly processed employees' compensation and pay. The CRD examined the documentation that the CalRecycle 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, and alternate range movements. During the compliance review period, the CalRecycle did not issue or authorize red circle rate requests, arduous pay, or out-of-class assignments.

The review of the CalRecycle's EEO program included examining written EEO policies and procedures; the EEO Officer's role, duties, and reporting relationship; the internal discrimination complaint process; the reasonable accommodation program; the discrimination complaint process; and the Disability Advisory Committee (DAC).

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

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.

The CalRecycle'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 CalRecycle's monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely and ensure the department certified that all leave records have been reviewed and corrected if necessary. The CRD selected a small cross-section of the CalRecycle's units in order to ensure they maintained accurate and timely leave accounting records. Part of this review also examined a cross-section of the CalRecycle'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 CalRecycle employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. Further, the CRD reviewed a selection of CalRecycle 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 the CalRecycle's policies and processes concerning nepotism, workers' compensation, and performance appraisals. The review was limited to whether the CalRecycle's policies and processes adhered to procedural requirements.

The CRD received and carefully reviewed the CalRecycle's written response on December 12, 2025, 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, November 1, 2024, through July 31, 2025, the CalRecycle conducted one examination. The CRD reviewed the examination, which is listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
CEA B, Deputy Director, Administration Division	CEA	Statement of Qualifications (SOQ) ⁴	3/13/25	17

FINDING NO. 1	EXAMINATION COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CRD reviewed one CEA examination which the CalRecycle administered in order to create an eligible list from which to make an appointment. The CalRecycle published and distributed the examination bulletin containing the required information for the examination. Applications received by the CalRecycle were accepted prior to the final filing date. Applicants were notified about the next phase of the examination process. After all phases of the examination process were completed, the score of each competitor was computed, and a list of eligible candidates was established. The examination results listed the names of all successful competitors arranged in order of the score received by

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.

rank. The CRD found no deficiencies in the examination that the CalRecycle 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, November 1, 2024, through July 31, 2025, the CalRecycle conducted 11 permanent withhold actions. The CRD reviewed eight of these permanent withhold actions, which are listed below:

Exam Title	Reason Candidate Placed on Withhold	No. of Withholds
Accounting Officer (Specialist)	Failed to Meet Minimum Qualifications	1
Accounting Technician	Failed to Meet Minimum Qualifications	2
Associate Governmental Program Analyst	Failed to Meet Minimum Qualifications	4
Information Technology Associate	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, July 1, 2024, through March 31, 2025, the CalRecycle made 124 appointments. The CRD reviewed 24 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Accounting Officer (Specialist)	Certification List	Permanent	Full Time	1
Administrative Assistant I	Certification List	Permanent	Full Time	1
Associate Management Auditor	Certification List	Permanent	Full Time	1
Attorney III	Certification List	Permanent	Full Time	1
Environmental Program Manager I (Managerial)	Certification List	Permanent	Full Time	1
Environmental Program Manager I (Supervisory)	Certification List	Permanent	Full Time	1
Environmental Scientist	Certification List	Permanent	Full Time	2

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Information Technology Specialist I	Certification List	Permanent	Full Time	1
Program Technician II	Certification List	Permanent	Full Time	1
Research Data Analyst II	Certification List	Permanent	Full Time	1
Senior Environmental Scientist (Specialist)	Certification List	Permanent	Full Time	2
Senior Environmental Scientist (Supervisory)	Certification List	Permanent	Full Time	1
Staff Services Analyst (Limited Examination and Appointment Program)	Certification List	Limited Term	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	1
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	1
Staff Services Manager III	Certification List	Permanent	Full Time	1
Supervising Program Technician II	Certification List	Limited Term	Full Time	1
Waste Management Engineer	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Permissive Reinstatement	Limited Term	Full Time	1
Associate Personnel Analyst	Permissive Reinstatement	Permanent	Full Time	1
Information Technology Specialist I	Permissive Reinstatement	Permanent	Full Time	1
Senior Environmental Scientist (Supervisory)	Transfer	Permanent	Full Time	1

FINDING NO. 3	UNLAWFUL APPOINTMENT
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Summary: The CRD found one unlawful appointment during the course of its regular review. The CalRecycle made one appointment utilizing the certification list for the Environmental Scientist classification in which the hired candidate did not meet the alternate range criteria for placement into Range B at the time of appointment. The appointment will stand as more than one year has elapsed and there is no evidence of other than good faith by the employee and the department.

Criteria: All alternate ranges have class-specific criteria describing the requirements which must be met for appointment to an alternate range. (Classification and Pay Guide Section 220.)

FINDING NO. 4	PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED AND SOME THAT WERE PROVIDED WERE UNTIMELY
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Summary: The CalRecycle did not provide 3 of the 39 probationary reports of performance reviewed by the CRD. In addition, the CalRecycle did not provide two 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).)

FINDING NO. 5	APPOINTMENT DOCUMENTATION WAS NOT KEPT FOR THE APPROPRIATE AMOUNT OF TIME
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Summary: Of the 24 appointments reviewed, the CalRecycle did not retain 6 NOPAs.

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.)

Unlawful Appointment Investigations

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

During the period under review, November 1, 2024, through July 31, 2025, the CalRecycle conducted one unlawful appointment investigation. The CRD reviewed the unlawful appointment investigation, which is listed below:

Classification	Date Investigation Initiated	Date Investigation Concluded
Associate Safety Engineer	12/16/24	8/14/25

FINDING NO. 6	UNLAWFUL APPOINTMENT INVESTIGATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CalRecycle's unlawful appointment investigation was found to comply with the rules set forth in the signed Delegation Agreement with the CalHR.

Equal Employment Opportunity

Each state agency is responsible for an effective EEO program. (Gov. Code, § 19790.) The appointing power for each state agency has the major responsibility for monitoring

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

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

FINDING NO. 7	A DISABILITY ADVISORY COMMITTEE HAS NOT BEEN ACTIVELY MAINTAINED
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Summary: The CalRecycle does not have an active DAC.

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

FINDING NO. 8	COMPLAINANT WAS NOT NOTIFIED OF THE REASONS FOR DELAY IN DECISION WITHIN THE PRESCRIBED TIME PERIOD
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Summary: The CalRecycle provided evidence that one discrimination complaint related to a disability, medical condition, or denial of reasonable accommodation was filed during the compliance review period. The complaint investigation exceeded 90 days and the CalRecycle 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. PSC's that are of a type enumerated in subdivision (b) of Government Code section 19130 are also permissible. Subdivision (b) contracts include, but are not limited to, private contracts for a new state function, services that are not available within state service, services that are incidental to a contract for the purchase or lease of real or personal property, and services that are of an urgent, temporary, or occasional nature.

For cost-savings PSC's, a state agency is required to notify SPB of its intent to execute such a contract. (Gov. Code, § 19131.) For subdivision (b) contracts, the SPB reviews the adequacy of the proposed or executed contract at the request of an employee organization representing state employees. (Gov. Code, § 19132.)

During the period under review, November 1, 2024, through July 31, 2025, the CalRecycle had 17 PSC's that were in effect. The CRD reviewed 13 of those, which are listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Chico State Enterprises	Civil Engineering and Material Testing Services for Waste Tires	\$200,000	Yes	Yes
Crowe LLP	Study on the Availability of Postconsumer Recycled Plastic in the Market	\$975,090	Yes	Yes
Crowe LLP	Economic Study	\$2,498,025	Yes	Yes
Eunomia Research & Consulting, Inc.	Source Reduction Material Design	\$1,052,097	Yes	Yes
Lan Do & Associates, LLC	Interpreting Services	\$9,999	Yes	No
Nichols Consulting Engineering, Chtd.	Rubberized Asphalt Concrete Engineering and Technical Assistance	\$900,000	Yes	Yes
One Ergo Net, Inc.	Ergonomic Evaluations	\$4,275	Yes	Yes
QED Environmental Systems, Inc.	Instrument Calibration Services	\$75,000	Yes	Yes
Rural Counties Environmental Services Joint Powers Authority	Rural Infrastructure for a Zero Waste Plan	\$334,204	Yes	No
Shaw Law Group, PC	Expert Witness Services	\$250,000	Yes	Yes
The Palladino Company, Inc.	Specialty Health and Safety Training	\$8,980	Yes	Yes
Travis Research Associates, Inc.	Consumer Education and Access Needs Assessment	\$74,709	Yes	Yes
Wavelength Automation, Inc.	Capitol Track Database	\$8,088	Yes	Yes

FINDING NO. 9	UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACTS
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Summary: The CalRecycle did not notify unions prior to entering into 2 of the 13 PSC's 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 Legislature encourages the state and its agencies to consult on a government-to-government basis with federally recognized tribes and with nonfederally recognized tribes and tribal organizations in order to allow tribal officials the opportunity to provide meaningful and timely input in the development of policies, programs, and projects that have tribal implications. (Gov. Code, § 11019.81, sub. (c).) Each official specified in Government Code section 11019.81 subdivision (f)⁵ shall complete tribal consultations training by January 1, 2025, or, for officials appointed after that date, within six months of their appointment or confirmation of appointment, whichever is later. (Gov. Code, § 11019.81, sub. (h).) Each official shall retake the training annually. (*Ibid.*)

The Board may conduct reviews of any appointing power's personnel practices to ensure compliance with civil service laws and Board regulations. (Gov. Code, § 18661, subd. (a).) In particular, the Board may audit personnel practices related to such matters as selection and examination procedures, appointments, promotions, the management of probationary periods, and any other area related to the operation of the merit principle in state civil service. (*Ibid.*) Accordingly, the 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 CalRecycle's mandated training program that was in effect during the compliance review period, August 1, 2023, through July 31, 2025. The CalRecycle's tribal consultations training was found to be in compliance, and the CalRecycle's sexual harassment prevention training was found to be in substantial compliance. However, the CalRecycle's ethics training and supervisory training were found to be out of compliance.

⁵ Within the executive branch, the following officials have authority to represent the state in a tribal government-to-government consultation: the governor, the attorney general, each constitutional officer and statewide elected official, the director of each state agency and department, the chair and executive officer of each state commission and task force, and the chief counsel of any state agency. (Gov. Code, § 11019.81, sub. (f) (1).) Each authorized official may formally designate another agency official to conduct preliminary tribal consultations, and each designated official may have the authority to act on behalf of the state during a government-to-government consultation. (Gov. Code, § 11019.81, sub. (f) (2).)

FINDING NO. 10	SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES⁶
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Summary: The CalRecycle provided sexual harassment prevention training to all 45 new supervisors within 6 months of their appointment. However, the CalRecycle did not provide sexual harassment prevention training to 10 of 178 existing supervisors every 2 years. In addition, the CalRecycle did not provide sexual harassment prevention training to 3 of 108 non-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. 11	ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS⁷
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Summary: The CalRecycle did not provide ethics training to 1 of 100 existing filers. In addition, the CalRecycle did not provide ethics training to 8 of 75 new filers within 6 months of their appointment.

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

FINDING NO. 12	SUPERVISORY TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS, MANAGERS, AND CEAS
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Summary: The CalRecycle provided basic supervisory training to all 35 new supervisors within 12 months of appointment; however, the CalRecycle did not provide manager training to 3 of 6 new managers within 12 months of appointment and did not provide CEA training to either of its 2 new CEAs within 12 months of appointment.

⁶ Repeat finding; see reports dated June 27, 2022, and February 13, 2020.

⁷ Repeat finding; see reports dated June 27, 2022, February 13, 2020, and June 13, 2016.

Criteria: Each department must provide its new supervisors 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).)

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 rate⁸ 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, July 1, 2024, through March 31, 2025, the CalRecycle made 124 appointments. The CRD reviewed 11 of those appointments to determine if the CalRecycle applied salary regulations accurately and correctly processed employees' compensation.

⁸ "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).

FINDING NO. 13	INCORRECT APPLICATIONS OF SALARY DETERMINATION LAWS, RULES, AND CALHR POLICIES AND GUIDELINES FOR APPOINTMENT⁹
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Summary: The CRD found 1 error in the 11 salary determinations reviewed:

Classification	Description of Finding	Criteria
Attorney III	Incorrect salary determination resulting in the employee being overcompensated.	Cal. Code Regs., tit. 2, section 599.573

Criteria: 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.)

Alternate Range Movement Salary Determination (within same classification)

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

During the period under review, July 1, 2024, through March 31, 2025, the CalRecycle made 31 alternate range movements within a classification. The CRD reviewed 19 of those alternate range movements to determine if the CalRecycle 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
Environmental Scientist	A	B	\$5,188
Environmental Scientist	A	B	\$5,188
Environmental Scientist	A	B	\$5,188

⁹ Repeat finding; see reports dated June 27, 2022, and February 13, 2020.

Classification	Prior Range	Current Range	Salary (Monthly Rate)
Environmental Scientist	A	B	\$5,188
Environmental Scientist	A	B	\$5,188
Environmental Scientist	B	C	\$6,566
Environmental Scientist	B	C	\$6,566
Environmental Scientist	B	C	\$6,566
Environmental Scientist	B	C	\$6,566
Environmental Scientist	B	C	\$6,566
Environmental Scientist	B	C	\$6,566
Environmental Scientist	B	C	\$6,566
Information Technology Associate	A	B	\$5,283
Information Technology Specialist I	A	B	\$8,899
Personnel Specialist	C	D	\$6,125
Special Investigator	A	B	\$6,186
Staff Services Management Auditor	A	B	\$5,227
Waste Management Engineer	B	C	\$8,637
Waste Management Engineer	C	D	\$11,347

FINDING NO. 14	ALTERNATE RANGE MOVEMENTS DID NOT COMPLY WITH CIVIL SERVICE LAWS, RULES, AND CALHR POLICIES AND GUIDELINES
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Summary: The CRD found 3 errors in the 19 alternate range movements reviewed:

Classification	Description of Findings	Criteria
Attorney	Incorrect anniversary date keyed resulting in the employee being overcompensated.	Cal. Code Regs., tit. 2, section 599.676
Environmental Scientist	Incorrect anniversary date keyed resulting in the employee being overcompensated.	Cal. Code Regs., tit. 2, section 599.676
Environmental Scientist	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 #430

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, July 1, 2024, through March 31, 2025, the CalRecycle issued bilingual pay to 44 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.
Associate Governmental Program Analyst	3
Associate Management Auditor	1
Environmental Scientist	2
Information Officer I (Specialist)	1
Office Technician (Typing)	1
Program Technician	1
Program Technician III	1
Recycling Specialist II	2
Research Data Analyst II	1
Special Investigator	2
Staff Management Auditor	2
Staff Services Manager I	3

Classification	No. of Appts.
Staff Services Manager II (Supervisory)	1
Supervising Special Investigator I (Non-Peace Officer)	4

FINDING NO. 15	INCORRECT AUTHORIZATION OF BILINGUAL PAY¹⁰
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Summary: The CRD found 13 errors in the 25 bilingual pay authorizations reviewed:

Classification	Description of Findings	Criteria
Associate Governmental Program Analyst	Department failed to supply supporting documentation demonstrating the need for bilingual services.	Pay Differential 14
Associate Management Auditor		
Office Technician (Typing)		
Program Technician		
Recycling Specialist II		
Special Investigator		
Staff Management Auditor (2 Positions)		
Staff Services Manager I (3 Positions)		
Supervising Special Investigator I (Non-Peace Officer) (2 Positions)		

Criteria: An individual must be in a position that has been certified by the department as a position which requires the use of bilingual skills on a continuing basis averaging 10 percent of the time spent either conversing, interpreting or transcribing in a second language and time spent on closely related activities performed directly in conjunction with specific bilingual transactions. (Pay Differential 14.)

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

¹⁰ Repeat finding; see report dated June 27, 2022.

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, July 1, 2024, through March 31, 2025, the CalRecycle authorized 88 pay differentials¹¹. The CRD reviewed 24 of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount
Associate Industrial Hygienist	499	2%
Associate Safety Engineer	433	5.5%
Environmental Program Manager I (Supervisory) (4 Positions)	499	3%
Environmental Program Manager II	499	3%
Environmental Scientist (2 Positions)	499	3%
Senior Environmental Scientist (Supervisory) (2 Positions)	499	3%
Senior Environmental Scientist (Supervisory)	499	2%
Senior Environmental Scientist (Specialist)	499	2%
Senior Environmental Scientist (Specialist)	499	3%
Senior Integrated Waste Management Specialist	499	3%
Senior Waste Management Engineer	433	5.5%
Special Investigator (2 Positions)	245	3%
Special Investigator (3 Positions)	245	2%
Supervising Special Investigator II (Non-Peace Officer)	245	3%
Supervising Waste Management Engineer	433	5.5%
Waste Management Engineer	433	5.5%

¹¹ For the purposes of CRD's review, only monthly pay differentials were selected for review at this time.

FINDING NO. 16	PAY DIFFERENTIAL AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the pay differentials that the CalRecycle authorized during the compliance review period. Pay differentials were issued correctly in recognition of unusual competencies, circumstances, or working conditions in accordance with applicable rules and guidelines.

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 days¹² worked and paid absences¹³, 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

¹² For example, two hours or ten hours count as one day.

¹³ For example, vacation, sick leave, compensating time off, etc.

may be used rather than the 189-day calculation. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

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 CalRecycle had eight positive paid employees whose hours were tracked. The CRD reviewed six of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Time Worked
Associate Governmental Program Analyst	Retired Annuitant	7/1/24-6/30/25	952 Hours
Associate Governmental Program Analyst	Retired Annuitant	7/1/24-6/30/25	866 Hours
Associate Governmental Program Analyst	Retired Annuitant	7/1/24-6/30/25	615.5 Hours
Associate Governmental Program Analyst	Retired Annuitant	7/1/24-6/30/25	798.5 Hours
Research Data Analyst II	Retired Annuitant	7/1/24-6/30/25	922 Hours
Student Assistant	Temporary	3/1/25-7/30/25	509 Hours

FINDING NO. 17	POSITIVE PAID EMPLOYEES' TRACKED HOURS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the positive paid employees reviewed during the compliance review period. The CalRecycle provided sufficient justification and adhered to applicable laws, regulations and CalHR policy and guidelines for positive paid employees.

Administrative Time Off

ATO is a form of paid administrative leave status initiated by appointing authorities for a variety of reasons. (Human Resources Manual Section 2121.) Most often, ATO is used when an employee cannot come to work because of a pending investigation, fitness for duty evaluation, or when work facilities are unavailable. (*Ibid.*) ATO can also be granted

when employees need time off for reasons such as blood or organ donation, extreme weather preventing safe travel to work, states of emergency, voting, and when employees need time off to attend special events. (*Ibid.*)

During the period under review, May 1, 2024, through April 30, 2025, the CalRecycle authorized 11 ATO transactions. The CRD reviewed 10 of these ATO transactions to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines.

FINDING NO. 18	ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED
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Summary: The CalRecycle did not grant ATO in conformity with the established policies and procedures. Of the 10 ATO authorizations reviewed by the CRD, 2 were found to be out of compliance for failing to document justification for ATO. In addition, the CalRecycle did not obtain approval from CalHR prior to authorizing ATO in excess of 30 days for 1 employee.

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 the 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 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, January 31, 2025, through April 30, 2025, the CalRecycle reported 111 units. The CRD reviewed 24 units within 3 pay periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 19	DEPARTMENT HAS NOT IMPLEMENTED A MONTHLY INTERNAL AUDIT PROCESS TO VERIFY ALL LEAVE INPUT IS KEYED ACCURATELY AND TIMELY
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Summary: The CalRecycle failed to implement a monthly internal audit process to verify all timesheets were keyed accurately and timely and to certify that all leave records have been reviewed and corrected if necessary.

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

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.¹⁴ (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.)

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 employees¹⁵ 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, October 1, 2024, through June 30, 2025, the CalRecycle had 18 employees with qualifying and non-qualifying pay period transactions. The CRD

¹⁴ 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.

¹⁵ 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.

reviewed 16 transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 20	INCORRECT APPLICATION OF STATE SERVICE AND LEAVE TRANSACTIONS¹⁶
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Summary: The CRD found the following error in the CalRecycle's state service transactions that were reviewed:

Type of Transaction	State Service Incorrectly Posted	Leave Accruals Incorrectly Posted
Qualifying Pay Period	1	0

Criteria: In the application of Government Code section 19837, an employee shall be considered to have a month of state service if the employee either: (1) has had 11 or more working days of service in a monthly pay period; or (2) would have had 11 or more working days of service in a monthly pay period but was laid off or on a leave of absence for the purpose of lessening the impact of an impending layoff. (Cal. Code Regs., tit.2, § 599.608.) Absences from state service resulting from permanent separation for more than 11 consecutive working days which fall into two consecutive pay periods shall disqualify one of the pay periods. (*Ibid.*)

Hourly or daily rate employees working in a state agency 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.) When an employee has a break in service or changes to full-time, any combination of time worked which does not equal one qualifying month of full-time service shall not be accumulated or counted. (*Ibid.*)

¹⁶ Repeat finding; see reports dated June 27, 2022, and February 13, 2020.

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 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. 21	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 CalRecycle's commitment to the state policy of hiring, transferring, and promoting employees on the basis of merit. Additionally, the CalRecycle's nepotism policy was comprised of specific and sufficient components intended to prevent favoritism, or bias, based on a personal relationship from unduly influencing employment decisions.

Workers' Compensation

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

notice or knowledge that the employee has suffered a work-related injury or illness, employers shall provide a claim form and notice of potential eligibility for benefits to the injured employee. (Labor Code, § 5401, subd. (a).)

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

FINDING NO. 22	INJURED EMPLOYEE DID NOT RECEIVE CLAIM FORMS WITHIN ONE WORKING DAY OF NOTICE OR KNOWLEDGE OF INJURY
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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 80 permanent CalRecycle 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. 23	PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES
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Summary: The CalRecycle did not provide annual performance appraisals to 13 of 80 employees reviewed after the completion of the employee's probationary period.

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

DEPARTMENTAL RESPONSE

The CalRecycle'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.

California Environmental Protection Agency



Department of
Resources Recycling and Recovery

Gavin Newsom
California Governor

Yana Garcia
Secretary for Environmental Protection

Zoe Heller
CalRecycle Director

December 11, 2025

Suzanne M. Ambrose
Executive Officer
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The Department of Resources Recycling and Recovery (CalRecycle) would like to thank the State Personnel Board's (SPB) Compliance Review Division (CRD) for their thorough review of CalRecycle's compliance with personnel policies and providing CalRecycle with the opportunity to respond.

CalRecycle has reviewed the draft report and has provided our responses to CRD's findings below:

FINDING NO. 3: CRD found one unlawful appointment due to incorrect range placement.

Summary: CRD reviewed 24 appointments between July 1, 2024, and March 31, 2025. Of those 24 appointments, one employee was found to have been placed into range B when they only qualified for range A. This is classified as an unlawful appointment because the classification is a deep class where employees obtain status in each range. Because it has been over a year since the appointment was made, the employee will be allowed to retain status.

Cause and Response: CalRecycle acknowledges the incorrect range placement. Over the past 2 years, CalRecycle's Human Resources Branch (HRB) has seen significant turnover with periods of significant vacancies. This has led to insufficient training in several areas. The HRB has completed staff training over the past several months and is working on documented procedures to prevent these types of errors from occurring in the future.

FINDING NO. 4: Probationary evaluations were not provided for all appointments reviewed and some that were provided were untimely.

Summary: CRD reviewed 39 employees who had probationary reports required. Of the 39 reviewed, two reports were not provided, and one report was provided to the employee late.

Cause and Response: CalRecycle acknowledges its error in failing to receive probationary employees timely, or at all, in some cases. Although CalRecycle has an automatic reminder for probationary reports, CalRecycle acknowledges that these automated reminders can be easily overlooked by supervisors and managers and that supervisors and managers may not be properly trained on the importance of these reports. HRB has created an additional tracking system where HRB staff will reach out to the respective supervisors or managers directly when the due date is approaching. Additionally, HRB will notify the Deputy Director when supervisors and managers fail to complete these tasks to discuss performance management tools. Finally, HRB will create probationary report training for all supervisors and managers which will be given to all current supervisors and managers as well as being included in new supervisor and manager orientation.

FINDING NO. 5: Appointment documentation was not kept for the appropriate amount of time.

Summary: CDR reviewed 24 appointments, out of those 24, 6 Notices of Personnel Action (NOPA) forms were not retained.

Cause and Response: CalRecycle acknowledges that it failed to retain the NOPA in these 6 cases. This was caused by lack of training in HRB due to significant turnover with periods of significant vacancies. The HRB has completed staff training over the past several months and is working on documented procedures to prevent these types of errors from occurring in the future.

FINDING NO. 7: A disability advisory committee (DAC) has not been actively maintained.

Summary: CRD found that CalRecycle does not have an active DAC.

Cause and Response: CalRecycle acknowledges it has not maintained an active DAC. Although marketing emails for new members went out to all staff, there was little interest in joining. Many of the members who did join are part of our Disaster Debris Recovery Operations. Two-thirds of the members were deployed to assist with wildfires, so

meetings were postponed. Since the review period, the Equal Employment Opportunity (EEO) Office has hired an employee who is responsible for developing DAC recruitment/marketing, assisting the EEO Officer with DAC meetings, events, and maintaining CalRecycle's DAC SharePoint site. Additionally, a CalRecycle executive has recently joined the DAC and is assisting with increasing DAC's membership. A new DAC SharePoint site has been created where CalRecycle staff can find out how to become a member and all meetings and agendas, minutes, and DAC's efforts will be posted.

FINDING NO. 8: A discrimination complainant was not notified of the reasons for delay in decision within the prescribed time period.

Summary: CRD reviewed one complaint related to disability, medical condition, or denial of reasonable accommodation. CRD found that CalRecycle exceeded 90 days to make a determination and failed to notify the complainant of the reason for the delay.

Cause and Response: CalRecycle acknowledges not noticing Complainant(s), in writing, if an investigation will not be completed within 90 days. Although this information has been verbally provided, CalRecycle acknowledges and understands written notification is required for any investigation that will take longer than 90 days. The EEO Officer will closely monitor the timing of investigations and will send a 90 Day Notification if the investigation will not be completed.

FINDING NO. 9: Unions were not notified of Personnel Services Contracts (PSC).

Summary: CRD reviewed 13 PSC contracts between November 1, 2024, and July 31, 2025. Of the 13 PSCs reviewed, CRD found that the unions were not notified prior to entering into 2 PSCs.

Cause and Response: CalRecycle acknowledges that 2 of the 13 PSCs reviewed did not include union notifications prior to execution. This oversight was due to gaps in the contracting staff's procedures. CalRecycle has since revised its contracting checklist and procedures to monitor the completion of contract file documentation, ensuring that union notification is completed and saved before any PSCs are finalized.

FINDING NO. 11: Ethics training was not provided for all filers.

Summary: CRD reviewed ethics training for 100 existing CalRecycle filers and 75 new filers. CRD found that 1 out of 100 existing filers did not complete ethics training and 8 out of 75 new filers did not complete ethic trainings within 6 months.

Cause and Response: CalRecycle acknowledges it was not compliant in its Ethics Training timely. Completion of Ethics Training by the required due dates for new filters was not accurately tracked and our Learning Management System (LMS) did not have reminder emails activated during the audit period. However, this issue was identified and resolved in March of 2025, prior to the audit. HRB's Training and Development Unit (TDU) made changes within our LMS so that new hires are automatically registered to complete the training and follow-up notifications are sent from the LMS as their deadline approaches. For all existing filers and new filers, the TDU now tracks deadline and completion dates, and the LMS sends reminder notices as due dates approach.

FINDING NO. 12: Supervisory training was not provided for all supervisors, managers, and CEAs.

Summary: CRD reviewed supervisor, manager, and CEA training for all new leaders between the dates of August 1, 2023, and July 31, 2024. CRD found that CalRecycle provided basic supervisory training to all 35 new supervisors within 12 months of appointment; however, 1 of 6 new managers did not complete the manager training and 2 of 6 managers completed the manager training late. Additionally, 1 of 2 CEAs completed their CEA leadership training late and 1 CEA did not complete their CEA leadership training.

Cause and Response: CalRecycle acknowledges its error that manager training was not provided to all new managers and CEAs within 12 months of appointment during the audit period. TDU did not correctly identify one classification as needing manager training, which resulted in the manager not being informed of their required training. To ensure we have accurate information for our new hires on our tracker, at the end of 2024 TDU started using monthly new hire reports to verify all new hire information added to our tracker and the information is correct. The TDU also began conducting periodic audits of our tracker to ensure we have all current employees listed with their correct employee information. Finally, TDU ensures all leaders are informed of their required training as part of their onboarding process.

FINDING NO. 14: Alternate range movements did not comply with civil services laws, rules, and CalHR policies and guidelines.

Summary: CRD reviewed 19 alternate range movements between the dates of July 1, 2024, and March 31, 2025. Of the 19 reviewed, CRD found 3 errors in the processing of the range movement. In 2 cases, incorrect anniversary dates were keyed resulting in the merit salary adjustment being processed too early and the employee being overcompensated. In 1 case, the employee was not placed into the higher range at the time they met the alternate range criteria, resulting in underpayment.

Cause and Response: CalRecycle acknowledges the errors in keying of these transactions. This was caused by lack of training due to significant turnover with periods of significant vacancies and lack of supervisor review. The HRB has completed staff training over the past several months and is working on documented procedures to prevent these types of errors from occurring in the future. Additionally, the supervisor over this unit is ensuring proper review of all transactions.

FINDING NO. 15: Incorrect authorization of bilingual pay.

Summary: CRD reviewed 25 bilingual pay authorizations. Out of the 25 authorizations reviewed, CRD found that 13 cases where Bilingual Pay Authorization Form, STD. 897 and/or duty statements were not maintained to document the authorization.

Cause and Response: CalRecycle acknowledges not maintaining Bilingual Pay Authorization Form, STD. 897 and duty statements for staff receiving bilingual pay. The records reviewed were for employees who requested bilingual pay prior to CalRecycle's current Bilingual Coordinator started working at CalRecycle. The Bilingual Coordinator could not locate the files requested to be reviewed. Since the hire of the Bilingual Coordinator, CalRecycle has implemented a process to ensure compliance and is maintaining all required documents. The Bilingual Coordinator and HRB will work together to audit all employees with bilingual pay authorization to ensure that we obtain the necessary documents.

FINDING NO. 18: Administrative Time Off (ATO) was not properly documented.

Summary: CRD reviewed 10 cases where employees received ATO. Of the 10 cases, 2 employees did not have justification on file for the ATO. 1 of the cases failed to obtain approval from CalHR timely for ATO beyond 30 days.

Cause and Response: CalRecycle acknowledges its error in processing ATO. In the 2 cases of lack of justification, the supervisor approved the leave but failed to provide

justification to HRB, additionally HRB failed to identify that the justification was missing. HRB will provide guidance to all managers and supervisors regarding the requirements of ATO as well as create a procedure for HRB to audit any ATO usage. In the 1 case where approval was obtained by CalHR late, training has already been provided for the appropriate staff. Additionally, HRB will be creating an internal ATO procedure on when to request CalHR approval of ATO.

FINDING NO. 19: Department has not implemented a monthly internal audit process to verify all leave input is keyed accurately and timely.

Summary: CRD reviewed timesheets for the months of February 2025 through April 2025. CRD found CalRecycle did not have internal audits on file for all 3 months reviewed.

Cause and Response: CalRecycle acknowledges that we did not have an established monthly auditing process for timesheets during these months due to significant turnover and staffing constraints. HRB has since implemented a monthly timesheet audit process and will be establishing an internal procedure.

FINDING NO. 22: Injured employee did not receive claim forms within one working day of notice or knowledge of injury.

Summary: CRD reviewed 5 workers' compensation claims. Out of the 5 workers' compensation claims, one employee was not provided a claim form within one working day of notice or knowledge of injury.

Cause and Response: CalRecycle acknowledges that we did not provide the employees with the workers' compensation claim form timely. In this case, the manager did not inform the Disability Management Unit (DMU) of the injury until 2 days after being notified by the employee. As soon as DMU was made aware the employee was provided with the claim form immediately. DMU informed the manager of the responsibility to provide the employee with a form within one business day. DMU is currently working on training for all managers and supervisors on the workers' compensation process.

FINDING NO. 23: Performance Appraisals were not provided to all employees.

Summary: CRD reviewed 80 permanent employees who were required to be provided with a performance appraisal by June 30, 2025. Of the 80 employees, 8 employees received performance appraisal late and 5 did not receive performance appraisal at all.

Cause and Response: CalRecycle acknowledges its error in failing to receive performance appraisal timely, or at all, in some cases. Although HRB did send reminders to supervisors and managers for performance appraisals, CalRecycle acknowledges that supervisors and managers may not be properly trained on the importance of these reports. HRB has created an additional tracking system where HRB staff will reach out to the respective supervisors or managers directly when the due date is approaching for more direct reminders. Additionally, HRB will notify the Deputy Director when supervisors and managers fail to complete these tasks to discuss performance management tools. Finally, HRB will require all managers and supervisors to retake our performance appraisal training.

CalRecycle would like to again thank the SPB's CRD for their efforts, collaboration, and for the opportunity to respond to this report. CalRecycle will continue to educate and train our staff on personnel policy requirements to ensure compliance. Should you have any questions or need additional information, please contact CalRecycle's Personnel Officer, Desiree Scott at (916) 341-6508 or Desiree.Scott@CalRecycle.ca.gov.

Sincerely,

Digitally signed by Lu Saephanh

Lu Saephanh

Date: 2025.12.11 16:52:39
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Lu Saephanh, Deputy Director
Administrative, Fiscal and Information Technology Services
Department of Resources Recycling and Recovery

cc: SPB Audit File