

# **COMPLIANCE REVIEW REPORT**

## **CALIFORNIA STATE TRANSPORTATION AGENCY**

Compliance Review Division  
State Personnel Board  
September 15, 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 State Transportation Agency (CalSTA) personnel practices in the areas of 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
Appointments	Out of Compliance	Probationary Evaluations Were Not Provided for All Appointments Reviewed and Some That Were Provided Were Untimely
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules
Personal Services Contracts	Out of Compliance	Unions Were Not Notified of Personal Services Contracts
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	Tribal Consultations Training Was Not Provided for All Officials
Compensation and Pay	In Compliance	Salary Determinations 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	In Compliance	Leave Auditing and Timekeeping 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

Area	Compliance	Finding
Policy	Out of Compliance	Workers' Compensation Policy Was Not Provided to New Employees by the End of First Pay Period
Policy	Out of Compliance	Performance Appraisals Were Not Provided to All Employees

## **BACKGROUND**

The CalSTA develops and coordinates transportation policies and programs to achieve the state's mobility, safety, and environmental sustainability objectives. The CalSTA also provides necessary cabinet-level attention and focus to coordinate the policies and programs emanating from the following transportation-related entities: Department of Transportation, California Transportation Commission, High-Speed Rail Authority, Department of Motor Vehicles, New Motor Vehicle Board, California Highway Patrol, and Board of Pilot Commissioners.

In addition to the aforementioned entities, the Office of Traffic Safety (OTS) is an operational transportation-related entity that resides within the CalSTA Office of the Secretary. The OTS develops the California Highway Safety Plan. The plan uses available state and federal resources to identify and address major traffic safety problems throughout the state.

The Department of Transportation performs human resources operations for the CalSTA.

## **SCOPE AND METHODOLOGY**

The scope of the compliance review was limited to reviewing the CalSTA's appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes<sup>1</sup>. The primary objective of the review was to determine if the CalSTA's personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

The CalSTA did not conduct any examinations or permanent withhold actions during the compliance review period.

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<sup>1</sup> Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

A cross-section of the CalSTA'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 CalSTA 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 CalSTA did not conduct any unlawful appointment investigations during the compliance review period.

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

The review of the CalSTA'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 CalSTA's PSC's were also reviewed.<sup>2</sup> It was beyond the scope of the compliance review to make conclusions as to whether the CalSTA's justifications for the contracts were legally sufficient. The review was limited to whether the CalSTA's practices, policies, and procedures relative to PSC's complied with procedural requirements.

The CalSTA's mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics 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. During the compliance review period, the CalSTA did not have any new supervisors, managers, or Career Executive Assignments (CEA) that were required to take leadership and development training.

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<sup>2</sup>If an employee organization requests the SPB to review any personal services contract during the SPB compliance review period or prior to the completion of the final compliance review report, the SPB will not audit the contract. Instead, the SPB will review the contract pursuant to its statutory and regulatory process. In this instance, none of the reviewed PSC's were challenged.

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

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

The CRD received and carefully reviewed the CalSTA's written response on September 10, 2025, which is attached to this final compliance review report.

## **FINDINGS AND RECOMMENDATIONS**

### **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, May 1, 2024, through April 30, 2025, the CalSTA made 10 appointments. The CRD reviewed five of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Senior Accounting Officer (Specialist)	Certification List	Permanent	Full Time	1
Senior Transportation Planner	Certification List	Permanent	Full Time	1
Staff Services Analyst	Certification List	Permanent	Full Time	1
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	1

<b>FINDING NO. 1</b>	<b>PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED AND SOME THAT WERE PROVIDED WERE UNTIMELY<sup>3</sup></b>
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**Summary:** The CalSTA did not provide 2 of 15 probationary reports of performance. In addition, the CalSTA did not provide one probationary report 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

<sup>3</sup> Repeat finding; see report dated March 7, 2022.



from the date the record is created. (Cal. Code Regs., tit. 2, § 26, subd. (a)(3).)

**Corrective Action:** Within 90 days of the date of this report, the CalSTA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19172. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### **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).)

Pursuant to Government Code section 19795, subdivision (a), in a state agency with less than 500 employees, like CalSTA, the EEO Officer may be the Personnel Officer.

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).)

<b>FINDING NO. 2</b>	<b>EQUAL EMPLOYMENT OPPORTUNITY PROGRAM COMPLIED WITH ALL CIVIL SERVICE LAWS AND BOARD RULES</b>
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After reviewing the policies, procedures, and programs necessary for compliance with the EEO program's role and responsibilities according to statutory and regulatory guidelines,

the CRD determined that the CalSTA's EEO program provided employees with information and guidance on the EEO process including instructions on how to file discrimination claims. Furthermore, the EEO program outlines the roles and responsibilities of the EEO Officer, as well as supervisors and managers. The EEO Officer, who is at a managerial level, reports directly to the Executive Director of the CalSTA. The CalSTA also provided evidence of its efforts to promote EEO in its hiring and employment practices and to increase its hiring of persons with a disability.

### **Personal Services Contracts**

A PSC includes any contract, requisition, or purchase order under which labor or personal services is a significant, separately identifiable element, and the business or person performing the services is an independent contractor that does not have status as an employee of the state. (Cal. Code Regs., tit. 2, § 547.59.) The California Constitution has an implied civil service mandate limiting the state's authority to contract with private entities to perform services the state has historically or customarily performed. Government Code section 19130, subdivision (a), however, codifies exceptions to the civil service mandate where PSC's achieve cost savings for the state. PSC's that are of a type enumerated in subdivision (b) of Government Code section 19130 are also permissible. Subdivision (b) contracts include, but are not limited to, private contracts for a new state function, services that are not available within state service, services that are incidental to a contract for the purchase or lease of real or personal property, and services that are of an urgent, temporary, or occasional nature.

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

During the period under review, May 1, 2024, through April 30, 2025, the CalSTA had five PSC's that were in effect. The CRD reviewed the five PSC's, which are listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Governors Highway Safety Association	Management Review Services	\$62,010	Yes	No
The Highlands Consulting Group, LLC.	Management Planning Services	\$89,260	Yes	No

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
The Highlands Consulting Group, LLC.	Management Planning Services	\$89,260	Yes	No
The Highlands Consulting Group, LLC.	Management Planning Services	\$89,260	Yes	No
The Highlands Consulting Group, LLC.	Workshop Facilitation Services	\$248,560	Yes	No

<b>FINDING NO. 3</b>	<b>UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACTS<sup>4</sup></b>
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**Summary:** The CalSTA did not notify unions prior to entering into the five of the 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.)

**Corrective Action:** Departments are responsible for notifying all organizations that represent state employees who perform or could perform the type of work to be contracted prior to executing a PSC. The PSC's reviewed during this compliance review involved several services and functions which various rank-and-file civil service classifications perform. Within 90 days of the date of this report, the CalSTA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with the requirements of California Code of Regulations section 547.60.2. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

<sup>4</sup> Repeat finding; see reports dated March 7, 2022, and March 6, 2019. During these reviews, the CRD provided technical assistance to CalSTA of the statutory requirements for ensuring unions are appropriately notified before a PSC is implemented or amended.

## **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)<sup>5</sup> 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 CalSTA's mandated training program that was in effect during the compliance review period, May 1, 2023, through April 30, 2025.

<b>FINDING NO. 4</b>	<b>ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS</b>
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**Summary:** The CalSTA did not provide ethics training to 11 of 40 existing filers. In addition, the CalSTA did not provide ethics training to 1 of 11 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).)

**Corrective Action:** Within 90 days of this report, the CalSTA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with Government Code section 11146.3. Copies of relevant

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<sup>5</sup> 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).)

documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

<b>FINDING NO. 5</b>	<b>SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES</b>
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**Summary:** The CalSTA did not provide sexual harassment prevention training to its one new supervisor within six months of their appointment. In addition, the CalSTA did not provide sexual harassment prevention training to 11 of 22 existing supervisors every 2 years.

Furthermore, CalSTA did not provide sexual harassment prevention training to 4 of 30 existing 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.)

**Corrective Action:** Within 90 days of the date of this report, the CalSTA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that all employees are provided sexual harassment prevention training in accordance with Government Code section 12950.1. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

<b>FINDING NO. 6</b>	<b>TRIBAL CONSULTATIONS TRAINING WAS NOT PROVIDED FOR ALL OFFICIALS</b>
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**Summary:** The CalSTA did not provide annual tribal consultations training to one of two existing officials.

**Criteria:** Each department must provide annual tribal consultations training to its officials with authority to represent the state in a tribal government-to-government consultation. New officials must be provided tribal

consultations training within six months of their appointment or confirmation, whichever is later. (Gov. Code, § 11019.81, sub. (h).)

**Corrective Action:** Within 90 days of the date of this report, the CalSTA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that all officials with authority to represent the state in a tribal government-to-government consultation are provided tribal consultations training in accordance with Government Code section 11019.81. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

## **Compensation and Pay**

### **Salary Determination**

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

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

During the period under review, May 1, 2024, through April 30, 2025, the CalSTA made 10 appointments. The CRD reviewed two of those appointments to determine if the CalSTA applied salary regulations accurately and correctly processed employees' compensation.

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

<b>FINDING NO. 7</b>	<b>SALARY DETERMINATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES</b>
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The CRD found no deficiencies in the salary determinations that were reviewed. The CalSTA 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.

## **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 days<sup>7</sup> worked and paid absences<sup>8</sup>, 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

<sup>7</sup> For example, two hours or ten hours count as one day.

<sup>8</sup> 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 CalSTA had one positive paid employee whose hours were tracked. The CRD reviewed the one positive paid appointment to ensure compliance with applicable laws, regulations, policies and guidelines, which is listed below:

Classification	Tenure	Time Frame	Time Worked
CEA	Retired Annuitant	7/1/23 – 6/30/24	796.5 Hours

<b>FINDING NO. 8</b>	<b>POSITIVE PAID EMPLOYEES' TRACKED HOURS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRD found no deficiencies in the positive paid employee reviewed during the compliance review period. The CalSTA provided sufficient justification and adhered to applicable laws, regulations and CalHR policy and guidelines for the positive paid employee.

#### 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, February 1, 2024, through January 31, 2025, the CalSTA authorized two ATO transactions. The CRD reviewed the two ATO transactions to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines.

<b>FINDING NO. 9</b>	<b>ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED</b>
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**Summary:** The CalSTA did not grant ATO in conformity with the established policies and procedures. Of the two ATO authorizations reviewed by the CRD, one was found to be out of compliance for failing to document justification for ATO. In addition, the CalSTA did not key the ATO in the California Leave Accounting System for the two employees reviewed.

**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.*)

**Corrective Action:** Within 90 days of the date of this report, the CalSTA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19991.10 and Human Resources Manual Section 2121. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

## 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, October 31, 2024, through January 30, 2025, the CalSTA reported nine units. The CRD reviewed six units within two pay periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

<b>FINDING NO. 10</b>	<b>LEAVE ACCOUNTING COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRD reviewed leave records from six 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 CalSTA utilized a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely.

## 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.*)

<b>FINDING NO. 11</b>	<b>NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES</b>
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The CRD verified that the policy was disseminated to all staff and emphasized the CalSTA’s commitment to the state policy of hiring, transferring, and promoting employees on the basis of merit. Additionally, the CalSTA’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.*)

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

<b>FINDING NO. 12</b>	<b>WORKERS' COMPENSATION POLICY WAS NOT PROVIDED TO NEW EMPLOYEE BY THE END OF FIRST PAY PERIOD</b>
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**Summary:** The CalSTA does not provide specific notices to their employees to inform them of their rights and responsibilities under California's Workers' Compensation Law.

**Criteria:** Employers shall provide to every new employee 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 of Regs., tit. 8, § 9880.)

**Corrective Action:** Within 90 days of the date of this report, the CalSTA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with California Code of Regulations, title 8, section 9880. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### 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 17 permanent CalSTA employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

<b>FINDING NO. 13</b>	<b>PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES<sup>9</sup></b>
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**Summary:** The CalSTA did not provide annual performance appraisals to 11 of 17 employees reviewed after the completion of the employee's probationary period.

<sup>9</sup> Repeat finding; see reports dated March 7, 2022, and March 6, 2019.

**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.)

**Corrective Action:** Within 90 days of the date of this report, the CalSTA must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

### **DEPARTMENTAL RESPONSE**

The CalSTA's response is attached as Attachment 1.

### **SPB REPLY**

Based on the CalSTA's written response, the department will comply with the corrective actions specified in the report findings. The causes of each finding are detailed in the departmental response attached at the end of this report. Within 90 days of the date of this report, a written corrective action response, including documentation demonstrating implementation of the specified corrective actions, must be submitted to the CRD.



**Gavin Newsom**  
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September 8, 2025

State Personnel Board  
Compliance Review Division

The California State Transportation Agency (CalSTA), including the Office of Traffic Safety (OTS), submits this letter in response to the State Personnel Board (SPB) Compliance Review Division's (CRD) compliance review. As requested, CalSTA's identification of causes for each of the CRD's findings are as follows.

***Finding No. 1 – Probationary Evaluations were not provided for all appointments received and some provided were untimely***

**CalSTA Cause/Response:**

Upon review, a primary contributing factor was the assignment of new supervisors who were unfamiliar with the probationary evaluation timeline requirements. They did not receive adequate guidance or reminders regarding evaluation due dates.

This resulted in some evaluations being submitted late or not at all, despite the supervisors' intent to comply. The department recognizes that timely probationary evaluations are critical for assessing employee performance and ensuring accountability.

CalSTA will provide training on probation evaluation timelines and frequency. In addition, upon each new hire, supervisors will be issued timely reminders outlining the probationary report schedule to ensure evaluations are completed as required. These steps are intended to strengthen compliance and improve oversight moving forward.

***Finding No. 3 – Unions were not notified of personal services contracts***

CalSTA Cause/Response:

OTS acknowledges that unions were not notified of personal services contracts as required. This occurred due to an incorrect interpretation of the applicable Government Code sections governing notification procedures. As a result, the department did not inform the unions prior to executing these contracts. Going forward, CalSTA will ensure that all relevant unions are properly notified before any personal services contract is finalized.

To support this change, we will update our procurement manual and contracting procedures to clearly reflect the notification requirement and ensure staff are trained accordingly.

***Finding No. 4 – Ethics Training was not provided for all filers***

CalSTA Cause/Response:

CalSTA was actively evaluating improved solutions for tracking mandated training and, during the review period, transitioned to the Caltrans Learning Management System (LMS). As part of this transition, there was an inadvertent oversight in the administration of certain mandated trainings, including Ethics Training for designated filers. This resulted in a temporary lapse in compliance for some individuals. However, the affected CalSTA employee has since completed the required training and is now compliant with this training.

***Finding No. 5 – Sexual Harassment Prevention Training was not provided for all employees***

CalSTA Cause/Response:

CalSTA recognizes that Sexual Harassment Prevention Training was not provided for all employees during the review period. This occurred due to gaps in tracking and administration during the transition to the Caltrans Learning Management System (LMS), which was implemented to improve oversight of mandated training. As part of this transition, some employees were inadvertently missed in the training rollout. The department has since identified the affected individuals, and all are now compliant with the training requirement.



***Finding No. 6 – Tribal Consultations Training was not provided for all officials***

CalSTA Cause/Response:

Tribal Consultations Training was not provided for all designated officials during the review period. This was due to limited awareness of the training requirement and the absence of a formal process to ensure that all required individuals were enrolled. As a result, some officials, had not yet completed the course.

The department has since clarified training obligations and confirmed that designated officials are either now compliant or in the process of completing the training. Updated procedures and improved tracking mechanisms will help ensure full compliance moving forward.

***Finding No. 9 – Administrative Time Off was not properly documented***

CalSTA Cause/Response:

The audit revealed that Administrative Time Off (ATO) was not properly documented during the review period. At the time, the PTO request system did not require comments, and the manager responsible gave verbal approval for the ATO related to an interview without entering documentation into the system. This led to the absence of a formal record. Additionally, the department lacked standardized procedures to ensure consistent documentation of ATO across all units. To address this, comments are now required in the PTO request system, which will ensure that all future ATO approvals are properly recorded and traceable in alignment with CalHR policy.

***Finding No. 12 – Worker's Compensation Policy was not provided to new employee by the end of first pay period.***

CalSTA Cause/Response:

It was determined that CalSTA did not consistently provide specific notices to employees regarding their rights and responsibilities under California's Workers' Compensation Law. At the time, the department believed that posting general information on employee bulletin boards satisfied the notification requirement. However, this approach did not meet the statutory obligation to provide direct and individualized notice to employees. The lack of a formalized process for distributing these notices during onboarding and other key employment phases contributed to the oversight. CalSTA has since recognized the need to strengthen its compliance practices and is taking steps to ensure that all employees receive timely and appropriate information regarding their workers' compensation rights.

***Finding No. 13 – Performance Appraisals were not provided to all employees***

CalSTA Cause/Response:

Performance appraisals were not provided to all employees during the review period. This resulted from an administrative oversight, compounded by staffing challenges such as prolonged supervisor vacancies and transitions. In some cases, employees were assigned to units without a permanent supervisor in place, which led to delays or omissions in completing annual evaluations. The department recognizes the importance of consistent performance management and will take supervisor coverage into account when strengthening procedures to ensure timely and complete appraisals moving forward.

If you need additional information regarding this response, please do not hesitate to contact Minerva Anguiano, CalSTA Administration and Finance Manager, at (916) 206-7250

Sincerely,



Carlos Quant  
Deputy Secretary Budgets and Administration