



COMPLIANCE REVIEW REPORT

DEPARTMENT OF REHABILITATION

Compliance Review Unit
State Personnel Board
November 8, 2019

TABLE OF CONTENTS

Introduction	1
Executive Summary	2
Background	3
Scope and Methodology.....	4
Findings and Recommendations.....	6
Examinations	6
Appointments.....	8
Equal Employment Opportunity	12
Personal Services Contracts.....	15
Mandated Training.....	17
Compensation and Pay.....	21
Leave	34
Policy and Processes.....	50
Departmental Response.....	56
SPB Reply	57

INTRODUCTION

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

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

Effective July 1, 2012, the Governor's Reorganization Plan Number One (GRP1) of 2011 consolidated all of the functions of the Department of Personnel Administration and the merit-related operational functions of the State Personnel Board (SPB) into the California Department of Human Resources (CalHR).

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

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

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

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

EXECUTIVE SUMMARY

The CRU conducted a routine compliance review of the Department of Rehabilitation (DOR)'s personnel practices in the areas of examinations, appointments, EEO, PSC's, mandated training, compensation and pay, leave, and policy and processes¹. The following table summarizes the compliance review findings.

Area	Finding
Examinations	Examinations Complied with Civil Service Laws and Board Rules
Appointments	Probationary Evaluations Were Not Provided for All Appointments Reviewed
Equal Employment Opportunity	Equal Employment Opportunity Officer Does Not Report Directly to the Head of the Agency
Equal Employment Opportunity	Equal Employment Opportunity Officer Did Not Monitor the Composition of Oral Panels in Departmental Exams
Personal Services Contracts	Unions Were Not Notified of Personal Services Contracts
Mandated Training	Ethics Training Was Not Provided for All Filers
Mandated Training	Supervisory Training Was Not Provided for All Supervisors
Mandated Training	Sexual Harassment Prevention Training Was Not Provided For All Supervisors
Compensation and Pay	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	Alternate Range Movements Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Hiring Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Incorrect Authorization of Bilingual Pay
Compensation and Pay	Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

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

Area	Finding
Leave	Positive Paid Employee Exceeded the Nine Month in Any Twelve Consecutive Month Period
Leave	Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	Leave Activity and Correction Certification Forms Were Not Completed For All Leave Records
Leave	Incorrectly Posted Leave Usage and/or Leave Credit
Leave	Leave Reduction Plans Were Not Provided To All Employees Whose Leave Balances Exceeded Established Limits
Leave	Incorrect Application of State Service and Leave Transaction
Policy and Processes	Department Does Not Maintain a Current Written Nepotism Policy
Policy and Processes	Injured Employee Did Not Receive Claim Form Within One Working Day of Notice or Knowledge of Injury.
Policy and Processes	Performance Appraisals Were Not Provided to All Employees

A color-coded system is used to identify the severity of the violations as follows:

- Red = Very Serious
- Orange = Serious
- Yellow = Non-serious or Technical
- Green = In Compliance

BACKGROUND

As authorized by Titles I and IV of WIOA, which amend the Federal Rehabilitation Act of 1973, the DOR is the designated state agency responsible for administration of the vocational rehabilitation program and the independent living program. These programs are funded in large part by eight federal grants specifically for the benefit of eligible Californians with disabilities to obtain and retain competitive, integrated employment and live independently. The eight grants fund services are in the areas of vocational rehabilitation, independent living, older blind, assistive technology, supported employment, and Promoting the Readiness of Minors in Supplemental Security Income (PROMISE) in support of Californians with disabilities. The DOR currently provides

Vocational Rehabilitation and Independent Living services to over 130,000 Californians with disabilities annually, administering a budget of \$471 million with 1,820 positions.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the DOR's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes². The primary objective of the review was to determine if the DOR's personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

A cross-section of the DOR's examinations were selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRU examined the documentation that the DOR provided, which included examination plans, examination bulletins, job analyses, and scoring results. The DOR did not conduct any permanent withhold actions during the compliance review period.

A cross-section of the DOR's appointments were selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the DOR 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 DOR did not conduct any unlawful appointment investigations during the compliance review period. Additionally, the DOR did not make any additional appointments during the compliance review period.

The DOR's appointments were also selected for review to ensure the DOR applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the DOR provided, which included employees' employment and pay history and any other relevant documentation such as certifications, degrees, and/or the appointee's application. Additionally, the CRU reviewed specific documentation for the following personnel functions related to compensation and pay:

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

hiring above minimum (HAM) requests, bilingual pay, monthly pay differentials, and out-of-class assignments.

During the compliance review period, the DOR did not issue or authorize red circle rate requests, arduous pay, or out-of-class assignments.

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

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

The DOR's mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, and that all supervisors were provided supervisory training and sexual harassment prevention training within statutory timelines.

The CRU also identified the DOR's employees whose current annual leave, or vacation leave credits, exceeded established limits. The CRU reviewed a cross-section of these identified employees to ensure that employees who have significant "over-the-cap" leave balances have a leave reduction plan in place. Additionally, the CRU asked the DOR to provide a copy of their leave reduction policy.

The CRU reviewed the DOR's Leave Activity and Correction Certification forms to verify that the DOR created a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely. The CRU selected a small cross-section of the DOR'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 DOR's employees' employment and pay history, state service records, and leave accrual histories to ensure employees with non-qualifying pay periods did not receive vacation/sick leave and/or annual leave accruals or state service credit. Additionally, the CRU reviewed a selection of the DOR employees who used Administrative Time Off

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.

(ATO) in order to ensure that ATO was appropriately administered. Additionally, the CRU reviewed a selection of DOR positive paid employees whose hours are tracked during the compliance review period in order to ensure that they adhered to procedural requirements.

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

On October 2, 2019, an exit conference was held with the DOR to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the DOR's written response on October 23, 2019, 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, April 1, 2018 through December 31, 2018, the DOR conducted 10 examinations. The CRU reviewed all 10 of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Adaptive Driver Evaluation Specialist	Departmental Open	Education and Experience ⁴	7/16/18	2
Career Executive Assignment (CEA) B, Chief Counsel	CEA	Statement of Qualifications	Until Filled	9
Consulting Psychologist	Open	Training and Experience (T&E) ⁵	Continuous	3
Counselor, Orientation Center for the Blind	Departmental Open	Supplemental ⁶	6/18/18	1
Counselor, Orientation Center for the Blind	Departmental Open	Supplemental	Continuous	2
Staff Services Analyst (Transfer Exam)	Departmental Promotional	Written ⁷	4/24/18	55
Support Services Assistant (Intepreter)	Departmental Open	Qualification Appraisal Panel (QAP) ⁸	3/2/18	15
Support Services Assistant (Intepreter)	Departmental Open	QAP	9/7/18	10

⁴ In an education and experience examination, one or more raters reviews the applicants' Standard 678 application forms, and scores and ranks them according to a predetermined rating scale that may include years of relevant higher education, professional licenses or certifications, and/or years of relevant work experience.

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

⁶ In a supplemental application (SA) examination, applicants are not required to present themselves in person at a predetermined time and place. Supplemental applications are in addition to the regular application and must be completed in order to remain in the examination. Supplemental applications are also known as "rated" applications.

⁷ A written examination is a testing procedure in which candidates' job-related knowledge and skills are assessed through the use of a variety of item formats. Written examinations are either objectively scored or subjectively scored.

⁸ The Qualification Appraisal Panel (QAP) interview is the oral component of an examination whereby competitors appear before a panel of two or more evaluators. Candidates are rated and ranked against one another based on an assessment of their ability to perform in a job classification.

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Vocational Instructor (Computer and Related Technologies)	Departmental Open	T&E	Continuous	1
Vocational Instructor (Computer and Related Technologies)	Departmental Open	T&E	Continous	5

FINDING NO. 1 – Examinations Complied with Civil Service Laws and Board Rules

The CRU reviewed one departmental promotional and nine open examinations which the DOR administered in order to create eligible lists from which to make appointments. The DOR published and distributed examination bulletins containing the required information for all examinations. Applications received by the DOR were accepted prior to the final filing date. Applicants were notified about the next phase of the examination process. After all phases of the examination process were completed, the score of each competitor was computed, and a list of eligible candidates was established. The examination results listed the names of all successful competitors arranged in order of the score received by rank. The CRU found no deficiencies in the examinations that the DOR conducted 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 (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 (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 (e).)

For the purposes of temporary appointments, an employment list is considered not to exist where there is an open eligible list that has three or fewer names of persons willing to accept appointment and no other employment list for the classification is available. (Cal. Code Regs., tit. 2, § 265.) In such a situation, an appointing power may make a temporary appointment in accordance with section 265.1 (*ibid.*) A Temporary Authorization Utilization (TAU) appointment shall not exceed nine months in a 12-month period. (Cal. Const., art. VII, § 5.) In addition, when a temporary appointment is made to a permanent position, an appropriate employment list shall be established for each class to which a temporary appointment is made before the expiration of the appointment. (Gov. Code, § 19058.)

During the period under review, January 1, 2018 through September 30, 2018, the DOR made 318 appointments. The CRU reviewed 50 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Accountant I	Certification List	Permanent	Full Time	1
Accounting Officer (Specialist)	Certification List	Permanent	Full Time	1
Associate Governmental Program Analyst	Certification List	Limited Term	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	1
Cook Specialist II	Certification List	Permanent	Intermittent	1
Counselor Orientation Center for the Blind	Certification List	Limited Term	Full Time	1
Information Technology Associate	Certification List	Permanent	Full Time	1
Limited Examination and Appointment Program Candidate (LEAP)	Certification List	Temporary	Full Time	4
Office Technician (General)	Certification List	Permanent	Full Time	2
Office Technician (General)	Certification List	Limited Term	Full Time	1
Personnel Specialist	Certification List	Permanent	Full Time	1
Research Data Analyst II	Certification List	Limited Term	Intermittent	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Certification List	Permanent	Full Time	3
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Certification List	Limited Term	Full Time	3
Staff Services Analyst (General)	Certification List	Permanent	Full Time	3
Staff Services Analyst (General)	Certification List	Limited Term	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	2
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	1
Supervising Management Auditor	Certification List	Limited Term	Full Time	1
Supervising Program Technician II	Certification List	Permanent	Full Time	1
Support Services Assistant (General)	Certification List	Limited Term	Intermittent	1
Support Services Assistant (Interpreter)	Certification List	Permanent	Intermittent	1
Training Officer II	Certification List	Permanent	Full Time	1
Adaptive Driver Evaluation Specialist, Department of Rehabilitation	Temporary	TAU	Full Time	1
Office Technician (General)	Training and Development	Permanent	Full Time	1
Staff Services Analyst (General)	Training and Development	Permanent	Full Time	1
Account Clerk II	Transfer	Permanent	Full Time	1
Accountant Trainee	Transfer	Permanent	Full Time	1
Food Service Technician I	Transfer	Permanent	Full Time	1
Office Assistant (General)	Transfer	Permanent	Full Time	1
Office Technician (General)	Transfer	Permanent	Full Time	1
Personnel Specialist	Transfer	Limited Term	Full Time	1
Program Technician II	Transfer	Permanent	Full Time	1
Senior Vocational Rehabilitation Counselor,	Transfer	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Qualified Rehabilitation Professional				
Staff Services Analyst (General)	Transfer	Permanent	Full Time	1
Staff Services Analyst (General)	Transfer	Limited Term	Full Time	1
Staff Services Manager I	Transfer	Permanent	Full Time	1
Support Services Assistant (General)	Transfer	Limited Term	Intermittent	1
Support Services Assistant (General)	Transfer	Permanent	Intermittent	1

FINDING NO. 2 – Probationary Evaluations Were Not Provided for All Appointments Reviewed and Were Not Timely.

Summary: The DOR did not provide two probationary reports of performance for one of the certification list appointments reviewed by the CRU. In addition, the DOR did not provide in a timely manner four probationary reports of performance for two appointments reviewed by the CRU, as reflected in the tables below.

Classification	Appointment Type	Number of Appointments	Total Number of Missing Probation Reports
Research Data Analyst II	Certification List	1	2

Classification	Appointment Type	Number of Appointments	Total Number of Late Probation Reports
Accounting Officer Specialist	Certification List	1	3
Accountant I (Specialist)	Certification List	1	1
		2	4

Criteria: The service of a probationary period is required when an employee enters or is promoted in the state civil service by permanent appointment from an employment list; upon reinstatement after a

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

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

Cause: The DOR states that they did not have a central tracking system to monitor the completion of probationary reports.

Action: It is recommended that within 60 days of the SPB Executive Officer's approval of these findings and recommendations, the DOR submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the probationary requirements of Government Code section 19172 and California Code of Regulations, title 2, section 599.795. Copies of any relevant documentation should be included with the plan.

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; issue procedures for providing equal upward mobility and promotional opportunities; 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).)

The CRU reviewed the DOR EEO program that was in effect during the compliance review period.

FINDING NO. 3 – Equal Employment Opportunity Officer Does Not Report Directly to the Head of the Agency

Summary: The DOR EEO Officer does not report directly to the head of the agency. Specifically, the EEO Officer reports to the Chief Deputy Director. No separate, direct reporting relationship with the Executive Director of the DOR has been established for EEO responsibilities.

Criteria: 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).)

Severity: Very Serious. The EEO Officer does not have direct access to the head of the organization, diminishing the significance of the EEO program. To have an effective EEO program, the head of the organization must be actively involved.

Cause: The DOR states that the EEO Officer currently reports to the Chief Deputy Director for the day to day operations and functions of the department, and was unaware that the EEO Officer had to report directly to the Director.

Action: It is recommended that within 60 days of the SPB Executive Officer's approval of these findings and recommendations, the DOR submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the requirements of Government Code section 19795, subdivision (a). Copies of any relevant documentation should be included with the plan.

FINDING NO. 4 – Equal Employment Opportunity Officer Did Not Monitor the Composition of Oral Panels in Departmental Exams

Summary: The DOR EEO Officer did not monitor the composition of the oral panels for departmental examinations.

Criteria: The EEO Officer at each department must monitor the composition of oral panels in departmental examinations. (Gov. Code, § 19795, subd. (a).)

Severity: Very Serious. Requiring the EEO Officer to monitor oral panels is intended to ensure protection against discrimination in the hiring process.

Cause: The DOR states that they did not have a process in place for informing the EEO Officer of oral panel composition in departmental exams.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the DOR submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the requirements of Government Code section 19795, subdivision (a). Copies of any relevant documentation should be included with the plan.

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, April 1, 2018 through December 31, 2018, the DOR had 55 PSC's that were in effect. The CRU reviewed 19 of those, which are listed below:

Vendor	Services	Contract Dates	Contract Amount	Justification Identified?	Union Notified?
A & M Vending	Business Enterprises Program (BEP) Vendor Location	7/18-6/19	\$100,000	Yes	No
All Valley Environmental	BEP Vendor Location	6/18-6/19	\$41,000	Yes	No
Bay Alarm Company	District Security Alarm Monitoring	9/18-7/21	\$2,040	Yes	No
Blazin Repair Company, Inc.	BEP Vendor Location	7/18-6/20	\$90,000	Yes	No
Building Maintenance Innovations, Inc.	Janitorial	5/18-6/19	\$40,000	Yes	No

Vendor	Services	Contract Dates	Contract Amount	Justification Identified?	Union Notified?
Eaton Interpreting Services	American Sign Language Interpreting	12/18-12/19	\$170,000	Yes	No
Green Translations	American Sign Language Interpreting	8/18-6/20	\$180,000	Yes	No
J & A Management	BEP Vendor Location	8/18-6/20	\$100,000	Yes	No
J & A Management	BEP Vendor Location	6/18-6/19	\$150,000	Yes	No
JJ Property Mainetnace Newtwok, Inc.	Janitorial	10/18-6/30	\$41,353.62	Yes	No
Marina Zepeda - Tri County Building Maintenance	Janitorial	10/18-6/21	\$46,800	Yes	No
Preferred Interpreting Services	American Sign Language Interpreting	7/18-6/19	\$24,650	Yes	No
Preferred Interpreting Services	American Sign Language Interpreting	7/18-6/19	\$24,950	Yes	No
Preferred Interpreting Services	American Sign Language Interpreting	10/18-6/19	\$31,000	Yes	No
QuickCaption, Inc.	In-person Transcription	8/18-6/19	\$45,000	Yes	No
QuickCaption, Inc.	In-person Transcription	8/18-6/19	\$45,000	Yes	No
R&R Refrigeration & Air conditioning	BEP Vendor Location Service	4/18-6/19	\$50,000	Yes	No
Western Pacific Mechanical Services, Inc.	BEP Vendor Location Service	9/18-6/20	\$100,000	Yes	No
Western Pacific Mechanical Services, Inc.	BEP Vendor Location Service	9/18-6/20	\$180,000	Yes	No

FINDING NO. 5 – Unions Were Not Notified of Personal Services Contracts

- Summary:** The DOR did not notify unions prior to entering into all 19 PSC's reviewed.
- Criteria:** "The contract shall not be executed until the state agency proposing to execute the contract has notified all organizations that represent state employees who perform the type of work to be contracted." (Gov. Code section 19132, subdivision (b)(1).)
- Severity:** Serious. Unions must be notified of impending PSC's in order to ensure they are aware contracts are being proposed for work that their members could perform.
- Cause:** The DOR states that their current method of notifying unions is inaccurate.
- Action:** It is the contracting department's responsibility to identify and notify any unions whose members could potentially perform the work to be contracted prior to executing the PSC. It is recommended that within 60 days of the SPB Executive Officer's approval of these findings and recommendations, the DOR submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the requirements of Government Code section 19132 and AB 906. Copies of any relevant documentation should be included with the plan.

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), (b), & (c), & 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).) As to the sexual harassment and abusive-conduct prevention component, the training must thereafter be provided to supervisors once every two years. (Gov. Code, § 12950.1.)

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.*) Thereafter, for both categories of appointment, the employee must be provided a minimum of 20 hours of leadership training on a biannual basis. (*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 CRU reviews documents and records related to training that appointing powers are required by the afore-cited laws to provide its employees.

The CRU reviewed the DOR's mandated training program that was in effect during the compliance review period.

FINDING NO. 6 – Ethics Training Was Not Provided for All Filers

Summary: The DOR did not provide ethics training to 82 of 814 existing filers. In addition, the DOR did not provide ethics training to 16 of 105 new filers within six 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).)

Severity: Very Serious. The department does not ensure that its filers are aware of prohibitions related to their official position and influence.

Cause: The DOR states that despite emails and reminders sent to employees and their supervisors of the ethics training requirement, not all employees completed the training in a timely manner.

Action: The DOR must take appropriate steps to ensure that filers are provided ethics training within the time periods prescribed.

It is therefore recommended that no later than 60 days after the SPB Executive Officer's approval of these findings and recommendations, the DOR must establish a plan to ensure compliance with ethics training mandates and submit to the SPB a corrective action plan.

FINDING NO. 7 – Supervisory Training Was Not Provided for All Supervisors

Summary: The DOR did not provide basic supervisory training to two of 18 new supervisors within twelve months of appointment.

Criteria: Each department must provide its new supervisors a minimum of 80 hours of supervisory training within the probationary period. Upon completion of the initial training, supervisory employees shall receive a minimum 20 hours of leadership training biannually. (Gov. Code, § 19995.4, subds. (b) and (c).)

Severity: Very Serious. The department does not ensure its leaders are properly trained. Without proper training, leaders may not properly carry out their leadership roles, including managing employees.

Cause: The DOR states that despite reminders being sent out, two employees did not complete the training in a timely manner.

Action: The DOR must take appropriate steps to ensure that new supervisors are provided supervisory training within the twelve months.

It is therefore recommended that no later than 60 days after the SPB Executive Officer's approval of these findings and recommendations, the DOR must establish a plan to ensure compliance with supervisory training mandates and submit to the SPB a corrective action plan.

FINDING NO. 8 – Sexual Harassment Prevention Training Was Not Provided for All Supervisors

Summary: The DOR did not provide sexual harassment prevention training to three of 54 new supervisors within six months of their appointment. In addition, the DOR did not provide sexual harassment prevention training to eight of 162 existing supervisors every two years.

Criteria: Each department must provide its supervisors two hours of sexual harassment prevention training every two years. New supervisors must be provided sexual harassment prevention training within six months of appointment. (Gov. Code, § 12950.1, subd. (a).)

Severity: Very Serious. The department does not ensure that all new and existing supervisors are properly trained to respond to sexual harassment or unwelcome sexual advances, requests for sexual favors, and other verbal or physical harassment of a sexual nature. This limits the department's ability to retain a quality workforce, impacts employee morale and productivity, and subjects the department to litigation.

Cause: The DOR states that although reminders were sent out to supervisors, a manual collection process of certificates led to human error.

Action: The DOR must take appropriate steps to ensure that its supervisors are provided sexual harassment prevention training within the time periods prescribed.

It is therefore recommended that no later than 60 days after the SPB Executive Officer’s approval of these findings and recommendations, the DOR must establish a plan to ensure compliance with sexual harassment training mandates and submit to the SPB a corrective action plan.

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 rate⁹ 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, January 1, 2018 through September 30, 2018, the DOR made 318 appointments. The CRU reviewed 27 of those appointments to determine if the DOR applied salary regulations accurately and correctly processed employees’ compensation, which are listed below:

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Accountant I	Certification List	Permanent	Full Time	\$3,120
Accounting Officer (Specialist)	Certification List	Permanent	Full Time	\$4,177
Associate Governmental Program Analyst	Certification List	Limited Term	Full Time	\$4,784
Cook Specialist II	Certification List	Permanent	Intermittent	\$3,331
Counselor Orientation Center for the Blind	Certification List	Limited Term	Full Time	\$2,880

⁹ “Rate” is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (CA CCR Section 599.666).

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Office Technician (General)	Certification List	Permanent	Full Time	\$2,921
Office Technician (General)	Certification List	Temporary	Full Time	\$3,257
Office Technician (General)	Certification List	Limited Term	Full Time	\$2,868
Office Technician (General)	Certification List	Limited Term	Full Time	\$2,921
Office Technician (General)	Certification List	Temporary	Full Time	\$3,349
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Certification List	Limited Term	Full Time	\$4,221
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Certification List	Limited Term	Full Time	\$4,118
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Certification List	Limited Term	Full Time	\$5,920
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Certification List	Permanent	Full Time	\$4,221
Staff Services Analyst (General)	Certification List	Permanent	Full Time	\$4,834
Staff Services Analyst (General)	Certification List	Limited Term	Full Time	\$3,977
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	\$6,523
Supervising Program Technician II	Certification List	Permanent	Full Time	\$3,487
Support Services Assistant (General)	Certification List	Limited Term	Intermittent	\$2,255
Training Officer II	Certification List	Permanent	Full Time	\$6,866
Adaptive Driver Evaluation Specialist, Department of Rehabilitation	Temporary	TAU	Full Time	\$4,359
Accountant Trainee	Transfer	Permanent	Full Time	\$3,700

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Personnel Specialist	Transfer	Limited Term	Full Time	\$4,031
Program Technician II	Transfer	Permanent	Full Time	\$3,812
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Transfer	Permanent	Full Time	\$5,355
Staff Services Manager I	Transfer	Permanent	Full Time	\$5,990
Support Services Assistant (General)	Transfer	Permanent	Intermittent	\$2,345

FINDING NO. 9 – Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found no deficiencies in the salary determinations that were reviewed. The DOR appropriately calculated and keyed the salaries for each appointment and correctly determined employees' anniversary dates ensuring that subsequent merit salary adjustments will satisfy civil service laws, Board rules and CalHR policies and guidelines.

Alternate Range Movement Salary Determination (within same classification)

If an employee qualifies under established criteria and moves from one alternate range to another alternate range of a class, the employee shall receive an increase or a 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, January 1, 2018 through September 30, 2018, the DOR made 74 alternate range movements within a classification. The CRU reviewed 24 of those alternate range movements to determine if the DOR applied salary regulations accurately and correctly processed employee's compensation, which are listed below:

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Information Technology Associate	B	C	Full Time	\$4,836
Information Technology Associate	C	D	Full Time	\$4,928
Information Technology Specialist I	B	C	Full Time	\$7,616
Information Technology Specialist I	B	C	Full Time	\$7,616
Information Technology Specialist I	B	C	Full Time	\$7,616.
Personnel Specialist	C	D	Full Time	\$3,995
Personnel Specialist	C	D	Full Time	\$3,995
Personnel Specialist	C	D	Full Time	\$3,995
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	B	C	Full Time	\$4,986
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	B	C	Full Time	\$4,986
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	B	C	Full Time	\$5,112
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	B	C	Full Time	\$5,745
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	A	B	Full Time	\$4,540
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	B	C	Full Time	\$4,986
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	A	C	Full Time	\$5,005
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	B	C	Full Time	\$4,986
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	A	B	Full Time	\$4,540
Staff Services Analyst (General)	B	C	Full Time	\$3,977
Staff Services Analyst (General)	A	B	Full Time	\$3,962
Staff Services Analyst (General)	A	B	Full Time	\$4,030

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Staff Services Analyst (General)	B	C	Full Time	\$4,036
Staff Services Analyst (General)	B	C	Full Time	\$4,360
Support Services Assistant (Interpreter)	B	C	Intermittent	\$3,678
Teacher Orientation and Mobility for the Blind	E	F	Intermittent	\$6,127

FINDING NO. 10 – Alternate Range Movements Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU determined that the alternate range movements the DOR made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

Hiring Above Minimum Requests

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

Persons with extraordinary qualifications should contribute to the work of the department significantly beyond that which other applicants offer. (*Ibid.*) Extraordinary qualifications may provide expertise in a particular area of a department’s program. (*Ibid.*) This expertise should be well beyond the minimum qualifications of the class. (*Ibid.*) Unique talent, ability or skill as demonstrated by pervious job experience may also constitute extraordinary qualifications. (*Ibid.*) The scope and depth of such experience should be more significant than its length. (*Ibid.*) The degree to which a candidate exceeds minimum qualifications should be a guiding factor, rather than a determining one. (*Ibid.*) When a number of candidates offer considerably more qualifications than the minimum, it may not be necessary to pay above the minimum to acquire unusually well-qualified people. (*Ibid.*) The qualifications and hiring rates of state employees already in the same class should be carefully considered, since questions of salary equity may arise if new higher entry rates differ from previous ones. (*Ibid.*) Recruitment difficulty is a factor to the extent that

a specific extraordinary skill should be difficult to recruit, even though some applicants are qualified in the general skills of the class. (*Ibid.*)

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5, the memorandum of understanding shall be controlling without further legislative action.¹⁰ (Gov. Code § 19836 subd. (b).)

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

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

During the period under review, January 1, 2018 through September 30, 2018, the DOR authorized three HAM requests. The CRU reviewed all authorized HAM requests to determine if the DOR correctly applied Government Code section 19836 and appropriately verified, approved and documented candidates' extraordinary qualifications, which are listed below:

¹⁰ Except that if the provisions of the memorandum of understanding requires the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Classification	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Certification List	Permanent	\$4,221 - \$6,068	\$5,920
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Certification List	Permanent	\$4,221 - \$6,068	\$5,920
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Certification List	Permanent	\$4,221 - \$6,068	\$5,590

FINDING NO. 11 – Hire Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found that the HAM requests the DOR made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

Bilingual Pay

A certified bilingual position is a position where the incumbent uses bilingual skills on a continuous basis and averages ten percent or more of the total time worked. According to the Pay Differential 14, the ten 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, January 1, 2018 through September 30, 2018, the DOR issued bilingual pay to 249 employees. The CRU reviewed 48 of these bilingual pay

authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Timebase
Associate Governmental Program Analyst	R01	Full Time
Coordinator Services to the Deaf	R19	Intermittent
Office Technician (General)	R04	Full Time
Office Technician (General)	R04	Full Time
Office Technician (General)	R04	Full Time
Office Technician (General)	R04	Full Time
Office Technician (General)	R04	Full Time
Office Technician (General)	R04	Full Time
Office Technician (General)	R04	Full Time
Office Technician (General)	R04	Full Time
Office Technician (Typing)	R04	Full Time
Office Technician (Typing)	R04	Full Time
Office Technician (Typing)	R04	Full Time
Program Technician	R04	Full Time
Senior Vocational Rehabilitation Counselor	R19	Full Time
Senior Vocational Rehabilitation Counselor	R19	Full Time
Senior Vocational Rehabilitation Counselor	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time

Classification	Bargaining Unit	Timebase
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	R19	Full Time
Staff Services Analyst (General)	R01	Full Time
Staff Services Analyst (General)	R01	Full Time
Staff Services Analyst (General)	R01	Full Time
Staff Services Analyst (General)	R01	Full Time
Staff Services Manager I	S01	Full Time
Staff Services Manager I	S01	Full Time
Staff Services Manager I	S01	Full Time
Supervising Program Technician II	S04	Full Time
Support Services Assistant (General)	R04	Full Time
Teacher, Home Economics	R03	Intermittent
Vocational Instructor (Culinary Arts)	R03	Intermittent

Classification	Bargaining Unit	Timebase
Vocational Psychologist	R19	Full Time

FINDING NO. 12 – Incorrect Authorization of Bilingual Pay

Summary: The CRU found twelve errors in the DOR’s authorization of bilingual pay:

Classification	Description of Findings	Criteria
Office Technician (General)	The DOR failed to supply supporting documentation (Bilingual Pay Authorization Form STD. 897) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Pay Differential 14
Office Technician (General)	The DOR failed to supply supporting documentation (Bilingual Pay Authorization Form STD. 897) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Pay Differential 14
Office Technician (Typing)	The DOR failed to provide employee’s oral fluency exam results to certify that employee is a qualified bilingual employee.	Gov. Code, § 7296
Office Technician (Typing)	The DOR failed to supply supporting documentation (Bilingual Pay Authorization Form STD. 897) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Pay Differential 14
Senior Vocational Rehabilitation Counselor	The DOR failed to provide the employee’s oral fluency exam results to certify that employee is a qualified bilingual employee.	Gov. Code, § 7296
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	The DOR failed to supply supporting documentation (duty statement) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Pay Differential 14

Classification	Description of Findings	Criteria
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	The DOR failed to supply supporting documentation (Bilingual Pay Authorization Form STD. 897) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Pay Differential 14
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	The DOR failed to supply supporting documentation (duty statement) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Pay Differential 14
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	The DOR failed to supply supporting documentation (Bilingual Pay Authorization Form STD. 897 and oral fluency exam results) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Pay Differential 14 Gov. Code, § 7296
Support Services Assistant (General)	The DOR failed to supply supporting documentation (duty statement) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Pay Differential 14
Teacher, Home Economics	The DOR failed to supply supporting documentation (Bilingual Pay Authorization Form STD. 897 and oral fluency exam results) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Pay Differential 14 Gov. Code, § 7296
Vocational Psychologist	The DOR failed to supply supporting documentation (duty statement) to certify that the position requires the use of bilingual skills on a continuing basis averaging 10 percent of the time.	Pay Differential 14

Criteria: For any state agency, a “qualified” bilingual employee, person, or interpreter is someone who CalHR has tested and certified, someone who was tested and certified by a state agency or other approved testing authority, and/or someone who has met the testing or certification standards for outside or contract interpreters as proficient in both the English language and the non-English language

to be used. (Gov. Code, § 7296 subd. (a)(1)(2)(3).) 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.)

Severity: Very Serious. Failure to comply with the state civil service pay plan by incorrectly applying compensation rules in accordance with CalHR's policies and guidelines results in civil service employees receiving incorrect and/or inappropriate pay.

Cause: The DOR states that human error and a lack of training resulted in errors with the administration of bilingual pay.

Action: The DOR must take appropriate steps to ensure that employees are compensated correctly. It is therefore recommended that no later than 60 days after the SPB Executive Officer's approval of these findings and recommendations, the DOR must submit a written corrective action plan that addresses the corrections the department will implement to ensure conformity with Government Code section 7296 and/or Pay Differential 14. Copies of any relevant documentation should be included with the plan.

Pay Differentials

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

California State Civil Service Pay Scales Section 14 describes the qualifying pay criteria for the majority of pay differentials. However, some of the alternate range criteria in the pay scales function as pay differentials. Generally, departments issuing pay differentials

should, in order to justify the additional pay, document the following: the effective date of the pay differential, the collective bargaining unit identifier, the classification applicable to the salary rate and conditions along with the specific criteria, and any relevant documentation to verify the employee meets the criteria.

During the period under review, January 1, 2018 through September 30, 2018, the DOR issued pay differentials¹¹ to 74 employees. The CRU reviewed 25 of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount
Associate Budget Analyst	412	\$251.15
Associate Information Systems Analyst (Specialist)	13	\$333.3
Counselor Orientation Center for the Blind	257	\$200
Counselor Orientation Center for the Blind	257	\$200
Counselor Orientation Center for the Blind	257	\$200
Counselor Orientation Center for the Blind	257	\$200
Information Technology Associate	13	\$343.40
Mobility Evaluation Specialist	150	\$346
Senior Vocational Rehabilitation Counselor	151	\$200
Senior Vocational Rehabilitation Counselor	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200

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

Classification	Pay Differential	Monthly Amount
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	151	\$200
Staff Services Manager III	412	\$896.60

FINDING NO. 13 – Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines

The CRU found no deficiencies in the pay differentials that the DOR 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 TAU employee’s time to ensure that the Constitutional limit of nine months in any 12 consecutive months is not exceeded. The ATW method of counting time is used in order to continue the employment status for an employee until the completion of an examination, for seasonal type work, while attending school, or for consulting services.

An employee is appointed TAU-ATW when he/she is not expected to work all of the working days of a month. When counting 189 days, every day worked, including partial days¹² worked and paid absences,¹³ is counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).) The hours worked in one day is not limited by this rule. (*Ibid.*) The 12-consecutive month timeframe begins by counting the first pay period worked as the first month of the 12-consecutive month timeframe. (*Ibid.*) The employee shall serve no longer than 189

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

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

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.¹⁴ (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 1,500 hours within 12 consecutive months may be used rather than the 189-day calculation. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

Generally, permanent intermittent employees may work up to 1,500 hours in any calendar year. (Applicable Bargaining Unit Agreements.) However, Bargaining Unit 6 employees may work up to 2000 hours in any calendar year.

Additionally, according to Government Code section 21224, retired annuitant appointments shall not exceed a maximum of 960 hours in any fiscal year (July-June) without reinstatement, loss or interruption of benefits for all state employers.

At the time of the review, the DOR had 233 employees who hours were tracked. The CRU reviewed 36 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Time Base	Time Frame	Time Worked
Associate Governmental Program Analyst	Part Time	7/1/17 – 6/31/18	774.75 hours
Graduate Student Assistant	Intermittent	5/1/17- 4/30/18	1,413.15 hours
Groundskeeper	Intermittent	1/1/18- 12/31/18	1500 hours
Office Technician (General)	Part Time	7/1/17 – 6/31/18	891.5 hours

¹⁴ “California Code of Regulation section 265.1 became effective July 1, 2017, and did not apply at the time of all of these appointments. The current regulation sets forth the method for counting time for temporary appointments. The cap under the current regulation is 189 days.

Classification	Time Base	Time Frame	Time Worked
Rehabilitation Supervisor	Part Time	7/1/17 – 6/31/18	838 hours
Seasonal Clerk	Intermittent	8/1/2017 - 7/31/18	1,429.2 hours
Seasonal Clerk	Intermittent	10/1/2017- 9/30/18	1,579 hours
Seasonal Clerk	Intermittent	9/1/17- 8/31/18	1,451 hours
Seasonal Clerk	Intermittent	5/1/2017- 4/30/18	1,450 hours
Seasonal Clerk	Intermittent	3/1/18- 2/1/19	1,848 hours
Seasonal Clerk	Intermittent	8/1/17- 7/1/18	1,447.5 hours
Seasonal Clerk	Intermittent	4/1/18- 3/1/19	1,484 hours
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Part Time	7/1/17 – 6/31/18	856 hours
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	Part Time	7/1/17 – 6/31/18	870.5 hours
Support Services Assistant (General)	Intermittent	1/1/18- 12/31/18	1,498 hours
Support Services Assistant (General)	Intermittent	1/1/18- 12/31/18	1,531.5 hours
Support Services Assistant (General)	Intermittent	1/1/18- 12/31/18	1,499 hours
Support Services Assistant (General)	Intermittent	1/1/18- 12/31/18	1,500 hours
Support Services Assistant (General)	Intermittent	1/1/18- 12/31/18	2,055 hours
Support Services Assistant (General)	Intermittent	1/1/18- 12/31/18	1,501 hours
Support Services Assistant (General)	Intermittent	1/1/18- 12/31/18	1,704 hours
Support Services Assistant (General)	Intermittent	1/1/18- 12/31/18	1,516 hours
Support Services Assistant (General)	Intermittent	1/1/18- 12/31/18	1,502 hours

Classification	Time Base	Time Frame	Time Worked
Support Services Assistant (General)	Intermittent	1/1/18-12/31/18	1,910.5 hours
Support Services Assistant (General)	Intermittent	1/1/18-12/31/18	1,499 hours
Support Services Assistant (General)	Intermittent	1/1/18-12/31/18	1,500 hours
Support Services Assistant (General)	Intermittent	1/1/18-12/31/18	1,500 hours
Support Services Assistant (General)	Intermittent	1/1/18-12/31/18	1,593 hours
Support Services Assistant (General)	Intermittent	1/1/18-12/31/18	549.25 hours
Support Services Assistant (General)	Intermittent	1/1/18-12/31/18	1,494 hours
Support Services Assistant (Interpreter)	Intermittent	1/1/18-12/31/18	1,375 hours
Support Services Assistant (Interpreter)	Intermittent	1/1/18-12/31/18	1,500 hours
Support Services Assistant (Interpreter)	Intermittent	1/1/18-12/31/18	1,500 hours
Support Services Assistant (Interpreter)	Intermittent	1/1/18-12/31/18	912 hours
Support Services Assistant (Interpreter)	Intermittent	1/1/18-12/31/18	1,486 hours
Staff Services Manager I	Part Time	7/1/17 – 6/31/18	836 hours

FINDING NO. 14 – Positive Paid Employee Exceeded the Nine Month in a Twelve Consecutive Month Period

Summary: The DOR did not consistently monitor the actual number of days and/or hours worked in order to ensure the employee did not exceed the 189 days or 1,500 hours in any 12 consecutive month period limitation. Specifically, the following employees exceeded the 1,500-hour limitation:

Classification	Time Base	Time Frame	Hours Worked	Hours Over
Seasonal Clerk	Intermittent	10/1/2017-9/30/18	1,579 hours	79 hours

Classification	Time Base	Time Frame	Hours Worked	Hours Over
Support Services Assistant (General)	Intermittent	1/1/18-12/31/18	1,531.5 hours	31.5 hours
Support Services Assistant (General)	Intermittent	1/1/18-12/31/18	1,501 hours	1 hour
Support Services Assistant (General)	Intermittent	1/1/18-12/31/18	1,516 hours	16 hours
Support Services Assistant (General)	Intermittent	1/1/18-12/31/18	1,502 hours	2 hours
TOTAL				129.5 hours

Criteria: If any employee is appointed to an intermittent time base position on a TAU basis, there are two controlling time limitations that must be considered. The first controlling factor is the constitutional limit of nine months in any 12 consecutive months for temporary appointments that cannot be extended for any reason. (Cal Const., art VII § 5.) The nine month period may be computed on a calendar or actual basis. When computing time worked, 189 days equals nine months. (Cal. Code Regs., tit. 2, § 265.1 subd. (b).)¹⁵ Another controlling factor limits the maximum work time for student, youth, and seasonal classifications to 1,500 hours. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

Severity: Serious. The appointing power failed to properly monitor and control the time worked to ensure that the 9-month in 12-consecutive months constitutional limitation for temporary appointments was not exceeded. As temporary appointments are made in the absence of an appropriate employment list, any time worked in excess of the constitutional limitation may constitute circumvention of the merit-based state civil service process.

¹⁵ California Code of Regulations section 265.1 became effective on July 1, 2017, and did not apply at the time of all of these appointments. The current regulation sets forth the method for counting time for temporary appointments.

Cause: The DOR states they did not have consistency in monitoring the actual number of days/hours worked to ensure employees did not go over the 1,500 hour requirement.

Action: It is recommended that within 60 days of the SPB Executive Officer’s approval of these findings and recommendations, the DOR submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure all positive paid employees’ hours are tracked and processed in conformity with California Code of Regulations, title 2, section 265.1, subdivision (a).

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, October 1, 2017 through September 30, 2018, the DOR placed 179 employees on ATO. The CRU reviewed 40 of these ATO appointments to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	No. of hours on ATO
Account Clerk II	October 2017	54 hours
Account Clerk II	June 2018	9 hours
Associate Governmental Program Analyst	October 2017	14 hours
Community Resources Development Specialist	October 2017	12 hours
Office Assistant	August 2018	8 hours
Office Technician (General)	October 2017	40 hours
Office Technician (General)	October 2017	13.5 hours
Office Technician (General)	February 2018	8 hours
Office Technician (General)	August 2018	4 hours
Office Technician (Typing)	October 2017	80 hours
Office Technician (Typing)	December 2017	48 hours

Classification	Time Frame	No. of hours on ATO
Program Technician	October 2017	52 hours
Program Technician II	October 2017	80 hours
Program Technician II	October 2017	56 hours
Program Technician II	December 2017	16 hours
Rehabilitation Supervisor	October 2017	48 hours
Senior Vocational Rehabilitation Counselor	October 2017	176 hours
Senior Vocational Rehabilitation Counselor	October 2017	136 hours
Senior Vocational Rehabilitation Counselor	October 2017	80 hours
Senior Vocational Rehabilitation Counselor	October 2017	65 hours
Senior Vocational Rehabilitation Counselor	October 2017	59 hours
Senior Vocational Rehabilitation Counselor	October 2017	50 hours
Senior Vocational Rehabilitation Counselor	December 2017	40 hours
Senior Vocational Rehabilitation Counselor	May 2018	40 hours
Senior Vocational Rehabilitation Counselor	May 2018	40 hours
Senior Vocational Rehabilitation Counselor	March 2018	24 hours
Senior Vocational Rehabilitation Counselor	December 2017	24 hours
Senior Vocational Rehabilitation Counselor	March 2018	16 hours
Senior Vocational Rehabilitation Counselor	April 2018	16 hours
Senior Vocational Rehabilitation Counselor	October 2017	8 hours
Staff Services Analyst (General)	October 2017	72 hours
Staff Services Analyst (General)	January 2018	40 hours
Staff Services Analyst (General)	October 2017	40 hours
Staff Services Manager I	August 2018	95 hours
Staff Services Manager I	April 2018	40 hours
Staff Services Manager I	October 2017	72 hours
Supervising Program Technician II	October 2017	40 hours
Support Services Assistant (General)	October 2017	14 hours
Support Services Assistant (General)	October 2017	11 hours

Classification	Time Frame	No. of hours on ATO
Vocational Psychologist	November 2017	8 hours

FINDING NO. 15 – Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

The CRU found no deficiencies in the ATO transactions reviewed during the compliance review period. The DOR provided the proper documentation justifying the use of ATO and adhered to applicable laws, regulations and CalHR policy and guidelines.

Leave Auditing and Timekeeping

Departments must keep complete and accurate time and attendance records for each employee and officer employed within the agency over which it has jurisdiction. (Cal. Code Regs., tit. 2, § 599.665.)

Departments are directed to create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. (Human Resources Manual Section 2101.) 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 1, 2017 through September 30, 2018, the DOR reported 238 units comprised of 1,926 active employees. The pay periods and timesheets reviewed by the CRU are summarized below:

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
July 2018	410	81	72	0
August 2018	410	88	77	0
September 2018	560	100	89	0

FINDING NO. 16 – Leave Activity and Correction Certification Forms Were Not Completed For All Leave Records Reviewed

Summary: The DOR failed to provide completed Leave Activity and Correction Certification forms for all units reviewed during all pay periods reviewed.

Criteria: In accordance with California Code of Regulations, title 2, section 599.665, departments are responsible for maintaining accurate and timely leave accounting records for their employees. Department audit processes shall compare what has been recorded in the leave accounting system as accrued/earned or used by each employee to their attendance record for the pay period. (Human Resources Online Manual Section 2101.) CalHR directs departments to identify and record all leave errors found during the comparison pay period using a Leave Activity and Correction Certification form. Departments shall certify that all leave records for the unit/pay period identified on the certification form have been reviewed regardless of whether errors were identified. (*Ibid*).

Severity: Non Serious or Technical. Departments must document that they reviewed all leave inputted into their leave accounting system to ensure accuracy and timeliness. For post-audit purposes, the completion of Leave Activity and Correction Certification forms demonstrates compliance with CalHR policies and guidelines.

Cause: The DOR states that the forms were submitted late due to human error and a lack of training.

Action: The DOR must take appropriate steps to ensure that their monthly internal audit process is documented.

It is therefore recommended that no later than 60 days after the SPB Executive Officer's approval of these findings and recommendations, the DOR must submit a plan to the CRU which incorporates completion of Leave Activity and Correction Certification forms for all leave records even when errors are not identified or corrected.

FINDING NO. 17 – Incorrectly Posted Leave Usage and/or Leave Credit

- Summary:** The DOR incorrectly entered leave usage on five of 89 timesheets reviewed into the Leave Accounting System during the September 2018 pay period.
- Criteria:** Departments shall create a monthly internal audit process to verify that all leave input into any leave accounting system is keyed accurately and timely. (Human Resources Manual Section 2101.) 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.*)
- Severity:** Very serious. Errors in posting leave usage and/or leave credits puts the department at risk of incurring additional costs from the initiation of collection efforts from overpayments, the risk of litigation related to recovering inappropriately credited leave hours and funds, and/or the increase of the state’s pension payments.
- Cause:** The DOR states that discrepancies between leave balance records and timekeeping records were overlooked due to human error.
- Action:** It is recommended that within 60 days of the SPB Executive Officer’s approval of these findings and recommendations, the DOR submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with Human Resources Manual Section 2101. Copies of any relevant documentation should be included with the plan.

Leave Reduction Efforts

Departments must create a leave reduction policy for their organization and monitor employees’ leave to ensure compliance with the departmental leave policy; and ensure employees who have significant “over-the-cap” leave balances have a leave reduction plan in place. (Human Resources Manual Section 2124.)

Applicable Memorandums of Understanding and the California Code of Regulations prescribe the maximum amount of vacation or annual leave permitted. “If a represented employee is not permitted to use all of the vacation to which he or she is entitled in a calendar year, the employee may accumulate the unused portion.”¹⁶ (Cal. Code Regs., tit. 2, § 599.737.) If it appears an excluded employee will have a vacation or annual leave balance that will be above the maximum amount¹⁷ as of January 1 of each year, the appointing power shall require the supervisor to notify and meet with each employee so affected by the preceding July 1, to allow the employee to plan time off, consistent with operational needs, sufficient to reduce their balance to the amount permitted by the applicable regulation, prior to January 1. (Cal. Code Regs., tit. 2, § 599.742.1.)

“It is the intent of the state to allow employees to utilize credited vacation or annual leave each year for relaxation and recreation. (Cal. Code Regs., tit. 2, § 599.742.1.), ensuring employees maintain the capacity to optimally perform their jobs. For excluded employees, “the employee shall also be notified by July 1 that, if the employee fails to take off the required number of hours by January 1, the appointing power shall require the employee to take off the excess hours over the maximum permitted by the applicable regulation at the convenience of the agency during the following calendar year. (*Ibid.*) To both comply with existing civil service rules and adhere to contemporary human resources principles, state managers and supervisors must cultivate healthy work- life balance by granting reasonable employee vacation and annual leave requests when operationally feasible. (Human Resources Manual Section 2124.)

As of December 2018, 211 DOR employees exceeded the established limits of vacation or annual leave. The CRU reviewed 50 of those employees’ leave reduction plans to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Classification	Collective Bargaining Identifier	Total Hours Over Established Limit	Leave Reduction Plan Provided
Accounting Administrator III	M01	1099.5	No
Associate Governmental Program Analyst	R01	693	No

¹⁶ For represented employees, the established limit for annual or vacation leave accruals is 640 hours, however for bargaining units 06 there is no established limit and for bargaining unit 05 the established limit is 816 hours.

¹⁷ Excluded employees shall not accumulate more than 80 days.

Classification	Collective Bargaining Identifier	Total Hours Over Established Limit	Leave Reduction Plan Provided
Associate Governmental Program Analyst	R01	621.25	No
Attorney IV	R02	471	No
Business Enterprise Consultant II	S01	930.5	No
CEA	M01	754.75	No
CEA	M01	751	No
CEA	M01	445	No
CEA	M01	428.5	No
Chief Deputy Director	E99	930	No
Deputy Director	E99	673.25	No
Information Technology Associate	R01	375.5	No
Office Technician (General)	R04	459	No
Office Technician (General)	R04	384.5	No
Senior Vocational Rehabilitation Counselor	R19	1712.5	No
Senior Vocational Rehabilitation Counselor	R19	926	No
Senior Vocational Rehabilitation Counselor	R19	802	No
Senior Vocational Rehabilitation Counselor	R19	794.5	No
Senior Vocational Rehabilitation Counselor	R19	757.5	No
Senior Vocational Rehabilitation Counselor	R19	622.5	No
Senior Vocational Rehabilitation Counselor	R19	594	No
Senior Vocational Rehabilitation Counselor	R19	544.25	No
Senior Vocational Rehabilitation Counselor	R19	446.35	No
Senior Account Clerk	R04	416.25	No
Staff Services Manager I	S01	1561	No
Staff Services Manager I	S01	1050	No
Staff Services Manager I	S01	1024	No
Staff Services Manager I	S01	870.5	No
Staff Services Manager I	S01	675.5	No
Staff Services Manager I	S01	625.5	No
Staff Services Manager I	S01	619.3	No
Staff Services Manager I	S01	505.5	No

Classification	Collective Bargaining Identifier	Total Hours Over Established Limit	Leave Reduction Plan Provided
Staff Services Manager I	S01	483	No
Staff Services Manager I	S01	445	No
Staff Services Manager I	S01	424	No
Staff Services Manager I	S01	408	No
Staff Services Manager I	S01	405	No
Staff Services Manager I	S01	391	No
Staff Services Manager I	S01	378.5	No
Staff Services Manager I	S01	373.5	No
Staff Services Manager II (Supervisory)	S01	673.5	No
Staff Services Manager II (Supervisory)	S01	615	No
Staff Services Manager II (Supervisory)	S01	551.3	No
Staff Services Manager II (Supervisory)	S01	424.75	No
Staff Services Manager III	M01	608	No
Supervising Program Technician II	S04	395	No
Supervising Program Technician II	S04	386.5	No
Total		34,857.45	

FINDING NO. 18 – Leave Reduction Plans Were Not Provided to Employees Whose Leave Balances Exceeded Established Limits

Summary: The DOR did not provide leave reduction plans for all 50 of the employees reviewed whose leave balances significantly exceeded established limits. Additionally, the DOR did not provide a general departmental policy addressing leave reduction.

Criteria: “It is the policy of the state to foster and maintain a workforce that has the capacity to effectively produce quality services expected by both internal customers and the citizens of California. (Human Resources Online Manual Section 2124.) Therefore, appointing authorities and state managers and supervisors must create a leave reduction policy for the organization and monitor employees’ leave to ensure compliance with the departmental leave policy. Employees

who have significant “over-the-cap” leave balances must have a leave reduction plan in place and be actively reducing hours.” (*Ibid.*)

Severity: Non-Serious or Technical. California state employees have accumulated significant leave hours creating an unfunded liability for departmental budgets. The value of this liability increases with each passing promotion and salary increase. Accordingly, leave balances exceeding established limits need to be addressed immediately.

Cause: The DOR states that they did not have an internal policy in place to send to employees informing them that their balances exceeded established limits.

Action: The DOR must take appropriate steps to ensure employees who have significant “over-the-cap” leave balances have a leave reduction plan in place and are actively reducing hours.

It is therefore recommended that no later than 60 days after the SPB Executive Officer’s approval of these findings and recommendations, the DOR must submit to the CRU a policy and plan to address leave reduction efforts. Copies of any relevant documentation should be included with the plan.

State Service

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

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.¹⁸ (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

¹⁸ Except as provided in sections 599.609 and 599.776.1(b) of these regulations, in the application of Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, 19997.4 and sections 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.787, 599.791, 599.840 and 599.843 of these regulations.

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).

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, § 599.739). 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. (*Ibid.*) 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 employees¹⁹ shall be allowed credit for annual leave with pay. (Cal. Code Regs., tit. 2, § 599.752).

Permanent intermittent employees earn vacation according to the preceding schedule for each increment of 160 hours worked. Hours worked in excess of 160 hours in a monthly pay period, are not counted or accumulated.

During the period under review, January 1, 2018 through September 30, 2018, the DOR had 87 employees with non-qualifying pay period transactions. The CRU reviewed 16 transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Type of 715 Transaction	Time base	Number Reviewed
Non-Qualifying Pay Period	Full Time	12
Qualifying Pay Period	Full Time	4

FINDING NO. 19 – Incorrect Application of State Service and Leave Transaction

Summary: The CRU found the following error in the DOR’s state service transactions:

Type of Transaction	Time Base	State Service Incorrectly Posted	Leave Accruals Incorrectly Posted
Non-Qualifying Pay Period	Full Time	1	1

¹⁹ Employees identified in Government Code sections 19858.3(a), 19858.3(b), or 19858.3(c) as it applies to employees excluded from the definition of state employee under Government Code section 3513(c), or California Code of Regulations section 599.752 subdivision (a), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

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 of 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.*)

Severity: Very Serious. For audit purposes, accurate and timely attendance reporting is required of all departments. If the length of an informal leave results in a non-qualifying pay period, a state service transaction must be processed. Inappropriately authorizing state service credits and leave accruals to employees who did not earn them results in a monetary loss for the department.

Cause: The DOR states that the error occurred due an attendance reporting error and not catching the mistake prior to keying the time and leave into the system.

Action: The DOR must take appropriate steps to ensure state service transactions are keyed accurately. It is therefore recommended that no later than 60 days after the SPB Executive Officer's approval of these findings and recommendations, the DOR must submit to the CRU a plan which establishes an audit system to key and correct state service transactions.

Policy and Processes

Nepotism

It is the policy of the State of California to recruit, hire and assign all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. (Human Resources Manual Section 1204.) Nepotism is expressly prohibited in the state workplace because it is antithetical to California's merit based civil service. (*Ibid.*) Nepotism is defined as the practice of an employee using his or her influence or power to aid or hinder another in the employment setting because of a personal relationship. (*Ibid.*) Personal relationships for this purpose include but are not limited to, association by blood, adoption, marriage and/or cohabitation. (*Ibid.*) In addition, there may be personal relationships beyond this general definition that could be subject to these policies. (*Ibid.*) All department nepotism policies should emphasize that nepotism is antithetical to a merit-based personnel system and that the department is committed to the state policy of recruiting, hiring and assigning employees on the basis of merit. (*Ibid.*)

FINDING NO. 20 – Nepotism Policy Needs to Be Updated to Comply with Statewide Policy

Summary:

The DOR maintains a written nepotism policy, however it was last updated in 1985. Departments should timely review and update their policy to ensure consistency with statewide guidance on preventing nepotism.

Additionally, after reviewing the DOR's nepotism policy, the CRU found it to be missing the following components outlined in CalHR's statewide guidance on nepotism policies:

1. Whether the policy mentions or eludes to the principles of merit as the basis of the hiring system and how nepotism can negatively affect that.
2. Whether the policy will include guidelines for addressing instances when a personal relationship arises during employment and how the department will address a personal relationship in violation of the policy (e.g., which employee will be transferred or reassigned and the process in carrying out that transfer or reassignment).

3. Whether the policy includes guidelines for addressing nepotism complaints from employees such as to whom to report complaints, who will investigate allegations, etc.

Criteria: Departmental nepotism policies should aim to prevent favoritism or bias based on a personal relationship when recruiting, hiring or assigning employees. Departments have the discretion, based on organizational structure and size, to develop nepotism policies as they see fit (Human Resources Online Manual Section 1204). Departments should review their policies to determine if there is any need to update their statements or make them more specific to the needs of their organizations. A nepotism policy should be comprised of specific and sufficient components intended to prevent favoritism, or bias, based on a personal relationship from unduly influencing employment decisions as outlined in the Human Resources Online Manual Section 1204.

Severity: Very Serious. Departments must take proactive steps to ensure that the recruitment, hiring, and assigning of all employees is done on the basis of merit and fitness in accordance with civil service statutes. Maintaining a current written nepotism policy and disseminating it to all staff is the basis for achieving these ends.

Cause: The DOR states that the previous nepotism policy did not consider all guidance outlined in Human Resources Online Manual Section 1204.

Action: It is recommended that within 60 days of the SPB Executive Officer's approval of these findings and recommendations, the DOR submit to the CRU an updated nepotism policy, which conforms with Human Resources Online Manual Section 1204.

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. 21 – Injured Employee Did Not Receive Claim Forms Within One Working Day of Notice or Knowledge of Injury.

Summary: Of the five workers' compensation claim forms reviewed by the CRU, one of them was not provided to the employee within one working day of notice or knowledge of injury.

Criteria: Employers shall provide a claim form and notice of potential eligibility for workers' compensation benefits to their employee within one working day of notice or knowledge that the employee has suffered a work related injury or illness. (Labor Code, § 540.1.)

Severity: Very Serious. Injured employees were not provided the DWC 1 form within the 24-hour time period. Providing the DWC 1 form within 24-hours of injury prevents any delay in treatment the employee is entitled to. A work related injury can result in lost time beyond the employee's work shift at the time of injury and/or result in additional medical treatment beyond first aid. The importance of providing the DWC 1 form within 24 hours is to prevent any delay in treatment allowed to the employee.

Cause: The DOR states that the supervisor in charge was new and not aware of the requirement.

Action: It is recommended that within 60 days of the SPB Executive Officer’s approval of these findings and recommendations, the DOR submit to the CRU a written corrective action plan that the department will implement to ensure conformity with Labor Code Subsection 540.1. Copies of any relevant documentation should be included with the plan.

Performance Appraisals

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

The CRU selected 94 permanent DOR employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines. These are listed below:

Classification	Date Performance Appraisals Due
Account Clerk II	11/1/2018
Accounting Technician	1/12/2018
Accountant I (Specialist)	10/1/2018
Accounting Officer (Specialist)	5/30/2018
Accounting Officer (Specialist)	6/16/2018
Administrative Assistant II	10/4/2018
Associate Accounting Analyst	5/16/2013
Associate Accounting Analyst	11/1/2018
Associate Governmental Program Analyst	11/16/2018
Associate Governmental Program Analyst	1/8/2018
Associate Governmental Program Analyst	1/7/2018
Associate Governmental Program Analyst	7/4/2018
Associate Governmental Program Analyst	5/1/2018
Associate Governmental Program Analyst	5/1/2018
Associate Management Auditor	9/23/2018
Associate Management Auditor	11/18/2018
Associate Management Auditor	4/1/2018
Associate Personnel Analyst	3/15/2018
Associate Personnel Analyst	5/13/2018

Classification	Date Performance Appraisals Due
Associate Personnel Analyst	9/2/2018
Attorney	7/5/2018
Attorney III	1/14/2018
Business Service Officer (Specialist)	4/30/2018
Community Resources Development Specialist	7/20/2018
Community Resources Development Specialist	2/18/2018
Consulting Psychologist	3/18/2018
Consulting Psychologist	10/31/2018
Counselor, Orientation Center for the Blind	1/24/2018
Executive Assistant	1/9/2018
Executive Assistant	9/16/2018
Executive Officer	12/4/2018
Executive Secretary I	12/16/2018
Information Technology Specialist I	1/9/2018
Office Assistant (General)	9/1/2018
Office Assistant (General)	9/28/2018
Office Technician (Typing)	2/9/2018
Office Technician (Typing)	4/3/2018
Office Technician (General)	7/2/2018
Office Technician (General)	7/7/2018
Office Technician (General)	7/24/2018
Office Technician (General)	7/31/2018
Personnel Specialist	7/24/2018
Personnel Specialist	8/22/2018
Program Technician	11/22/2018
Program Technician	5/22/2018
Program Technician II	7/30/2018
Program Technician II	9/2/2018
Rehabilitation Administrator I (Specialist)	4/1/2018
Rehabilitation Administrator I (Specialist)	2/25/2018
Rehabilitation Specialist	10/1/2018
Rehabilitation Specialist	9/26/2018
Research Data Analyst II	3/2/2018
Research Data Analyst II	3/2/2018
Research Data Specialist I	2/16/2018
Research Data Specialist II	1/3/2019
Senior Account Clerk	5/1/2018
Senior Account Clerk	2/1/2018
Senior Architect	7/18/2018
Senior Accounting Officer (Specialist)	12/27/2018

Classification	Date Performance Appraisals Due
Senior Rehabilitation Engineering Consultant	12/1/2018
Senior Vocational Rehabilitation Counselor	9/14/2018
Senior Vocational Rehabilitation Counselor	5/28/2018
Senior Vocational Rehabilitation Counselor	7/1/2018
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	10/19/2018
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	10/23/2018
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	2/1/2019
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	11/2/2018
Senior Vocational Rehabilitation Counselor, Qualified Rehabilitation Professional	11/13/2018
Staff Services Management Auditor	2/25/2018
Staff Management Auditor	3/8/2018
Staff Services Analyst (General)	7/2/2018
Staff Services Analyst (General)	8/1/2018
Staff Services Analyst (General)	11/1/2018
Staff Services Analyst (General)	11/1/2018
Staff Services Analyst (General)	11/20/2018
Staff Services Manager I	4/2/2018
Staff Services Manager I	8/23/2018
Staff Services Manager I	3/1/2018
Staff Services Manager I	1/1/2018
Staff Services Manager II/Supervisory	2/16/2018
Staff Services Manager II/Supervisory	7/12/2018
Staff Services Manager II/Supervisory	6/12/2018
Staff Services Manager III	8/4/2018
Staff Services Manager III	6/1/2018
Stationary Engineer	12/23/2018
Supervising Program Technician I	5/1/2018
Supervising Program Technician II	4/1/2018
Supervising Program Technician II	4/2/2018
Supervising Cook I	7/6/2018
Supervising Management Auditor	10/16/2018
Teacher, Home Economics	8/1/2018
Teacher Orientation and Mobility for the Blind	1/9/2018
Vocational Instructor (Culinary Arts)	4/1/2018
Vocational Psychologist	5/17/2018

FINDING NO. 22 – Performance Appraisals Were Not Provided to All Employees

- Summary:** The DOR did not provide performance appraisals to 32 out of 94 employees reviewed at least once in each twelve calendar months after the completion of the employee’s probationary period.
- Criteria:** “Appointing powers shall prepare performance reports and keep them on file as prescribed by department rule.” (Gov. Code § 19992.2 subd. (a).) Each supervisor, as designated by the appointing power, shall make an appraisal in writing and shall discuss with the employee overall work performance at least once in each twelve calendar months following the end of the employee's probationary period. (Cal. Code Regs., tit.2, § 599.798.)
- Severity:** Serious. The department does not ensure that all of its employees are apprised of work performance issues and/or goals in a systematic manner.
- Cause:** The DOR states that not all employees were provided performance appraisals due to a lack of communication and training to the managers and supervisors.
- Action:** It is recommended that within 60 days of the SPB Executive Officer’s approval of these findings and recommendations, the DOR submit to the SPB a written corrective action plan that 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 any relevant documentation should be included with the plan.

DEPARTMENTAL RESPONSE

The DOR’s response is attached as Attachment 1.

SPB REPLY

Based upon the DOR's written response, the DOR will comply with the CRU's recommendations and findings.

It is further recommended that the DOR comply with the afore-stated recommendations within 60 days of the Executive Officer's approval and submit to the CRU a written report of compliance.



State of California
Health and Human Services Agency
Office of the Director
721 Capitol Mall
Sacramento, CA 95814

DOR DEPARTMENT of
REHABILITATION
Employment, Independence & Equality

October 23, 2019

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

Dear Ms. Ambrose:

The Department of Rehabilitation (DOR) would like to thank the State Personnel Board's Compliance Review Unit (CRU) for undertaking the 2019 DOR Compliance Review. DOR has reviewed the report and provides the following response to the findings.

Specific findings with causes and responses:

FINDING No. 2 – Probationary evaluations were not provided for all appointments reviewed and were not timely

Cause: DOR does not have a central tracking system to monitor the completion of probationary reports.

Response: DOR acknowledges some probationary reports were not completed or were submitted untimely. Additionally, DOR recognizes managers and supervisors are responsible for providing evaluations for all staff required to complete a probationary period. The Department is currently reviewing options that will allow us to track the timely completion of all probation reports.

FINDING No. 3 – Equal Employment Opportunity Officer does not report directly to the Head of the Agency

Cause: Currently, the EEO Officer reports to the DOR Chief Deputy Director for the day to day operation and function of the Department.

Response: DOR acknowledges the EEO Officer must report to the Director and will make the necessary changes to the reporting structure.

FINDING No. 4 – Equal Employment Opportunity Officer did not monitor the composition of oral panels in Departmental Exams

Cause: DOR did not have a process in place for informing the EEO Officer of oral panels for Departmental Exams.

Response: DOR acknowledges the importance of the involvement of the EEO Officer and is working on implementing a policy to alert the EEO officer when an oral panel has been selected for Departmental Exams.

FINDING No. 5 – Unions were not notified of Personal Services Contracts

Cause: DOR submits all STD215s to the Union through the website provided by the California Department of Technology and we understand this method may not provide accuracy in notifying the Unions.

Response: When DOR uploads the document through the DOT's website, there is no confirmation provided to print for the file. The analyst uploading the document dates and initials the Contract Checklist to provide confirmation that the unsigned contract and STD 215 was uploaded. When DOR was audited by DGS, they confirmed this process was acceptable, however, if not acceptable, DOR will make efforts to develop a process to notify the Unions.

FINDING No. 6 – Ethics Training was not provided for all filers

Cause: DOR sent emails and reminders directly to the employees and their supervisors to take the mandated Ethics Training, however, not all filers were successful in completing it timely.

Response: Since January 2019, DOR has taken appropriate steps to ensure Ethics Training will be completed within six months of being hired and thereafter every two years. DOR created a procedure for the Ethics Training and has a tracking system in place to accurately remind and monitor the completion of the training.

FINDING No. 7 – Supervisory Training was not provided for all supervisors

Cause: DOR acknowledges untimely completion of supervisor training for two employees who have since completed the training.

Response: DOR procured a training tracking system and is in the process of implementing that system that will send newly hired managers information about leadership training requirements as well as periodic reminders for completion. This will ensure DOR's ability to successfully fulfill compliance of leadership and all other mandatory employee trainings.

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

Cause: Although reminders were sent out, the prior Sexual Harassment Prevention Training (SHPT) was a manual collection process of certificates which led to human error.

Response: Now, DOR has procured a learning system to not only track but also to send out reminders to staff to complete the mandated SHPT training.

FINDING No. 12 – Incorrect Authorization of Bilingual Pay

Cause: DOR acknowledges these findings were caused by human error and lack of training.

Response: In 2018, DOR made a proactive effort to conduct an internal audit which resulted in developing new procedures by the Office of Civil Rights to improve the bilingual process. Improved tracking processes will also be implemented.

FINDING No. 14 – Positive Paid Employee exceeded the nine months in a twelve consecutive month period

Cause: DOR is aware there was no consistency with monitoring the actual number of days/hours worked to ensure employees did not go over the 1500-hour requirement.

Response: As a result, DOR has updated payroll transactions desk procedures to prevent this from occurring in the future. DOR will notify both the employee and supervisor each month to advise them on total hours worked.

FINDING No. 16 – Leave Activity and Correction Certification Forms were not completed for all Leave Records Reviewed

Cause: DOR identified that timesheets were submitted late due to human error and lack of training.

Response: DOR will update the timesheet audit procedures to ensure timely processing of leave errors and correction forms.

FINDING No. 17 – Incorrectly Posted Leave Usage and/or Leave Credit

Cause: Discrepancies between leave balance records and timekeeping records were overlooked due to human error.

Response: DOR updated the current timekeeping audit procedures by adding an additional review by the Personnel Supervisor I at each step of the process to ensure no errors are missed.

FINDING No. 18 – Leave Reduction Plans were not provided to employees whose leave balances exceeded established limits

Cause: DOR did not have an internal policy in place to send to employees informing them their balances exceeded the established limits.

Response: DOR will establish a plan for staff to reduce leave balances that are over the 640-hour limit. Ongoing reminders will be sent out to all staff on an ongoing basis.

FINDING No. 19 – Incorrect Application of State Service and Leave Transaction

Cause: DOR acknowledges the accuracy in reporting timely attendance and did not catch the mistake prior to keying the time and leave into the system.

Response: DOR Personnel Supervisors will be reviewing all transactions for new Personnel Specialists and continue to monitor the processing on a flow basis to ensure accuracy and consistency.

FINDING No. 20 – Nepotism Policy needs to be updated to comply with statewide policy

Cause: DOR acknowledges the previous nepotism policy did not consider all the guidance outlined in Cal HR Manual section 1204.

Response: DOR will revise the nepotism policy with the guidance from the HR Manual. (refer to memo sent)

FINDING No. 21 – Injured Employee did not receive claim forms within one working day of notice or knowledge of injury

Cause: DOR acknowledges these findings caused by human error that led to the employee not being properly notified within 24 hours of the injury.

Response: The supervisor was not aware of the policy to provide the Workers Comp documents within 24 hours' notice of injury and has since taken the Leadership Training provided by CalHR. New supervisors will be required to complete the Leadership Academy and become familiar with the workers compensation forms moving forward.

FINDING No. 22 – Performance Appraisals were not provided to all employees

Cause: DOR acknowledges not all employees were provided with a Performance Appraisal due to the lack of communication and training to the managers and supervisors.

Response: DOR will develop a process to alert and educate all managers and supervisors the importance of the appraisal to ensure compliance.

Thank you for the opportunity to respond to SPB's findings. Should you have any questions, please contact me at (916) 558-5551 or at michelle.davis@dor.ca.gov

Respectfully,



Michelle Davis
Chief, Human Resources Branch