

COMPLIANCE REVIEW REPORT

CALIFORNIA NATURAL RESOURCES

AGENCY

Compliance Review Division
State Personnel Board
July 13, 2026

TABLE OF CONTENTS

INTRODUCTION	1
EXECUTIVE SUMMARY	2
BACKGROUND	3
SCOPE AND METHODOLOGY	3
FINDINGS AND RECOMMENDATIONS	5
EXAMINATIONS.....	5
APPOINTMENTS.....	6
EQUAL EMPLOYMENT OPPORTUNITY	8
PERSONAL SERVICES CONTRACTS	8
MANDATED TRAINING	10
COMPENSATION AND PAY	12
LEAVE.....	16
POLICY AND PROCESSES.....	18
DEPARTMENTAL RESPONSE.....	20
CORRECTIVE ACTIONS	20

INTRODUCTION

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

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

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

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

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

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

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

EXECUTIVE SUMMARY

The CRD conducted a routine compliance review of the California Natural Resources Agency (CNRA) personnel practices in the areas of examinations, appointments, EEO, PSC's, mandated training, compensation and pay, leave, and policy and processes. The following table summarizes the compliance review findings.

Area	Compliance	Finding
Examinations	In Compliance	Examinations Complied with Civil Service Laws and Board Rules
Appointments	In Compliance	Appointments Complied with Civil Service Laws and Board Rules
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules
Personal Services Contracts	Out of Compliance	Unions Were Not Notified of Personal Services Contract
Mandated Training	Out of Compliance	Ethics Training Was Not Provided for All Filers
Mandated Training	Out of Compliance	Sexual Harassment Prevention Training Was Not Provided for All Employees
Mandated Training	Out of Compliance	Tribal Consultations Training Was Not Provided for All Officials
Compensation and Pay	In Compliance	Salary Determinations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Alternate Range Movements Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Bilingual Pay Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	Out of Compliance	Incorrect Authorization of Pay Differentials
Leave	In Compliance	Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

Area	Compliance	Finding
Leave	In Compliance	Leave Auditing and Timekeeping Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	In Compliance	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	In Compliance	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Out of Compliance	Performance Appraisals Were Not Provided to All Employees

BACKGROUND

The CNRA is a state cabinet-level agency in the government of California. The Secretary for the CNRA serves as a member of the Governor's cabinet. Through its 43 departments, conservancies, boards, commissions, councils, and museums, the CNRA is responsible for protecting historical, natural, and cultural sites, monitoring and controlling state lands and waterways, and regulating fish and game use. Over 25,000 Californians work within the CNRA all across the state to achieve their mission to protect, manage, and restore the state's environment and its vast natural, cultural, and historical resources.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the CNRA's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes¹. The primary objective of the review was to determine if the CNRA's personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective actions where deficiencies were identified.

A cross-section of the CNRA's examinations was selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRD examined the documentation that the CNRA provided, which included examination

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

plans, examination bulletins, job analyses, and scoring results. The CNRA did not conduct any permanent withhold actions during the compliance review period.

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

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

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

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

The CNRA's mandated training program was reviewed to ensure all employees required to file statements of economic interest were provided ethics training, that all supervisors, managers, and those serving in Career Executive Assignments (CEA) were provided leadership and development training, that all employees were provided sexual

²If 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.

harassment prevention training, and that all officials with authority to represent the state in a tribal government-to-government consultation were provided tribal consultations training within statutory timelines.

The CRD reviewed the CNRA's monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely and ensure the department certified that all leave records have been reviewed and corrected if necessary. The CRD selected a small cross-section of the CNRA's units in order to ensure they maintained accurate and timely leave accounting records. Additionally, the CRD reviewed a selection of the CNRA employees who used Administrative Time Off (ATO) in order to ensure that ATO was appropriately administered. During the compliance review period, the CNRA did not have any employees with non-qualifying pay period transactions. The CNRA also did not track any temporary intermittent employees by actual time worked during the compliance review period.

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

The CRD received and carefully reviewed the CNRA's written response on June 29, 2026, which is attached to this final compliance review report.

FINDINGS AND RECOMMENDATIONS

Examinations

Examinations to establish an eligible list must be competitive and of such character as fairly to test and determine the qualifications, fitness, and ability of competitors to perform the duties of the class of position for which he or she seeks appointment. (Gov. Code, § 18930.) Examinations may be assembled or unassembled, written or oral, or in the form of a demonstration of skills, or any combination of those tests. (*Ibid.*) The Board establishes minimum qualifications for determining the fitness and qualifications of employees for each class of position and for applicants for examinations. (Gov. Code, § 18931, subd. (a).) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) The advertisement shall contain such information as the date and place of the examination and the nature of the minimum qualifications. (*Ibid.*) Every applicant for examination shall file an application with the department or a designated appointing power as directed by

the examination announcement. (Gov. Code, § 18934, subd. (a)(1).) The final earned rating of each person competing in any examination is to be determined by the weighted average of the earned ratings on all phases of the examination. (Gov. Code, § 18936.) Each competitor shall be notified in writing of the results of the examination when the employment list resulting from the examination is established. (Gov. Code, § 18938.5.)

During the period under review, July 1, 2025, through March 31, 2026, the CNRA conducted one examination. The CRD reviewed the examination, which is listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
CEA B, Deputy Assistant Secretary for Administration and Finance	Open	Statement of Qualifications ³	12/5/25	22

FINDING NO. 1	EXAMINATIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CRD reviewed one CEA examination which the CNRA administered in order to create an eligible list from which to make an appointment. The CNRA published and distributed the examination bulletin containing the required information for the examination. Applications received by the CNRA 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 CRD found no deficiencies in the examination that the CNRA 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

³ In a Statement of Qualifications examination, applicants submit a written summary of their qualifications and experience related to a published list of desired qualifications. Raters, typically subject matter experts, evaluate the responses according to a predetermined rating scale designed to assess their ability to perform in a job classification, assign scores and rank the competitors in a list.

for job interviews shall be competitive and be designed and administered to hire candidates who will be successful. (Cal. Code Regs., tit. 2, § 250, subd. (b).) Interviews shall be conducted using job-related criteria. (*Ibid.*) Persons selected for appointment shall satisfy the minimum qualifications of the classification to which he or she is appointed or have previously passed probation and achieved permanent status in that same classification. (Cal. Code Regs., tit. 2, § 250, subd. (d).) While persons selected for appointment may meet some or most of the preferred or desirable qualifications, they are not required to meet all the preferred or desirable qualifications. (*Ibid.*) This section does not apply to intra-agency job reassignments. (Cal. Code Regs., tit. 2, § 250, subd. (e).)

During the period under review, March 1, 2025, through November 30, 2025, the CNRA made 16 appointments. The CRD reviewed six of these appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Administrative Assistant II	Certification List	Permanent	Full Time	1
Associate Park And Recreation Specialist	Certification List	Permanent	Full Time	1
Environmental Program Manager I (Supervisory)	Certification List	Permanent	Full Time	1
Information Officer II	Certification List	Limited Term	Full Time	1
Information Technology Specialist I	Certification List	Permanent	Full Time	1
Research Data Specialist II	Certification List	Permanent	Full Time	1

FINDING NO. 2	APPOINTMENTS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CNRA measured each applicant's ability to perform the duties of the job by conducting hiring interviews and selecting the best-suited candidates. For each of the six list appointments reviewed, the CNRA ordered a certification list of candidates ranked competitively. After properly clearing the certification lists including SROA, the selected candidates were appointed based on eligibility attained by being reachable within the first three ranks of the certification lists.

The CRD found no deficiencies in the appointments that the CNRA initiated during the compliance review period. Accordingly, the CRD found that the CNRA's appointments processes and procedures utilized during the compliance review period satisfied civil service laws and Board rules.

Equal Employment Opportunity

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

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

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

FINDING NO. 3	EQUAL EMPLOYMENT OPPORTUNITY PROGRAM COMPLIED WITH ALL CIVIL SERVICE LAWS AND BOARD RULES
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After reviewing the policies, procedures, and programs necessary for compliance with the EEO program's role and responsibilities according to statutory and regulatory guidelines, the CRD determined that the CNRA's EEO program provided employees with information and guidance on the EEO process including instructions on how to file discrimination claims. Furthermore, the EEO program outlines the roles and responsibilities of the EEO Officer, as well as supervisors and managers. The EEO Officer, who is at a managerial level, reports directly to the Executive Director of the CNRA. The CNRA also provided evidence of its efforts to promote EEO in its hiring and employment practices and to increase its hiring of persons with a disability.

Personal Services Contracts

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

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

During the period under review, July 1, 2025, through March 31, 2026, the CNRA had one PSC that was in effect. The CRD reviewed the PSC, which is listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
UC Berkeley, Center for Law, Energy & Environment	Climate NBS Report	\$250,000	Yes	No

FINDING NO. 4	UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACT⁴
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Summary: The CNRA did not notify unions prior to entering into the one PSC reviewed.

Criteria: Before a state agency executes a contract or amendment to a contract for personal services conditions specified within Government Code section 19130, subdivision (b), the agency shall

⁴ Repeat finding; see reports dated March 4, 2024, and March 29, 2021.

notify all organizations that represent state employees who perform or could perform the type of work that is called for within the contract, unless exempted under Government Code section 19132, subdivision (b)(1). (Cal. Code Regs., tit. 2, § 547.60.2.)

Mandated Training

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

Upon the initial appointment of any employee designated in a supervisory position, the employee shall be provided a minimum of 80 hours of training, as prescribed by the CalHR. (Gov. Code, § 19995.4, subd. (b).) The training addresses such topics as the role of the supervisor, techniques of supervision, performance standards, and sexual harassment and abusive conduct prevention. (Gov. Code, §§ 12950.1, subds. (a) and (b), & 19995.4, subd. (b).) Additionally, the training must be successfully completed within the term of the employee’s probationary period or within six months of the initial appointment, unless it is demonstrated that to do so creates additional costs or that the training cannot be completed during this time period due to limited availability of supervisory training courses. (Gov. Code, § 19995.4, subd. (c).)

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

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

The Legislature encourages the state and its agencies to consult on a government-to-government basis with federally recognized tribes and with nonfederally recognized tribes and tribal organizations in order to allow tribal officials the opportunity to provide meaningful and timely input in the development of policies, programs, and projects that have tribal implications. (Gov. Code, § 11019.81, sub. (c).) Each official specified in Government Code section 11019.81 subdivision (f)⁵ shall complete tribal consultations training by January 1, 2025, or, for officials appointed after that date, within six months of their appointment or confirmation of appointment, whichever is later. (Gov. Code, § 11019.81, sub. (h).) Each official shall retake the training annually. (*Ibid.*)

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

The CRD reviewed the CNRA's mandated training program that was in effect during the compliance review period, April 1, 2024, through March 31, 2026. The CNRA's supervisory training was found to be in compliance, while the CNRA's ethics training, sexual harassment prevention training, and tribal consultations training were found to be out of compliance.

FINDING NO. 5	ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS⁶
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Summary: The CNRA did not provide ethics training to 2 of 37 existing filers. In addition, the CNRA did not provide ethics training to two of seven 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

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

⁶ Repeat finding; see reports dated March 4, 2024, and March 29, 2021.

consecutive period of two calendar years commencing on the first odd-numbered year thereafter. (Gov. Code, § 11146.3, subd. (b).)

FINDING NO. 6	SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES⁷
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Summary: The CNRA did not provide sexual harassment prevention training to one of six new supervisors within six months of their appointment. In addition, the CNRA did not provide sexual harassment prevention training to 1 of 17 existing supervisors every 2 years.

The CNRA did not provide sexual harassment prevention training to 3 of 56 existing non-supervisors every 2 years.

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

FINDING NO. 7	TRIBAL CONSULTATIONS TRAINING WAS NOT PROVIDED FOR ALL OFFICIALS
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Summary: The CNRA did not provide tribal consultations training to one of two new officials within six months of their appointment. In addition, the CNRA did not provide tribal consultations training to 3 of 13 existing officials annually.

Criteria: Each department must provide annual tribal consultations training to its officials with authority to represent the state in a tribal government-to-government consultation. New officials must be provided tribal consultations training within six months of their appointment or confirmation, whichever is later. (Gov. Code, § 11019.81, sub. (h).)

Compensation and Pay

⁷ Repeat finding; see reports dated March 4, 2024, and March 29, 2021.

Salary Determination

The pay plan for state civil service consists of salary ranges and steps established by CalHR. (Cal. Code Regs., tit. 2, § 599.666.) Several salary rules dictate how departments calculate and determine an employee's salary rate⁸ upon appointment depending on the appointment type, the employee's state employment and pay history, and tenure.

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

During the period under review, March 1, 2025, through November 30, 2025, the CNRA made 16 appointments. The CRD reviewed three of these appointments to determine if the CNRA applied salary regulations accurately and correctly processed employees' compensation.

FINDING NO. 8	SALARY DETERMINATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the salary determinations that were reviewed. The CNRA 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.

⁸ "Rate" is any one of the salary rates in the resolution by CalHR which establishes the salary ranges and steps of the Pay Plan (Cal. Code Regs., tit. 2, section 599.666).

During the period under review, March 1, 2025, through November 30, 2025, the CNRA employees made two alternate range movements within a classification. The CRD reviewed the two alternate range movements to determine if the CNRA applied salary regulations accurately and correctly processed each employee's compensation, which are listed below:

Classification	Prior Range	Current Range	Salary (Monthly Rate)
Information Technology Associate	B	C	\$5,805
Personnel Specialist	B	C	\$6,008

FINDING NO. 9	ALTERNATE RANGE MOVEMENTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD determined that the alternate range movements the CNRA 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 10 percent or more of the total time worked. According to the Pay Differential 14, the 10 percent time standard is calculated based on the time spent conversing, interpreting, or transcribing in a second language and time spent on closely related activities performed directly in conjunction with the specific bilingual transactions.

Typically, the department must review the position duty statement to confirm the percentage of time performing bilingual skills and verify the monthly pay differential is granted to a certified bilingual employee in a designated bilingual position. The position, not the employee, receives the bilingual designation and the department must verify that the incumbent successfully participated in an Oral Fluency Examination prior to issuing the additional pay.

During the period under review, March 1, 2025, through November 30, 2025, the CNRA issued bilingual pay to two employees. The CRD reviewed the two bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines, which are listed below:

Classification	No. of Appts.
Environmental Scientist	1
Supervisor I	1

FINDING NO. 10	BILINGUAL PAY AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD found that the bilingual pay authorized to employees during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

Pay Differentials

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

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

During the period under review, March 1, 2025, through November 30, 2025, the CNRA authorized three pay differentials⁹. The CRD reviewed the three pay differentials to ensure compliance with applicable CalHR policies and guidelines, which are listed below:

⁹ For the purposes of CRD's review, only monthly pay differentials were selected for review at this time.

Classification	Pay Differential	Monthly Amount
Environmental Program Manager II	499	2%
Senior Environmental Scientist (Specialist)	499	2%
Senior Environmental Scientist (Supervisory)	499	4%

FINDING NO. 11	INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS
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Summary: The CRD found two errors in the three pay differentials reviewed:

Classification	Description of Finding(s)	Criteria
Environmental Program Manager II	Employee received incorrect pay differential rate based on years of service, resulting in the employee being undercompensated.	Pay Differential 499
Senior Environmental Scientist (Specialist)	Employee received incorrect pay differential rate based on years of service, resulting in the employee being undercompensated.	Pay Differential 499

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

Leave

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, January 1, 2025, through December 31, 2025, the CNRA authorized one ATO transaction. The CRD reviewed the ATO transaction to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines.

FINDING NO. 12	ADMINISTRATIVE TIME OFF AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the ATO transactions reviewed during the compliance review period. The CNRA provided the proper documentation justifying the use of ATO and adhered to applicable laws, regulations and CalHR policy and guidelines.

Leave Accounting

Departments are directed to create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. (Human Resources Manual Section 2101.) Departments shall create an audit process to review and correct leave input errors on a monthly basis. The review of leave accounting records shall be completed by the pay period following the pay period in which the leave was keyed into the leave accounting system. (*Ibid.*) If an employee's attendance record is determined to have errors or it is determined that the employee has insufficient balances for a leave type used, the attendance record must be amended. (*Ibid.*) Attendance records shall be corrected by the pay period following the pay period in which the error occurred. (*Ibid.*) Accurate and timely attendance reporting is required of all departments and is subject to audit. (*Ibid.*)

During the period under review, October 1, 2025, through December 31, 2025, the CNRA reported three units. The CRD reviewed the three units within three pay periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

FINDING NO. 13	LEAVE ACCOUNTING COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD reviewed leave records from three different leave periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines. Based on our review,

the CRD found no deficiencies. The CNRA utilized a monthly internal audit process to verify all leave input into any leave accounting system was keyed accurately and timely.

Policy and Processes

Nepotism

It is the policy of the State of California to hire, transfer, and promote all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. Nepotism is expressly prohibited in the state workplace because it is antithetical to California's merit based civil service. (Cal. Code Regs., tit. 2, § 87.) (*Ibid.*) All appointing powers shall adopt an anti-nepotism policy that includes the following components: (1) a statement that the appointing power is committed to merit-based hiring and that nepotism is antithetical to a merit-based civil service system; (2) a definition of "nepotism" as an employee's use of influence or power to hire, transfer, or promote an applicant or employee because of a personal relationship; (3) a definition of "personal relationship" as persons related by blood, adoption, current or former marriage, domestic partnership or cohabitation; (4) a statement that prohibits participation in the selection of an applicant for employment by anyone who has a personal relationship with the applicant, as defined in section 83.6; (5) a statement that prohibits the direct or first-line supervision of an employee with whom the supervisor has a personal relationship, as defined in section 83.6; (6) a process for addressing issues of direct supervision when personal relationships between employees exist. (*Ibid.*)

FINDING NO. 14	NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD verified that the policy was disseminated to all staff and emphasized the CNRA's commitment to the state policy of hiring, transferring, and promoting employees on the basis of merit. Additionally, the CNRA's nepotism policy was comprised of specific and sufficient components intended to prevent favoritism, or bias, based on a personal relationship from unduly influencing employment decisions.

Workers' Compensation

Employers shall provide to every new employee, either at the time of hire or by the end of the first pay period, written notice concerning the rights, benefits, and obligations under workers' compensation law. (Cal. Code Regs., tit. 8, § 9880, subd. (a).) This notice shall include the right to predesignate their personal physician or medical group; a form that

the employee may use as an optional method for notifying the employer of the name of employee's "personal physician," as defined by Labor Code section 4600. (Cal. Code Regs., tit. 8, § 9880, subd. (c)(7) & (8).) Additionally, within one working day of receiving notice or knowledge that the employee has suffered a work-related injury or illness, employers shall provide a claim form and notice of potential eligibility for benefits to the injured employee. (Labor Code, § 5401, subd. (a).)

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

FINDING NO. 15	WORKERS' COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD verified that the CNRA provides notice to their employees to inform them of their rights and responsibilities under California's Workers' Compensation Law. Furthermore, the CRD verified that when the CNRA received workers' compensation claims, they properly provided claim forms within one working day of notice or knowledge of injury.

Performance Appraisals

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

The CRD selected 21 permanent CNRA employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

FINDING NO. 16	PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES¹⁰
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Summary: The CNRA did not provide annual performance appraisals to 10 of 21 employees reviewed after the completion of the employee's probationary period.

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

DEPARTMENTAL RESPONSE

The CNRA's response is attached as Attachment 1.

CORRECTIVE ACTIONS

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

¹⁰ Repeat finding; see report dated March 4, 2024.

June 29, 2026

Compliance Review Division
801 Capitol Mall
Sacramento, CA 95814

Subject: Response to the State Personnel Board Draft Report "COMPLIANCE REVIEW REPORT"

This letter is in response to the draft State Personnel Board (SPB) Compliance Review Unit's Compliance Review Report issued to the California Natural Resources Agency (CNRA) regarding its personnel practices in the areas of examinations, appointments, equal employment opportunity, personnel services contracts, and mandated training.

CNRA is grateful for the efforts and insight that came from the SPB compliance review report. CNRA continues to be committed to regularly evaluating and updating all practices and procedures to ensure compliance with all applicable laws, rules, and regulations. CNRA continues to contract with the California Department of Forestry and Fire Protection (CAL FIRE) for human resources (HR) related to accounting, examinations and equal employment opportunity responsibilities. This will be referenced in the responses, as applicable.

CNRA has reviewed the draft compliance review report provided by SPB on June 15, 2026, and provides the following response for the findings as follows:

Finding No. 4 – Unions Were Not Notified of Personal Services Contract

Cause/Response: Contract staff believed the contract was exempt due to the dollar amount of the contract in 2023. It is acknowledged that this is a repeat finding and that guidance and direction regarding notifying the union of any personal services contract is still not clear to staff. The procurement checklist has been revised to state this requirement more clearly. In addition, going forward, any personal services contract entered in the Financial Information System for California (FI\$Cal) is not to be approved without proof of union

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notification. Additional direction has been provided to staff, as well as an expanded description in the Policy and Procedure Manual (PPM) revision that was approved by DGS in 2026.

Finding No. 5 – Ethics Training Was Not Provided for All Filers

Cause/Response: CNRA had two out of 37 existing filers employees who could not complete their training within six months of their appointments due to unforeseen onboarding issues. These issues have been resolved in automated electronic communication to ensure all CNRA Form 700 filers are entered into the filing system that tracks ethics training. These new procedures ensure compliance of ethics training within six months of employment, as well as ongoing every two years, and Form 700 filing within 30 days of employment, utilizing chain of command reminders to enforce compliance when ethics training is not completed timely.

Finding No. 6 – Sexual Harassment Prevention Training Was Not Provided for All Employees

Most or all the missing certificates were training provided through CA DOJ. CNRA was not diligent in saving the certificates of completion and were not available to reference in a database.

As of 2025, Sexual Harassment Prevention Training is now deployed and tracked in CalLearns, which allows HR staff to review and retrieve missing completion certificates. CNRA HR will continue to follow training procedures and work with employees and supervisors to complete all required trainings, as well as track and ensure certificates are retrievable.

Finding No. 7 – TRIBAL CONSULTATIONS TRAINING WAS NOT PROVIDED FOR ALL OFFICIALS

HR provided adequate information and time to employees and/or supervisors to complete Tribal Training, as well as reminders, although we did not successfully coerce the employees listed in SPB findings to finish by the respective deadlines. We will enlist assistance from the Deputy Secretary for Tribal Affairs and improve our tracking and enforcement of these requirements in 2026.

Finding No. 11 – INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS

There was not a system in place to track pay differentials. A tracking system is being developed to ensure pay differentials are monitored. It will capture qualifying pay criteria including professional or educational certification,

performance-based pay; incentive based pay; or recruitment and retention. The tracking will include the effective date of the pay differential, the collective bargaining unit identifier, classification, and any relevant documentation to verify the employee meets the criteria.

Finding No. 16 – Performance Appraisals Were Not Provided to All Employees

HR provided adequate information and time to supervisors to complete appraisals, as well as multiple reminders, and effective tracking.

We will attempt to provide further reminders this year and work with executives to increase urgency to meet requirements.

CNRA would like to express gratitude and appreciation once again for the opportunity to review and respond to the findings of SPB's compliance review report. CNRA has gained invaluable insight and guidance to help CNRA continue to be committed to consistently complying with the State's laws, rules, and regulation regarding personnel practices.

Sincerely,

Marty Olivas

Marty Olivas
Personnel Officer