



COMPLIANCE REVIEW REPORT

CALIFORNIA DEPARTMENT OF TECHNOLOGY

Compliance Review Unit
State Personnel Board
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INTRODUCTION

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

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

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

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

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

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

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

EXECUTIVE SUMMARY

The CRD conducted a routine compliance review of the California Department of Technology (CDT) 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	Severity	Finding
Examinations	In Compliance	Examinations Complied with Civil Service Laws and Board Rules
Examinations	In Compliance	Permanent Withhold Actions Complied with Civil Service Laws and Board Rules
Appointments	Serious	Probationary Evaluations Were Not Provided for All Appointments Reviewed ¹
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules
Personal Services Contracts	In Compliance	Personal Services Contracts Complied with Procedural Requirements
Mandated Training	Very Serious	Ethics Training Was Not Provided for All Filers ²
Mandated Training	Very Serious	Supervisory Training Was Not Provided for All Supervisors, Managers, and CEAs
Mandated Training	Very Serious	Sexual Harassment Prevention Training Was Not Provided for All Employees ³
Compensation and Pay	Very Serious	Incorrect Application of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Appointment

¹ Repeat Finding. The CDT’s June 10, 2021, compliance review report identified 18 probationary evaluations were not provided for 11 of the 32 appointments reviewed. The CDT’s December 23, 2015, compliance review report identified 8 probationary evaluations were not provided for 15 of the 32 appointment files reviewed.

² Repeat Finding. The CDT’s June 10, 2021, compliance review report identified that ethics training was not provided to any of its 81 new filers within 6 months of appointment.

³ Repeat Finding. The CDT’s June 10, 2021, compliance review report identified that sexual harassment prevention training was not provided to any of its 21 new supervisors within 6 months of their appointment. Additionally, the CDT did not provide sexual harassment prevention training to 3 of 46 existing supervisors every 2 years.

Area	Severity	Finding
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	Pay Differential Authorizations Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines
Leave	In Compliance	Positive Paid Employees' Tracked Hours Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	In Compliance	Administrative Time Off Authorizations Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	Serious	Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input is Keyed Accurately and Timely ⁴
Leave	Very Serious	Incorrect Application of State Service and Leave Transactions
Policy	Very Serious	Department's Nepotism Policy Does Not Contain All Required Components
Policy	In Compliance	Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Policy	Serious	Performance Appraisals Were Not Provided to All Employees ⁵

BACKGROUND

The CDT partners with state, local government, and educational entities to advance California's technology and ensure secure, equitable, and reliable solutions through effective policy and oversight, statewide strategies, and innovative services.

The CDT serves as the custodian of public data, an innovator in Information Technology (IT) services and solutions, overseeing policy development, facilitating collaboration

⁴ Repeat Finding. The CDT's June 10, 2021, compliance review report identified that the CDT did not certify or provide an internal audit process for six of the units reviewed.

⁵ Repeat Finding. The CDT's June 10, 2021, compliance review report identified that nine employees reviewed were not provided annual performance appraisals after the completion of the employee's probationary period.

across agencies, ensuring effective IT project management, safeguarding information integrity, delivering technological services, and championing advocacy efforts.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the CDT's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes⁶. The primary objective of the review was to determine if the CDT's personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

The CRD examined the documentation that the CDT provided, which included examination plans, examination bulletins, job analyses, and scoring results. The CRD also reviewed the CDT's permanent withhold actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and withhold letters.

A cross-section of the CDT'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 CDT provided, which included Notice of Personnel Action forms, Request for Personnel Actions, vacancy postings, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports.

The CDT did not conduct any unlawful appointment investigations during the compliance review period.

The CDT's appointments were also selected for review to ensure the CDT applied salary regulations accurately and correctly processed employees' compensation and pay. The CRD examined the documentation that the CDT 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: monthly pay differentials and alternate range movements. During the compliance review

⁶ Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

period, the CDT did not issue or authorize red circle rate requests, arduous pay, bilingual pay, or out-of-class assignments.

The review of the CDT'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 CDT's PSC's were also reviewed.⁷ It was beyond the scope of the compliance review to make conclusions as to whether the CDT's justifications for the contracts were legally sufficient. The review was limited to whether the CDT's practices, policies, and procedures relative to PSC's complied with procedural requirements.

The CDT'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 were provided leadership and development training, and that all employees were provided sexual harassment prevention training within statutory timelines.

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

⁷If 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.

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

The CRD received and carefully reviewed the CDT's written response on January 27, 2025, which is attached to this final compliance review report.

FINDINGS AND RECOMMENDATIONS

Examinations

Examinations to establish an eligible list must be competitive and of such character as fairly to test and determine the qualifications, fitness, and ability of competitors to perform the duties of the class of position for which he or she seeks appointment. (Gov. Code, § 18930.) Examinations may be assembled or unassembled, written or oral, or in the form of a demonstration of skills, or any combination of those tests. (*Ibid.*) The Board establishes minimum qualifications for determining the fitness and qualifications of employees for each class of position and for applicants for examinations. (Gov. Code, § 18931, subd. (a).) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) The advertisement shall contain such information as the date and place of the examination and the nature of the minimum qualifications. (*Ibid.*) Every applicant for examination shall file an application with the department or a designated appointing power as directed by the examination announcement. (Gov. Code, § 18934, subd. (a)(1).) The final earned rating of each person competing in any examination is to be determined by the weighted average of the earned ratings on all phases of the examination. (Gov. Code, § 18936.) Each competitor shall be notified in writing of the results of the examination when the employment list resulting from the examination is established. (Gov. Code, § 18938.5.)

During the period under review, December 1, 2023, through August 30, 2024, the CDT conducted two examinations. The CRD reviewed the two examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
CEA A, Chief Digital Strategy Officer	CEA	Statement of Qualifications (SOQ) ⁸	3/25/24	28
CEA C, Deputy State Chief Technology Officer	CEA	SOQ	4/2/24	11

IN COMPLIANCE	FINDING No. 1 EXAMINATIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CRD reviewed two open examinations which the CDT administered in order to create eligible lists from which to make appointments. The CDT published and distributed examination bulletins containing the required information for all examinations. Applications received by the CDT 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 examinations that the CDT conducted during the compliance review period.

Permanent Withhold Actions

Departments are granted statutory authority to permit withhold of eligibles from lists based on specified criteria. (Gov. Code, § 18935.) Permanent appointments and promotions within the state civil service system shall be merit-based, ascertained by a competitive examination process. (Cal. Const., art. VII, § 1, subd. (b).) If a candidate for appointment is found not to satisfy the minimum qualifications, the appointing power shall provide written notice to the candidate, specifying which qualification(s) are not satisfied and the reason(s) why. The candidate shall have an opportunity to establish that s/he meets the qualifications. (Cal. Code Regs., tit. 2, § 249.4, subd. (b).) If the candidate fails to respond or fails to establish that s/he meets the minimum qualification(s), the candidate's name shall be removed from the eligibility list. (Cal. Code Regs., tit. 2, § 249.4, subd. (b)(1), (2)), (HR Manual, section 1105.) The appointing authority shall promptly notify the candidate in writing and shall notify the candidate of his or her appeal rights. (*Ibid.*) A

⁸ 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.

permanent withhold does not necessarily permanently restrict a candidate from retaking the examination for the same classification in the future; however, the appointing authority may place a withhold on the candidate’s subsequent eligibility record if the candidate still does not meet the minimum qualifications or continues to be unsuitable. (HR Manual, Section 1105). State agency human resources offices are required to maintain specific withhold documentation for a period of five years. (*ibid.*)

During the period under review, December 1, 2023, through August 30, 2024, the CDT conducted 14 permanent withhold actions. The CRD reviewed 10 of these permanent withhold actions, which are listed below:

Exam Title	Exam ID	Date List Eligibility Began	Date List Eligibility Ended	Reason Candidate Placed on Withhold
Associate Governmental Program Analyst	714	12/27/23	12/27/24	Failed to Meet Minimum Qualifications
Associate Governmental Program Analyst	714	5/7/24	5/7/25	Failed to Meet Minimum Qualifications
Associate Governmental Program Analyst	714	7/20/24	7/20/25	Failed to Meet Minimum Qualifications
Information Officer I	19509	1/16/24	1/16/25	Failed to Meet Minimum Qualifications
Information Technology Associate	18678	2/16/24	2/16/25	Failed to Meet Minimum Qualifications
Information Technology Associate	18678	5/20/24	5/20/25	Failed to Meet Minimum Qualifications
Information Technology Manager I	18728	2/24/24	2/24/25	Failed to Meet Minimum Qualifications
Information Technology Specialist I	18693	12/22/23	12/22/24	Failed to Meet Minimum Qualifications
Information Technology Specialist I	18693	1/14/24	1/14/25	Failed to Meet Minimum Qualifications
Information Technology Specialist II	18694	4/8/24	4/8/25	Failed to Meet Minimum Qualifications

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

Appointments

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

During the period under review, October 1, 2023, through March 31, 2024, the CDT made 105 appointments. The CRD reviewed 21 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	2
Information Technology Associate	Certification List	Permanent	Full Time	3
Information Technology Manager I	Certification List	Permanent	Full Time	2
Information Technology Manager II	Certification List	Permanent	Full Time	1
Information Technology Specialist I	Certification List	Permanent	Full Time	2
Information Technology Specialist II	Certification List	Permanent	Full Time	3

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Information Technology Supervisor II	Certification List	Permanent	Full Time	2
Staff Service Manager I	Certification List	Permanent	Full Time	1
Information Technology Specialist I	Permissive Reinstatement	Permanent	Full Time	1
Associate Governmental Program Analyst	Training & Development	Permanent	Full Time	1
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	1
Information Technology Associate	Transfer	Permanent	Full Time	1
Information Technology Supervisor II	Transfer	Permanent	Full Time	1

SEVERITY: SERIOUS	FINDING No. 3 PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED
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Summary: The CDT did not provide 5 probationary reports of performance for 3 of the 21 appointments reviewed by the CRD, as reflected in the table below. This is the third consecutive time this has been a finding for the CDT.

Classification	Appointment Type	No. of Appointment	Total No. of Missing Probation Report
Information Technology Supervisor II	Certification List	2	4
Information Technology Manager II	Certification List	1	1

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 CDT states that its Human Resource System (HRS) automated notifications provide a single notice to supervisors, which is often missed due to heavy workload, oversight, or a lack of understanding about the critical need to complete probation reports.

Corrective Action: The CDT asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the CDT must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure conformity with Government Code section 19172.

Equal Employment Opportunity

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

to develop, implement, coordinate, and monitor the department’s EEO program. (Gov. Code, § 19795, subd. (a).)

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

IN COMPLIANCE	FINDING No. 4 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 CDT’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 CDT. The CDT 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, December 1, 2023, through August 30, 2024, the CDT had 17 PSC's that were in effect. The CRD reviewed 14 of those, which are listed below:

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
5th Quarter Consulting	FI\$Cal Implementation Support Services	\$1,000,000	Yes	Yes
Alexan RPM Inc.	Acquisition Support and Regional Construction Project Management Services	\$8,738,000	Yes	Yes
Charis Consulting Group LLC	Network Services Data Management	\$180,000	Yes	Yes
Fortuna Business Management Consulting	Datacenter Support Services	\$425,000	Yes	Yes
Geographic Technologies Group, Inc.	MMBI GIS Consulting Services	\$103,500	Yes	Yes
HR&A Advisors Inc.	Broadband Advisory and Management Services	\$6,500,000	Yes	Yes
Krogh & Decker, LLP	Investigative Services	\$22,400	Yes	Yes
LCS Technologies, Inc.	Oracle Database Support	\$300,000	Yes	Yes
Level 4 Ventures Inc.	Cost Estimation as a Service	\$50,000	Yes	Yes
Mere IT Solutions	TSF CalVCB Database Administrator	\$345,000	Yes	Yes

Vendor	Services	Contract Amount	Justification Identified?	Union Notification?
Moonrise Software LLC	SOC Security Information Management Consulting	\$249,999	Yes	Yes
Ravacons LLC	TSF Technology Consulting Services	\$600,000	Yes	Yes
Runyon Saltzman Inc.	Digital Equity Stakeholder Engagement & Relations	\$1,338,000	Yes	Yes
Sikich LLP	SalesForce System Integrator Consulting Services	\$286,167	Yes	Yes

IN COMPLIANCE	FINDING No. 5 PERSONAL SERVICES CONTRACTS COMPLIED WITH PROCEDURAL REQUIREMENTS
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The total dollar amount of all the PSC’s reviewed was \$20,138,066.00. It was beyond the scope of the review to make conclusions as to whether CDT justifications for the contract were legally sufficient. For all PSC’s reviewed, the CDT provided specific and detailed factual information in the written justifications as to how each of the contracts met at least one condition set forth in Government Code section 19130, subdivision (b). Additionally, CDT complied with proper notification to all organizations that represent state employees who perform or could perform the type or work contracted as required by California Code of Regulations section 547.60.2. Accordingly, the CDT PSC’s complied with civil service laws and board rules.

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 Career Executive Assignment (CEA) position, the employee shall be provided leadership training and development, as prescribed by CalHR. (Gov. Code, § 19995.4, subds. (d) & (e).) For management employees the training must be a minimum of 40 hours and for CEAs the training must be a minimum of 20 hours. (*Ibid.*)

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

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

CRD reviewed the CDT’s mandated training program that was in effect during the compliance review period, September 1, 2022, through August 30, 2024.

SEVERITY: VERY SERIOUS	FINDING No. 6 ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS
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Summary: The CDT did not provide ethics training to 8 of 100 existing filers. In addition, the CDT did not provide ethics training to 49 of 55 new filers

within 6 months of their appointment. This is the second consecutive time this has been a finding for the CDT.

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 CDT states that the absence of an automated notification system curtailed the CDT from sending training notifications, thereby impeding employee completion rates.

Corrective Action: The CDT asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the CDT must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure conformity with Government Code section 11146.3.

SEVERITY: VERY SERIOUS	FINDING NO. 7 SUPERVISORY TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS, MANAGERS, AND CEAS
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Summary: The CDT did not provide basic supervisory training to 3 of 17 new supervisors within 12 months of appointment; did not provide manager training to 7 of 19 new managers within 12 months of appointment; and did not provide CEA training to 2 of 4 new CEAs within 12 months of appointment.

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

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

Upon initial appointment of an employee to a Career Executive Assignment position, each employee must receive 20 hours of

leadership training within 12 months of appointment. (Gov. Code, § 19995.4, subd. (e).)

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 CDT states that the absence of an automated notification system curtails the CDT from sending training notifications, thereby impeding employee completion rates.

Corrective Action: The CDT asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the CDT must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure that new supervisors, managers, and CEAs are provided leadership and development training within 12 months of appointment as required by Government Code section 19995.4.

SEVERITY: VERY SERIOUS	FINDING No. 8 SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES
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Summary: The CDT did not provide sexual harassment prevention training to 35 of 52 new supervisors within 6 months of appointment. In addition, the CDT did not provide sexual harassment prevention training to 46 of 271 existing supervisors, and 2 of 98 existing non-supervisors every 2 years. This is the second consecutive time this has been a finding for the CDT.

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.)

Severity: Very Serious. The department does not ensure that all new and existing employees 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 CDT states that the vacant EEO officer position affected the ability to monitor training compliance, provide timely training, and maintain adequate documentation.

Corrective Action: The CDT asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the CDT must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure that all employees are provided sexual harassment prevention training in accordance with Government Code section 12950.1.

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, October 1, 2023, through March 31, 2024, the CDT made 105 appointments. The CRD reviewed nine of those appointments to determine if the CDT applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

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 (Cal. Code Regs., tit. 2, section 599.666).

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Information Technology Associate	Certification List	Permanent	Full Time	\$5,589
Information Technology Associate	Certification List	Permanent	Full Time	\$7,470
Information Technology Associate	Certification List	Permanent	Full Time	\$5,589
Information Technology Manager I	Certification List	Permanent	Full Time	\$10,715
Information Technology Specialist I	Certification List	Permanent	Full Time	\$9,011
Information Technology Specialist I	Certification List	Permanent	Full Time	\$8,650
Information Technology Specialist II	Certification List	Permanent	Full Time	\$10,893
Information Technology Supervisor II	Certification List	Permanent	Full Time	\$9,561
Information Technology Specialist I	Permissive Reinstatement	Permanent	Full Time	\$8,260

SEVERITY: VERY SERIOUS	FINDING No. 9 INCORRECT APPLICATIONS OF SALARY DETERMINATION LAWS, RULES, AND CALHR POLICIES AND GUIDELINES FOR APPOINTMENT
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Summary: The CRD found three errors in the nine salary determinations reviewed:

Classification	Description of Findings	Criteria
Information Technology Associate	Incorrect alternate range placement, resulting in the employee being overcompensated.	Alternate Range Criteria 483 & Cal. Code Regs., tit. 2, section 599.676
Information Technology Specialist I	Employee was placed into range C of the Information Technology Specialist I classification without meeting the alternate range criteria at the time of appointment.	Alternate Range Criteria 484
Information Technology Specialist I	The department incorrectly rounded the salary up to the nearest whole dollar, resulting in the employee being overcompensated.	Code Regs., tit. 2, section 599.674, subd. (b) and Pay Scales section 6

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

Severity: Very Serious. In three circumstances, the CDT failed to comply with the requirements outlined in the state civil service pay plan. Incorrectly applying compensation laws and rules in accordance with CalHR's policies and guidelines results in civil service employees receiving incorrect and/or inappropriate pay amounts.

Cause: The CDT concluded that human error, insufficient training, and inadequate checks and balances contributed to the salary determination findings.

Corrective Action: The CDT asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the CDT must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure that employees are compensated correctly. The CDT must establish an audit system to correct current compensation transactions as well as future transactions.

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, October 1, 2023, through March 31, 2024, the CDT employees made 18 alternate range movements within a classification. The CRD reviewed 12 of those alternate range movements to determine if the CDT applied salary regulations accurately and correctly processed each employee's compensation, which are listed below:

Classification	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Information Technology Associate	A	B	Full Time	\$5,128
Information Technology Associate	A	B	Full Time	\$5,113
Information Technology Specialist I	A	B	Full Time	\$8,639
Information Technology Specialist I	A	B	Full Time	\$8,397
Information Technology Specialist I	A	B	Full Time	\$7,107
Information Technology Specialist I	A	B	Full Time	\$7,134
Information Technology Specialist I	A	B	Full Time	\$8,488
Information Technology Specialist I	A	B	Full Time	\$7,616
Information Technology Specialist I	B	C	Full Time	\$8,227
Information Technology Specialist I	B	C	Full Time	\$9,259
Information Technology Specialist I	B	C	Full Time	\$7,413
Staff Services Analyst (General)	B	C	Full Time	\$4,726

IN COMPLIANCE	FINDING NO. 10 ALTERNATIVE 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 CDT made 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, October 1, 2023, through March 31, 2024, the CDT authorized 47 pay differentials.¹⁰ The CRD reviewed 15 of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Pay Differential	Monthly Amount	No. of Appts
Associate Telecommunications Engineer	261	\$300	2
Associate Telecommunications Engineer	433	5.5%	1
Information Technology Manager I	223	5%	3
Information Technology Supervisor II	223	5%	9

IN COMPLIANCE	FINDING NO. 11	PAY DIFFERENTIAL AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the pay differentials that the CDT authorized during the compliance review period. Pay differentials were issued correctly in recognition of unusual competencies, circumstances, or working conditions in accordance with applicable rules and guidelines.

Leave

Positive Paid Employees

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

An employee is appointed TAU-ATW when he/she is not expected to work all the working days of a month. When counting 189 days, every day worked, including partial days¹¹ worked and paid absences¹², are counted. (Cal. Code Regs., tit. 2, § 265.1, subd. (b).)

¹⁰ For the purposes of CRD’s review, only monthly pay differentials were selected for review at this time.

¹¹ For example, two hours or ten hours count as one day.

¹² For example, vacation, sick leave, compensating time off, etc.

The hours worked in one day are not limited by this rule. (*ibid.*) The 12-consecutive month timeframe begins by counting the first pay period worked as the first month of the 12-consecutive month timeframe. (*ibid.*) The employee shall serve no longer than 189 days in a 12 consecutive month period. (*ibid.*) A new 189-days working limit in a 12-consecutive month timeframe may begin in the month immediately following the month that marks the end of the previous 12-consecutive month timeframe. (*ibid.*)

It is an ATW appointment because the employee does not work each workday of the month, and it might become desirable or necessary for the employee to work beyond nine calendar months. The appointing power shall monitor and control the days worked to ensure the limitations set forth are not exceeded. (Cal. Code Regs., tit. 2, § 265.1, subd. (f).)

For student assistants, graduate student assistants, youth aides, and seasonal classifications a maximum work-time limit of 1500 hours within 12 consecutive months may be used rather than the 189-day calculation. (Cal. Code Regs., tit. 2, § 265.1, subd. (d).)

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

At the time of the review, the CDT had 17 positive paid employees whose hours were tracked. The CRD reviewed 10 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Time Worked
Attorney	Retired Annuitant	7/1/23-6/30/24	408 Hours
Information Technology Manager I	Retired Annuitant	7/1/23-6/30/24	913.75 Hours
Information Technology Manager II	Retired Annuitant	7/1/23-6/30/24	538 Hours
Information Technology Specialist I	Retired Annuitant	7/1/23-6/30/24	804 Hours
Information Technology Specialist I	Retired Annuitant	7/1/23-6/30/24	960 Hours
Information Technology Specialist II	Retired Annuitant	7/1/23-6/30/24	746 Hours
Information Technology Specialist II	Retired Annuitant	7/1/23-6/30/24	939 Hours

Classification	Tenure	Time Frame	Time Worked
Information Technology Specialist II	Retired Annuitant	7/1/23-6/30/24	950 Hours
Information Technology Supervisor II	Retired Annuitant	7/1/23-6/30/24	865 Hours
Staff Services Manager I	Retired Annuitant	7/1/23-6/30/24	538 Hours

IN COMPLIANCE	FINDING No. 12 POSITIVE PAID EMPLOYEES' TRACKED HOURS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRD found no deficiencies in the positive paid employees reviewed during the compliance review period. The CDT provided sufficient justification and adhered to applicable laws, regulations and CalHR policy and guidelines for positive paid employees.

Administrative Time Off

ATO is a form of paid administrative leave status initiated by appointing authorities for a variety of reasons. (Human Resources Manual Section 2121.) Most often, ATO is used when an employee cannot come to work because of a pending investigation, fitness for duty evaluation, or when work facilities are unavailable. (*Ibid.*) ATO can also be granted when employees need time off for reasons such as blood or organ donation, extreme weather preventing safe travel to work, states of emergency, voting, and when employees need time off to attend special events. (*Ibid.*)

During the period under review, June 1, 2023, through May 31, 2024, the CDT authorized four ATO transactions. The CRD reviewed all four ATO transactions to ensure compliance with applicable laws, regulations, and CalHR policy and guidelines, which are listed below:

Classification	Time Frame	Amount of Time on ATO
Associate Governmental Program Analyst	12/12/23	1.5 hours
Associate Governmental Program Analyst	1/11/24 - 1/12/24 1/16/24 - 1/17/24	4 days
Information Technology Associate	3/19/24 3/22/24 - 3/26/24 3/29/24 - 3/31/24 4/2/24 4/5/24 - 4/9/24	15 days

Classification	Time Frame	Amount of Time on ATO
Information Technology Specialist I	8/22/23 - 8/23/23	2 days

IN COMPLIANCE	FINDING No. 13 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 CDT 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, March 1, 2024, through May 30, 2024, the CDT reported 178 units. The CRD reviewed 30 units within 3 pay periods to ensure compliance with applicable laws, regulations and CalHR policy and guidelines.

SEVERITY: SERIOUS	FINDING No. 14 DEPARTMENT HAS NOT IMPLEMENTED A MONTHLY INTERNAL AUDIT PROCESS TO VERIFY ALL LEAVE INPUT IS KEYED ACCURATELY AND TIMELY
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Summary: The CDT failed to implement a monthly internal audit process to verify all timesheets were keyed accurately and timely and to certify that all leave records have been reviewed and corrected if necessary. This is the second consecutive time this has been a finding for the CDT.

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

Severity: Serious. Departments must document that they reviewed all leave inputted into their leave accounting system to ensure accuracy and timeliness. Failure to audit leave could put the department at risk of incurring additional costs from the initiation of collection efforts from overpayments, and the risk of liability related to recovering inappropriately credited leave hours and funds.

Cause: The CDT states that a lack of a structured and documented process for leave input was caused by inadequate staff training, insufficient resources, and the absence of established protocols.

Corrective Action: Within 90 days of the date of this report, the CDT must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that their monthly internal audit process was documented and that all leave input is keyed accurately and timely. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

State Service

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

Generally, an employee who has 11 or more working days of service in a monthly pay period shall be considered to have a complete month, a month of service, or continuous

service.¹³ (Cal. Code Regs., tit. 2, § 599.608.) Full time and fractional employees who work less than 11 working days in a pay period will have a non-qualifying month and will not receive state service or leave accruals for that month.

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

For each qualifying monthly pay period, the employee shall be allowed credit for vacation with pay on the first day of the following monthly pay period. (Cal. Code Regs., tit. 2, § 599.608.) When computing months of total state service to determine a change in the monthly credit for vacation with pay, only qualifying monthly pay periods of service before and after breaks in service shall be counted. (Cal. Code Regs., tit. 2, § 599.739.) Portions of non-qualifying monthly pay periods of service shall not be counted nor accumulated. (*Ibid.*) On the first day following a qualifying monthly pay period, excluded employees¹⁴ shall be allowed credit for annual leave with pay. (Cal. Code Regs., tit. 2, § 599.752.)

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

During the period under review, October 1, 2023, through June 30, 2024, the CDT had two employees with qualifying and non-qualifying pay period transactions. The CRD reviewed six transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Type of Transaction	Time base	No. Reviewed
Qualifying Pay Period	Full Time	1
Non-Qualifying Pay Period	Full Time	5

SEVERITY: VERY SERIOUS	FINDING No. 15 INCORRECT APPLICATION OF STATE SERVICE AND LEAVE TRANSACTIONS
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¹³ Government Code sections 19143, 19849.9, 19856.1, 19858.1, 19859, 19861, 19863.1, and 19997.4 and California Code of Regulations, title 2, sections 599.609, 599.682, 599.683, 599.685, 599.687, 599.737, 599.738, 599.739, 599.740, 599.746, 599.747, 599.776.1, 599.787, 599.791, 599.840 and 599.843 provide further clarification for calculating state time.

¹⁴ As identified in Government Code sections 19858.3, subdivisions (a), (b), or (c), or as it applies to employees excluded from the definition of state employee under Government Code section 3513, subdivision (c), or California Code of Regulations, title 2, section 599.752, subdivision (a), and appointees of the Governor as designated by the Department and not subject to section 599.752.1.

Summary: The CRD found the following errors in the CDT's state service transactions:

Type of Transaction	Time base	State Service Incorrectly Posted	Leave Accruals Incorrectly Posted
Non-Qualifying Pay Period	Full Time	2	2

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

Hourly or daily rate employees working in a state agency in which the full-time workweek is 40 hours who earn the equivalent of 160 hours of service in a monthly pay period or accumulated pay periods shall be considered to have a complete month, a month of service, or continuous service. (Cal. Code Regs., tit.2, § 599.609.) When an employee has a break in service or changes to full-time, any combination of time worked which does not equal one qualifying month of full-time service shall not be accumulated or counted. (*Ibid.*)

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 CDT states that a lack of an internal documented process for leave input and state time entry was caused by inadequate staff training, insufficient resources, and the absence of established protocols.

Corrective Action: The CDT asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the CDT must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure state service transactions are keyed accurately.

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.*)

SEVERITY: VERY SERIOUS	FINDING No. 16 DEPARTMENT’S NEPOTISM POLICY DOES NOT CONTAIN ALL REQUIRED COMPONENTS
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Summary: The CDT’s nepotism policy does not contain all required components. Specifically, the CDT’s nepotism policy does not include:

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.
5. A statement that prohibits the direct or first-line supervision of an employee with whom the supervisor has a personal relationship.

Criteria: 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. (Human Resources Manual Section 1204). All department nepotism policies shall include six specific components which emphasize that nepotism is antithetical to merit-based civil service and include definitions and prohibitions integral to upholding the merit system. (Cal. Code Regs., tit. 2, § 87.)

Severity: Very Serious. Nepotism is expressly prohibited in the state workplace because it is antithetical to California’s merit based civil service. Departments must take proactive steps to ensure that the hiring, transferring, and promoting of all employees is done on the basis of merit and fitness in accordance with civil service statutes. Maintaining a current written nepotism policy that addresses all requirements outlined in civil service statute, rules and regulations, and its dissemination to all staff, is the cornerstone for achieving these outcomes.

Cause: The CDT states that the nepotism policy is incomplete due to the absence of a comprehensive review process to ensure compliance with current statutory and regulatory requirements.

Corrective Action: The CDT asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the CDT must submit to the SPB documentation which demonstrates the corrections the department has implemented to achieve conformity with Human Resources Manual section 1204, and documentation demonstrating that the compliant policy has been distributed to all staff.

Workers' Compensation

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

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

IN COMPLIANCE	FINDING No. 17 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 CDT 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 CDT 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 84 permanent CDT employees to ensure that the department was conducting performance appraisals on an annual basis in accordance with applicable laws, regulations, policies and guidelines.

SEVERITY: SERIOUS	FINDING NO. 18 PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES
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Summary: The CDT did not provide annual performance appraisals to 63 of 84 employees reviewed after the completion of the employee’s probationary period. This is the second consecutive time this has been a finding for the CDT.

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 employees are apprised of work performance issues and/or goals in a systematic manner.

Cause: The CDT states that their HRS automated notifications provide a single notice, which is often missed due to heavy workloads. In addition, the CDT lacks training on the annual evaluation procedures and a clear escalation protocol.

Corrective Action: The CDT asserts it has taken steps to ensure compliance in this area. Within 90 days of the date of this report, the CDT must submit to the SPB documentation which demonstrates the corrections the department has implemented to ensure conformity with Government Code section 19992.2 and California Code of Regulations, title 2, section 599.798.

DEPARTMENTAL RESPONSE

The CDT’s response is attached as Attachment 1.

SPB REPLY

Based upon the CDT's written response, the CDT will comply with the corrective actions specified in these report findings. Within 90 days of the date of this report, a written corrective action response including documentation demonstrating implementation of the corrective actions specified must be submitted to the CRD.

**CALIFORNIA DEPARTMENT OF TECHNOLOGY**

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Liana Bailey-Crimmins, Director
Jared Johnson, Chief Deputy Director

January 17, 2025

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

RE: California Department of Technology – Response to Compliance Review Findings

Dear Ms. Ambrose,

The California Department of Technology (CDT) would like to thank the State Personnel Board (SPB)'s Compliance Review Unit (CRD) for undertaking the 2024 CDT Compliance Review Audit. CDT received the SPB Review Report draft on Monday January 13th, 2025, and we appreciate the opportunity to respond to the Compliance Review findings. We value the insight provided by the CRD and are committed to improving our internal processes and ensuring compliance with civil service laws, Board regulations, and best practices. CDT takes these findings seriously and implemented corrective actions to address identified deficiencies while continuing to strengthen our existing practices. CDT strives to improve many of our processes and procedures and is confident the next Compliance Review Report will reflect our efforts.

Below, CDT provides responses to the findings including a comprehensive explanation of the cause and corresponding corrective actions.

Finding 1: Examination Completed with Civil Service Laws and Board Rules

No response is required since CDT complies with regulations.

Finding 2: Permanent Withhold Actions Complied with Civil Service Laws and Board Rules

No response is required since CDT complies with regulations.

Finding 3: Probationary Evaluations Were Not Provided for All Appointments Reviewed

The CRD summary states, "the CDT did not provide 5 probationary reports of performance for 3 of the 21 appointments reviewed by the CRD, as reflected in the table below. This is the third consecutive time this has been a finding for the CDT."

Cause:

The Human Resource System (HRS) automated notifications provide a single notice often missed due to heavy workloads. Although, CDT provides some training on probationary evaluation procedures, the absence of a clear escalation protocol compounds the notification issues. Our assessment suggests the probationary evaluations lacked consistency due to supervisors misunderstanding or underestimating their critical role in ensuring employee development and compliance. Supervisors often delegated this responsibility to administrative staff without sufficient oversight which leads to lapses or adherence deadlines.

Corrective Action:

CDT will improve its notification process by increasing the reminders until the user completes the task. The supervisor will also receive periodic notifications with short intervals prior to the due date. Moreover, the next level supervisor and the second level supervisor will be notified closer to the due date. The notification process contains a contingency provision for non-automated notifications by escalating the issue to senior leadership through the compliance dashboard. As a quality assurance measure, CDT will provide monthly training sessions to supervisors, emphasizing the importance of probationary evaluations. Lastly, HR will directly engage with senior leaders to develop action plans.

Finding 4: Equal Employment Opportunity Program Complied with All Civil Service Laws and Board Rules

No response is required since CDT complies with regulations.

Finding 5: Personal Services Contracts Complied with Procedural Requirements

No response is required since CDT complies with regulations.

Finding 6: Ethics Training Was Not Provided for All Filers

The CRD summary states, "the CDT did not provide ethics training to 8 of the 100 existing filers. In addition, CDT did not provide ethics training to 49 of the 55 new filers within 6 months of their appointment. This is the second consecutive time this has been a finding for the CDT."

Cause:

CDT's findings show HR has a manual odd year reminder system. The absence of an automated notification system curtails CDT from sending training notifications, thereby impeding employee completion rate. The respective supervisors assume employees completed the training independently which results in inefficient and ineffective oversight.

Corrective Action:

CDT is in the process of obtaining automated Form 700 tracking software with an ethics training/tracking function to integrate with our current compliance tracking software. Upon implementation of the new functionality, CDT will be able to send automated notifications to employees and supervisors until training is completed, and a non-compliance report will result in

escalation to senior leadership. Additionally, CDT will launch an awareness campaign to educate employees on the importance of timely ethics training and the consequences of non-compliance.

Finding 7: Supervisory Training Was Not Provided for All Supervisors, Managers, and CEAs

The CRD summary states, “the CDT did not provide basic supervisory training to 3 of 17 new supervisors within 12 months of appointment; did not provide manager training to 7 of 19 new managers within 12 months of appointment; and did not provide CEA training to 2 of 4 new CEAs within 12 months of appointment.”

Cause:

CDT’s findings show that this is a shared responsibility between multiple CDT program areas. Every month, HR issues a new employee report that is used to generate welcome emails to new CDT employees and explain training resources and requirements. This is a manual notification/escalation process. The absence of an automated notification system curtails CDT from sending training notifications, thereby impeding employee completion rate. The respective supervisors assume employees completed the training independently which results in inefficient and ineffective oversight.

Corrective Action:

CDT will centralize and automate the notification process by leveraging an internal compliance and tracking system for mandatory supervisory training. The new notification process will enable supervisors and managers to receive clear instructions about training requirements during onboarding and subsequent follow-ups. HR will create checks and balances and documented processes to improve reporting accuracy and to streamline its cataloging of completed certificates. Lastly, HR will directly engage with senior leaders to develop action plans.

Finding 8: Sexual Harassment Prevention Training Was Not Provided for All Employees

The CRD summary states, “the CDT did not provide sexual harassment prevention training to 35 of 52 new supervisors within 6 months of appointment. In addition, the CDT did not provide sexual harassment prevention training to 46 of 271 existing supervisors, and 2 of 98 existing non-supervisors every 2 years. This is the second consecutive time this has been a finding for the CDT.”

Cause:

CDT’s findings show the vacant EEO Officer position significantly impacted CDT’s ability to monitor compliance, provide timely training, and maintain adequate documentation.

Corrective Action:

OPD designed a very thorough process to inform and escalate via email, senior leadership meetings, and the Exec Huddle for six months leading up to the deadline. The new notification process will enable supervisors and managers to receive clear instructions about training requirements during onboarding and subsequent follow-ups. CDT’s actively working to fill the vacant EEO Officer position to provide oversight of training delivery and compliance monitoring. CDT’s Sexual Harassment Prevention

training will be moved to the CalLearns platform offered through CalHR, enabling CDT to access the certificates database.

Finding 9: Incorrect Applications of Salary Determination Laws, Rules, and CalHR Policies and Guidelines

The CRD summary states, “the CRD found three errors in the nine salary determinations reviewed.”

Cause:

CDT HR’s incorrect application of civil service laws, Board rules and CalHR policies and guidelines is due to confusion about some specific salary rules, including alternate range criteria and the rounding of salaries. This deficiency due to human error is further compounded by the absence of thorough checks and balances by allowing salary and range determination discrepancies. CDT lacks salary determination procedures and tools which further contributed to these errors. In addition, SCO does not provide limited salary determination courses, which limits employees’ access to training.

Corrective Action:

CDT will conduct a comprehensive review of its internal processes for salary determinations to identify areas for improvement by developing robust checks and balances to ensure adherence to applicable laws, rules, and policies. CDT staff will be enrolled in targeted programs to enhance its understanding of salary regulations and lead efforts as subject matter experts in areas of salary determinations. Moreover, CDT will create desk manuals and other resources to provide staff with clear guidance to perform its duties accurately and effectively.

Finding 10: Alternative Range Movements Complied with Civil Service Laws, Board Rules and CalHR Policies and Guidelines

No response is required since CDT complies with regulations.

Finding 11: Pay Differential Authorization Complied with Civil Service Laws, Board Rules, and CalHR Policies and Guidelines.

No response is required since CDT complies with regulations.

Finding 12: Positive Paid Employees’ Tracked Hours Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines.

No response is required since CDT complies with regulations.

Finding 13: Administrative Time Off Authorization Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

No response is required since CDT complies with regulations.

Finding 14: Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input is Keyed Accurately and Timely

The CRU summary states, “the CDT failed to implement a monthly internal audit process to verify all timesheets were keyed accurately and timely and to certify that all leave records have been reviewed and corrected if necessary. This is the second consecutive time this has been a finding for the CDT.”

Cause:

CDT’s HR assessment determined the absence of a structured internal documented process for leave input resulting from inadequate staff training, insufficient resources, and a lack of established protocols led to noncompliance. Specifically, systematic errors due to inconsistent checks and balances, undetected leave input errors, and other discrepancies were not promptly resolved. In addition, the reliance on a manual leave data correction process does not update in a timely fashion SCO’s system-leave balance, which contributes to delays and inefficiencies.

Corrective Action:

To address this workflow deficiency, CDT will implement a comprehensive monthly internal audit process to ensure that all leave data are accurate and timely by utilizing CalHR Form 139 to validate and document corrections. The CDT’s Personnel Specialists will receive enhanced training to improve their understanding of leave accounting policies, and CDT will provide refresher training for supervisors and managers to reinforce their responsibility in ensuring staff leave usage is properly entered and approved on time. A dedicated Senior Personnel Specialist will oversee the monthly audit process to maintain consistency, accountability, and compliance with state policies. These internal measures implemented by HR will enable CDT to reduce errors and maintain compliance with leave accounting standards.

Finding 15: Incorrect Application of State Service and Leave Transactions

The CRD summary states, “the CRD found the following errors in the CDT’s state service transactions: Non-Qualifying Pay Period for full time; State time was posted incorrectly 2 times and Leave Accruals Posted Incorrectly 2 times.”

Cause:

CDT’s HR assessment determined the absence of a structured internal documented process for leave input and state time entry resulting from inadequate staff training, insufficient resources, and a lack of established protocols led to noncompliance. Specifically, systematic errors due to inconsistent checks and balances, undetected errors, and other discrepancies were not promptly resolved. These pay period and leave accrual errors were primarily caused by human error, insufficient training on the proper application of Government Code section 19837 and related regulations, and the absence of robust checks and balances to verify compliance. The lack of clear protocols for tracking and correcting errors, combined with inadequate resources and limited accountability for adhering to policies, has further contributed to these discrepancies.

Corrective Action:

To address this workflow deficiency, CDT will implement a comprehensive monthly internal audit process to ensure that all leave and service credit data are accurate and timely. The CDT's Personnel Specialists will receive enhanced training to improve their understanding of leave accounting policies, and CDT will provide refresher training for supervisors and managers to reinforce their responsibility in ensuring staff leave usage is properly entered and approved on time. A dedicated Senior Personal Specialist will oversee the monthly audit process to ensure consistency and accountability. These internal measures implemented by HR will enable CDT to reduce errors and maintain compliance with leave and service time accounting standards.

Finding 16: Department's Nepotism Policy Does Not Contain All Required Components

The CRD summary states, "the CDT's nepotism policy does not contain all required components. Specifically, the CDT's nepotism policy does not include:

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.
5. A statement that prohibits the direct or first-line supervision of an employee with whom the supervisor has a personal relationship."

Cause:

CDT's HR assessment determined that CDT's nepotism policy was incomplete because it lacks a comprehensive review process to ensure alignment with current statutory and regulatory requirements. CDT HR was not regularly attending HR staff forums or subscribed to control agency listservs.

Corrective Action:

CDT is revising its nepotism policy to include all required components, including definitions of nepotism and personal relationships and prohibitions on certain supervisory relationships. The updated policy will be reviewed with unions and distributed to all employees via onboarding and CDT's intranet site. Relevant HR staff will join applicable control agency subscriptions and attend job-related HR staff forums.

Finding 17: Workers' Compensation Process Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines

No response is required since CDT complies with regulations.

Finding 18: Performance Appraisals Were Not Provided to All Employees

The CRD summary states, "the CDT did not provide annual performance appraisals to 63 of 84 employees reviewed after the completion of the employee's probationary period. This is the second consecutive time this has been a finding for the CDT."

Cause:

The Human Resource System (HRS) automated notifications provide a single notice often missed due to heavy workloads. Furthermore, CDT lacks training on annual evaluation procedures and the absence of a clear escalation protocol compounds the notification issues. CDT's assessment suggests the annual evaluations lacked consistency due to supervisors misunderstanding or underestimating their critical role in ensuring employee development and compliance. Supervisors often delegated this responsibility to administrative staff without sufficient oversight which leads to lapses or adherence deadlines.

Corrective Action:

CDT will improve its notification process by increasing the reminders until the user completes the task. The supervisor will also receive periodic notifications with short intervals prior to the due date. Moreover, the next level supervisor and the second level supervisor will be notified closer to the due date. The notification process contains a contingency provision for non-automated notifications by escalating the issue to senior leadership through the compliance dashboard. As a quality assurance measure, CDT will provide monthly training sessions to supervisors, emphasizing the importance of annual evaluations. Lastly, HR will directly engage with senior leaders to develop action plans.

Conclusion

CDT thanks the SPB Compliance Review team for the educational feedback, courtesy, and professionalism of the audit team. My staff and I appreciate the opportunity to respond to the findings to continue to train staff and improve internal processes ensuring elevated compliance with the State's Civil Service System.

Sincerely,



Leyla Parker, HR Chief
California Department of Technology