



COMPLIANCE REVIEW REPORT

CALIFORNIA DEPARTMENT OF MOTOR VEHICLES

Compliance Review Unit
State Personnel Board
August 5, 2022

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

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 CRU 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 CRU conducted a routine compliance review of the California Department of Motor Vehicles (DMV) 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 and Some That Were Provided Were Untimely ¹
Appointments	Technical	Department Did Not Provide Benefit Information in Accordance with Civil Service Law
Appointments	Technical	Appointment Documentation Was Not Kept for the Appropriate Amount of Time
Equal Employment Opportunity	In Compliance	Equal Employment Opportunity Program Complied With All Civil Service Laws and Board Rules
Personal Services Contracts	Serious	Unions Were Not Notified of Personal Services Contracts
Mandated Training	Very Serious	Ethics Training Was Not Provided for All Filers ²
Mandated Training	Very Serious	Sexual Harassment Prevention Training Was Not Provided for All Employees ³

¹ Repeat finding. The March 2, 2020, DMV Compliance Review Report identified 8 missing probation reports in 6 of the 57 appointment files reviewed, and 3 probation reports were not timely in 2 of the 57 appointment files reviewed.

² Repeat finding. The March 2, 2020, DMV Compliance Review Report identified 5 of 1,305 existing filers did not receive ethics training and 42 of 337 new filers did not receive ethics training within 6 months of appointment.

³ Repeat finding. The March 2, 2020, DMV Compliance Review Report identified 54 of 1,342 existing supervisors did not receive sexual harassment prevention training every 2 years and 103 of 171 new supervisors did not receive the training within 6 months of appointment.

Area	Severity	Finding
Mandated Training	Very Serious	Supervisory Training Was Not Provided for All Supervisors, Managers, and CEAs ⁴
Compensation and Pay	Very Serious	Incorrect Application of Salary Determination Laws, Rules, and CalHR Policies and Guidelines for Appointment ⁵
Compensation and Pay	Very Serious	Alternate Range Movements Did Not Comply with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines ⁶
Compensation and Pay	In Compliance	Hire Above Minimum Requests Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Compensation and Pay	In Compliance	Red Circle Rate Authorizations Complied with Civil Service Laws, Board Rules, and 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	Very Serious	Incorrect Authorization of Pay Differentials ⁷
Compensation and Pay	Very Serious	Incorrect Authorization of Out-of-Class Pay ⁸
Leave	In Compliance	Positive Paid Employees' Tracked Hours Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
Leave	Serious	Administrative Time Off Was Not Properly Documented

⁴ Repeat finding. The March 2, 2020, DMV Compliance Review Report identified 3 of 89 new supervisors did not receive basic supervisory training within 12 months of appointment.

⁵ Repeat finding. The March 2, 2020, DMV Compliance Review Report identified 2 incorrect salary determinations of the 26 reviewed.

⁶ Repeat finding. The March 2, 2020, DMV Compliance Review Report identified 6 incorrect alternate range movements of the 35 reviewed.

⁷ Repeat finding. The March 2, 2020, DMV Compliance Review Report identified 6 errors in the 55 pay differentials reviewed.

⁸ Repeat finding. The March 2, 2020, DMV Compliance Review Report identified 2 errors in the 10 out-of-class assignments reviewed.

Area	Severity	Finding
Leave	Serious	Department Has Not Implemented a Monthly Internal Audit Process to Verify All Leave Input is Keyed Accurately and Timely ⁹
Leave	Serious	Department Did Not Retain Employee Time and Attendance Records ¹⁰
Leave	Very Serious	Incorrect Application of State Service and Leave Transactions
Policy	In Compliance	Nepotism Policy Complied with Civil Service Laws, Board Rules, and/or CalHR Policies and Guidelines
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 ¹¹

BACKGROUND

The DMV serves the public by licensing drivers, registering vehicles, securing identities, and regulating the motor vehicle industry. The DMV's two primary functions are to license California's drivers and register vehicles.

The DMV also promotes traffic safety by monitoring the driving performance of licensed drivers, evaluates high-risk drivers for driving competency and takes corrective actions against the driving privilege of drivers who demonstrate safety risks.

In the commercial industry, the DMV provides consumer protection through the licensing and regulation of occupations and businesses related to the manufacture, transport, sale, and disposal of vehicles, including vehicle manufacturers, dealers, registration services,

⁹ Repeat finding. The March 2, 2020, DMV Compliance Review Report identified the DMV failed to provide Leave Activity and Correction Certification forms for all six units reviewed during two pay periods.

¹⁰ Repeat finding. The March 2, 2020, DMV Compliance Review Report identified the DMV did not retain 5 of 101 timesheets from one pay period.

¹¹ Repeat finding. The March 2, 2020, DMV Compliance Review Report identified 79 of 134 employees reviewed did not receive annual performance appraisals.

salespersons, transporters, and dismantlers. In addition, the DMV regulates all occupations and businesses related to driving and traffic schools.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing the DMV's examinations, appointments, EEO program, PSC's, mandated training, compensation and pay, leave, and policy and processes¹². The primary objective of the review was to determine if the DMV's personnel practices, policies, and procedures complied with state civil service laws and Board regulations, Bargaining Unit Agreements, CalHR policies and guidelines, CalHR Delegation Agreements, and to recommend corrective action where deficiencies were identified.

A cross-section of the DMV's examinations were selected for review to ensure that samples of various examination types, classifications, and levels were reviewed. The CRU examined the documentation that the DMV provided, which included examination plans, examination bulletins, job analyses, and scoring results. The CRU also reviewed the DMV's permanent withhold actions documentation, including Withhold Determination Worksheets, State applications (STD 678), class specifications, and withhold letters.

A cross-section of the DMV's appointments were selected for review to ensure that samples of various appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the DMV provided, which included Notice of Personnel Action (NOPA) forms, Request for Personnel Actions, vacancy postings, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports. The DMV did not conduct any unlawful appointment investigations during the compliance review period. Additionally, the DMV did not make any additional appointments during the compliance review period.

The DMV's appointments were also selected for review to ensure the DMV applied salary regulations accurately and correctly processed employees' compensation and pay. The CRU examined the documentation that the DMV provided, which included employees' employment and pay history and any other relevant documentation such as certifications, degrees, and/or the appointee's application. Additionally, the CRU reviewed specific documentation for the following personnel functions related to compensation and pay: hire above minimum (HAM) requests, red circle rate requests, bilingual pay, monthly pay

¹² Timeframes of the compliance review varied depending on the area of review. Please refer to each section for specific compliance review timeframes.

differentials, alternate range movements, and out-of-class assignments. During the compliance review period, the DMV did not issue or authorize arduous pay.

The review of the DMV'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 DMV's PSC's were also reviewed.¹³ It was beyond the scope of the compliance review to make conclusions as to whether the DMV's justifications for the contracts were legally sufficient. The review was limited to whether the DMV's practices, policies, and procedures relative to PSC's complied with procedural requirements.

The DMV'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 in Career Executive Assignments (CEA) were provided leadership and development training, and that all employees were provided sexual harassment prevention training within statutory timelines.

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

¹³If 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 CRU reviewed the DMV's policies and processes concerning nepotism, workers' compensation, and performance appraisals. The review was limited to whether the DMV's policies and processes adhered to procedural requirements.

The DMV declined an exit conference to explain and discuss the CRU's initial findings and recommendations. The CRU received and carefully reviewed the DMV's written response on July 22, 2022, 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, September 1, 2021, through February 28, 2022, the DMV, conducted 29 examinations. The CRU reviewed 12 of those examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Apps
Assistant Division Chief/Program Manager, Department of Motor Vehicles	Departmental Open	Statement of Qualifications (SOQ) ¹⁴	12/27/21	6
Assistant Division Chief/Program Manager, Department of Motor Vehicles	Departmental Open	SOQ	1/24/22	9
Assistant Division Chief/Program Manager, Department of Motor Vehicles	Departmental Open	SOQ	1/20/22	8
Assistant Division Chief/Program Manager, Department of Motor Vehicles	Departmental Promotional	SOQ	8/11/21	8
CEA B, Infrastructure Branch Chief/Chief Technology Officer	CEA	SOQ	12/20/21	3
CEA B, Modernization Project Director	CEA	SOQ	12/9/21	19
CEA B, Region III Administrator	CEA	SOQ	9/14/21	13
Manager IV, Department of Motor Vehicles	Departmental Promotional	SOQ	8/25/21	2
Manager V, Department of Motor Vehicles	Departmental Promotional	SOQ	9/8/21	9
Manager V, Department of Motor Vehicles	Departmental Open	SOQ	11/12/21	13
Manager V, Department of Motor Vehicles	Departmental Open	SOQ	1/5/22	5
Manager V, Department of Motor Vehicles	Departmental Open	SOQ	12/3/21	9

¹⁴ 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.

IN COMPLIANCE	FINDING NO. 1 EXAMINATIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CRU reviewed three CEA, three departmental promotional, and six open examinations which the DMV administered in order to create eligible lists from which to make appointments. The DMV published and distributed examination bulletins containing the required information for all examinations. Applications received by the DMV were accepted prior to the final filing date. Applicants were notified about the next phase of the examination process. After all phases of the examination process were completed, the score of each competitor was computed, and a list of eligible candidates was established. The examination results listed the names of all successful competitors arranged in order of the score received by rank. The CRU found no deficiencies in the examinations that the DMV conducted during the compliance review period.

Permanent Withhold Actions

Departments are granted statutory authority to permit withhold of eligibles from lists based on specified criteria. (Gov. Code, § 18935.) Permanent appointments and promotions within the state civil service system shall be merit-based, ascertained by a competitive examination process. (Cal. Const., art. VII, § 1, subd. (b).) If a candidate for appointment is found not to satisfy the minimum qualifications, the appointing power shall provide written notice to the candidate, specifying which qualification(s) are not satisfied and the reason(s) why. The candidate shall have an opportunity to establish that s/he meets the qualifications. (Cal. Code Regs., tit. 2, § 249.4, subd. (b).) If the candidate fails to respond, or fails to establish that s/he meets the minimum qualification(s), the candidate’s name shall be removed from the eligibility list. (Cal. Code Regs., tit. 2, § 249.4, subd. (b)(1), (2)), (HR Manual, section 1105.) The appointing authority shall promptly notify the candidate in writing, and shall notify the candidate of his or her appeal rights. (*Ibid.*) A permanent withhold does not necessarily permanently restrict a candidate from retaking the examination for the same classification in the future; however, the appointing authority may place a withhold on the candidate’s subsequent eligibility record if the candidate still does not meet the minimum qualifications or continues to be unsuitable. (HR Manual, Section 1105). State agency human resources offices are required to maintain specific withhold documentation for a period of five years. (*Ibid.*)

During the period under review, September 1, 2021, through February 28, 2022, the DMV conducted 15 permanent withhold actions. The CRU reviewed 11 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	9PB04	3/26/2021	3/26/2022	Failed to Meet Minimum Qualifications (MQs)
Associate Management Auditor	0PBCE	8/11/2021	8/11/2022	Failed to Meet MQs
Control Cashier I (Motor Vehicle Services), Department of Motor Vehicles	1MV10-01	9/5/2021	9/5/2023	Failed to Meet MQs
Information Technology Specialist I	7PB35	4/18/2021	4/18/2022	Failed to Meet MQs
Manager I, Department of Motor Vehicles	1MV02	3/31/2021	3/31/2023	Failed to Meet MQs
Manager I, Department of Motor Vehicles	1MV02	3/31/2021	3/31/2023	Failed to Meet MQs
Manager I, Department of Motor Vehicles	1MV02	11/8/2021	11/8/2023	Failed to Meet MQs
Manager I, Department of Motor Vehicles	1MV02	4/3/2021	4/3/2023	Failed to Meet MQs
Manager III, Department of Motor Vehicles	6PB43	9/9/2020	9/9/2022	Failed to Meet MQs
Motor Vehicle Representative	8PB47	4/11/2021	4/11/2023	Failed to Meet MQs
Stationary Engineer	0PBDA	10/15/2021	10/15/2023	Failed to Meet MQs

IN COMPLIANCE	FINDING NO. 2 PERMANENT WITHHOLD ACTIONS COMPLIED WITH CIVIL SERVICE LAWS AND BOARD RULES
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The CRU 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, February 1, 2021, through July 31, 2021, the DMV made 1,127 appointments. The CRU reviewed 53 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Accountant Trainee	Certification List	Permanent	Full Time	1
Associate Administrative Analyst -Accounting Systems-	Certification List	Permanent	Full Time	2
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	3
Associate Personnel Analyst	Certification List	Permanent	Full Time	1
Control Cashier I (Motor Vehicle Services), Department of Motor Vehicles	Certification List	Limited Term	Full Time	1
Control Cashier II (Motor Vehicle Services), Department of Motor Vehicles	Certification List	Permanent	Full Time	1
Custodian I	Certification List	Permanent	Full Time	2
Driver Safety Manager II	Certification List	Permanent	Full Time	2
Information Technology Associate	Certification List	Permanent	Full Time	1
Information Technology Manager II	Certification List	Permanent	Full Time	1
Investigator	Certification List	Limited Term	Full Time	1
Key Data Operator	Certification List	Permanent	Full Time	1
Licensing-Registration Examiner, Department of Motor Vehicles	Certification List	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Manager I, Department of Motor Vehicles	Certification List	Limited Term	Full Time	2
Manager I, Department of Motor Vehicles	Certification List	Permanent	Full Time	1
Manager II, Department of Motor Vehicles	Certification List	Permanent	Full Time	1
Manager III, Department of Motor Vehicles	Certification List	Limited Term	Full Time	1
Manager IV, Department of Motor Vehicles	Certification List	Permanent	Full Time	1
Motor Vehicle Assistant (LEAP)	Certification List	Limited Term	Full Time	1
Motor Vehicle Representative	Certification List	Permanent	Intermittent	2
Office Assistant (General) (LEAP)	Certification List	Limited Term	Full Time	1
Personnel Specialist	Certification List	Permanent	Full Time	2
Staff Services Analyst (General)	Certification List	Permanent	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	1
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	2
Stationary Engineer	Certification List	Permanent	Full Time	1
Supervising Investigator II, Department of Motor Vehicles	Certification List	Permanent	Full Time	1
Training Officer II	Certification List	Permanent	Full Time	2
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	1
Associate Personnel Analyst	Transfer	Permanent	Full Time	1
Digital Print Operator II	Transfer	Permanent	Full Time	1
Driver Safety Hearing Office	Transfer	Permanent	Full Time	1
Information Technology Supervisor II	Transfer	Permanent	Full Time	1
Information Technology Technician	Transfer	Permanent	Full Time	1
Key Data Operator	Transfer	Permanent	Full Time	1
Licensing-Registration Examiner, Department of Motor Vehicles	Transfer	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appts.
Manager I, Department of Motor Vehicles	Transfer	Limited Term	Full Time	1
Office Assistant (Typing)	Transfer	Permanent	Full Time	1
Personnel Specialist	Transfer	Permanent	Full Time	1
Senior Motor Vehicle Technician	Transfer	Limited Term	Full Time	1
Special Investigator Assistant	Transfer	Permanent	Full Time	1
Staff Services Analyst (General)	Transfer	Permanent	Full Time	1
Staff Services Manager II (Supervisory)	Transfer	Limited Term	Full Time	1

SEVERITY: SERIOUS	FINDING NO. 3 PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED AND SOME THAT WERE PROVIDED WERE UNTIMELY
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Summary: The DMV did not provide 35 probationary reports of performance for 15 of the 53 appointments reviewed by the CRU. In addition, the DMV did not provide six probationary reports of performance in a timely manner, as reflected in the table below. This is the second consecutive time this has been a finding for the DMV.

Classification	Appointment Type	Number of Appointments	Total Number of Missing Probation Reports
Associate Personnel Analyst	Certification List	1	1
Control Cashier II (Motor Vehicle Services), Department of Motor Vehicles	Certification List	1	2
Manager I Department of Motor Vehicles	Certification List	2	4
Motor Vehicle Representative	Certification List	2	6
Staff Services Manager II (Supervisory)	Certification List	1	3
Training Officer II	Certification List	1	1
Associate Personnel Analyst	Transfer	1	3

Classification	Appointment Type	Number of Appointments	Total Number of Missing Probation Reports
Digital Print Operator II	Transfer	1	3
Driver Safety Hearing Office	Transfer	1	3
Key Data Operator	Transfer	1	3
Licensing-Registration Examiner, Department of Motor Vehicles	Transfer	1	3
Personnel Specialist	Transfer	1	2
Staff Services Analyst (General)	Transfer	1	1
Associate Administrative Analyst - Accounting Systems-	Certification List	1	1
Driver Safety Manager II	Certification List	2	3
Manager I Department of Motor Vehicles	Certification List	1	1
Manager II Department of Motor Vehicles	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 DMV states that, despite their Human Resources Bureau's (HRB) training and communication methods to inform supervisors of the requirements to complete probationary reports, not all supervisors provided timely probationary evaluations.

Corrective Action: Within 90 days of the date of this report, the DMV must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with the probationary requirements of Government Code section 19172 and California Code of Regulations, title 2, section 599.795. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

SEVERITY: TECHNICAL	FINDING NO. 4 DEPARTMENT DID NOT PROVIDE BENEFIT INFORMATION IN ACCORDANCE WITH CIVIL SERVICE LAW
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Summary: The DMV did not provide 43 explanation of benefits prior to acceptance of appointment out of the 53 appointments reviewed by the CRU. In addition, the DMV did not memorialize that the applicant received an explanation of benefits, prior to appointment, in a formal offer of employment 48 times out of the 53 appointments reviewed by the CRU.

Criteria: An appointing power, before offering employment to an applicant, shall provide the applicant, in writing, with an explanation of benefits that accompany state service. These documents shall include a summary of the applicable civil service position with salary ranges and steps within them, as well as information on benefits afforded by membership in the Public Employees' Retirement System and benefits and protections provided to public employees by the State Civil Service Act. (Gov. Code, § 19057.2.)

Severity: Technical. An applicant is entitled to have all of the information regarding benefits relating to their potential employment prior to making a decision as to whether to accept or decline the appointment.

Cause: The DMV states they were unaware of this requirement until April 2021.

Corrective Action: Within 90 days of the date of this report, the DMV must submit to the SPB a written corrective action response which addresses the corrections the department will implement to demonstrate conformity with the explanation of benefits requirements of Government Code section 19057.2. Copies of relevant documentation (including a template letter) demonstrating that the corrective action has been implemented must be included with the corrective action response.

SEVERITY: TECHNICAL	FINDING No. 5 APPOINTMENT DOCUMENTATION WAS NOT KEPT FOR THE APPROPRIATE AMOUNT OF TIME
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Summary: The DMV failed to retain personnel records such as NOPA's, duty statements, job announcements/bulletins, and applications. Of the 53 appointments reviewed, the DMV did not retain 21 NOPA's.

Criteria: As specified in section 26 of the Board's Regulations, appointing powers are required to retain records related to affirmative action, equal employment opportunity, examinations, merit, selection, and appointments for a minimum period of five years from the date the record is created. These records are required to be readily accessible and retained in an orderly and systematic manner. (Cal. Code Regs., tit. 2, § 26.)

Severity: Technical. Without documentation, the CRU could not verify if the appointments were properly conducted.

Cause: The DMV recognizes that retaining signed NOPA's is part of the appointment process. The COVID-19 pandemic and moving to a virtual environment hindered the process in obtaining and retaining wet signatures for these specific documents.

Corrective Action: Within 90 days of the date of this report, the DMV must submit to the SPB a written corrective action response which addresses the

corrections the department will implement to ensure conformity with the record retention requirements of California Code of Regulations, title 2, section 26. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Equal Employment Opportunity

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

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. 6 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 CRU determined that the DMV’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 Director of the DMV. The DMV 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, September 1, 2021, through February 28, 2022, the DMV had 176 PSC's that were in effect. The CRU reviewed 50 of those, which are listed below:

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification ?
Advance Service, Inc.	Landscape Maintenance Services	3/1/20-2/28/23	\$4,200	Yes	No
American Association of Motor Vehicle Administrators (AAMVA)	AAMVA Membership	10/1/21-9/30/22	\$30,693	Yes	Yes
California Peace Officers' Association	California Peace Officers' Association for Supervisory Courses	1/1/22-12/31/24	\$5,000	Yes	Yes

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification ?
California Traffic Safety Institute	Oversight of Traffic Violator School Program	3/1/20-2/28/23	\$1,975,585	Yes	Yes
CAM Property Services	Parking Lot Sweeping and Pressure Washing/ Steam Cleaning Service	3/1/20-2/28/23	\$10,212	Yes	No
Cartwright Termite & Pest Control, Inc.	Pest Control Services	12/1/2021-7/31/24	\$7,864	Yes	Yes
Clark Services	Parking Lot Sweeping and Steam Cleaning Services	2/1/20-1/31/23	\$10,950	Yes	No
Commercial Environment Landscape	Landscaping Services	3/1/20-2/28/23	\$4,980	Yes	No
Conejo Crest Landscape Management	Landscape Cleanup and Maintenance Services	11/1/21-10/31/24	\$22,860	Yes	Yes
Conejo Crest Landscape Management	Landscaping	10/1/21-9/30/24	\$77,724	Yes	Yes
Daly Movers, Inc.	Moving Services	2/1/22-3/31/22	\$1,579	Yes	Yes
DNS Solutions, Inc.	Janitorial Services	7/1/21-6/30/24	\$68,404	Yes	Yes
Employment Screening Resources	Background Check Services	12/1/21-11/30/22	\$9,500	Yes	Yes
FirstPlus Resolutions, Inc.	Audit Training Services	2/1/22-6/30/22	\$29,980	Yes	No

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification ?
Freitas Landscape and Maintenance	Landscape Maintenance Services	4/1/20-3/31/23	\$17,900	Yes	Yes
Fuller Forklift Service	Forklift, Pallet Jack, and Associated Equipment Maintenance and Repair Services	10/1/21-9/30/23	\$51,425	Yes	Yes
Gaiaca, LLC	Area 5 Confidential Shredding Services	7/1/21-6/30/24	\$803,813	Yes	Yes
Global Knowledge Training LLC	Information Technology Training Services	1/1/22-6/30/22	\$49,950	Yes	Yes
Golden State Equipment Repair	Cafeteria and Kitchen Equipment Maintenance and Repair Services	1/1/22-12/31/24	\$88,285	Yes	Yes
Heritage Custom Landscapes, Inc.	Landscape Maintenance Services	10/1/21-9/30/24	\$99,000	Yes	Yes
Hunter's Services, Inc.	Pest Control Services	11/1/21-10/31/23	\$1,632	Yes	Yes
Idemia Identity & Security USA LLC	Driver License, Identification, and Salesperson Card Production Services	1/27/22-8/31/28	\$103,550,419	Yes	Yes

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification ?
Infinite Solutions, Inc.	Consulting Services for Business Process Reengineering	1/26/22-10/26/22	\$1,500,000	Yes	Yes
Inter-Con Security Systems, Inc.	Security Guard Services	1/1/20-3/1/23	\$6,074,545	Yes	No
Interpreters Unlimited, Inc.	Telephone Interpreting Services	1/1/22-12/31/22	\$137,904	Yes	Yes
Leafwise Landscape LLC	Landscape Maintenance Services	2/1/20-1/31/23	\$16,320	Yes	Yes
LexisNexis Risk Solutions FL Inc.	Device Assessment	10/12/21-9/30/25	\$5,936,000	Yes	Yes
M A S Moving & Associated Services, Inc	Moving Storage	10/28/21 - 10/27/24	\$41,534	Yes	Yes
MEDIA3SIXTY, LLC	Audio Visual Production and Duplication Services	10/1/19-9/30/22	\$54,295	Yes	No
Moss America Companies, Inc	Parking lot Sweeping and Steam Cleaning/ Pressure Washing Services	12/1/19-11/30/22	\$10,896	Yes	Yes
Mow-N-Edge Corporation	Landscaping Services	3/1/20-2/28/23	\$10,240	Yes	No
NatureScape Services, Inc.	Landscape Maintenance Services	3/1/20-2/28/23	\$12,570	Yes	Yes
New Image Landscape Company	Landscape Maintenance Services	2/1/20-1/31/23	\$12,450	Yes	No

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification ?
Pasco Incorporated	Vehicle Insurance Online Verification	9/7/21-9/6/23	\$998,400	Yes	No
Platinum Security, Inc.	Unarmed Security Guards Services	10/1/19-2/28/22	\$31,484	Yes	No
Premier Property Preservation, LLC	After Hours Janitorial Services at the Modesto DMV Field Office	3/1/22-2/28/23	\$25,200	Yes	Yes
Pride Cleaning Co., Inc.	Cafeteria Exhaust Hood and Duct Cleaning	9/1/21-8/31/24	\$54,000	Yes	Yes
Quality Cleaning Professionals, LLC dba Quality Pro Maintenance	Emergency Janitorial Services	11/12/21-4/30/22	\$29,082	Yes	Yes
RELX INC	Library Subscription	1/1/18-12/31/22	\$12,504	Yes	No
Safe Hearing America, Inc.	Hearing Conservation Testing and Hearing Loss Prevention Training Services	9/1/21-8/31/23	\$13,050	Yes	Yes
Sage Synergy Corporation	Janitorial Services	9/1/21-8/31/24	\$124,793	Yes	Yes
San Diego Power Clean, Inc.	Cleaning Services	10/1/21-9/30/24	\$28,800	Yes	Yes

Vendor	Services	Contract Date(s)	Contract Amount	Justification Identified?	Union Notification ?
Sign Language Interpreting Services Agency, Inc. dba Wilder Interpreting Services	American Sign Language Interpreter for DMV Publications	10/1/21-9/30/24	\$73,400	Yes	Yes
Sikich LLP	Payment Card Industry Quarterly Vulnerability Scans	12/15/21 - 12/14/22	\$1,255	Yes	Yes
Team One Management	Emergency Janitorial Services	11/2/21-4/30/22	\$19,442	Yes	Yes
U.S. Bank	Electronic Remittance Management Services	10/11/21 - 10/10/23	\$52,200	Yes	Yes
USA Waste of California, Inc.	Non-hazardous Waste Removal and Recycling Services	11/1/21-10/31/24	\$15,120	Yes	Yes
USA Waste of California, Inc.	Waste Removal and Recycling	10/1/21-9/30/24	\$19,800	Yes	Yes
Webco Sweeping, LLC	Parking Lot Sweeping and Pressure Washing and/or Steam Cleaning Services	4/1/20-3/31/23	\$19,740	Yes	Yes
ZenFresh Janitorial, Inc.	Janitorial Services	11/1/21-10/31/24	\$86,262	Yes	Yes

SEVERITY: SERIOUS	FINDING NO. 7 UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACTS
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Summary: The DMV did not notify unions prior to entering into 12 of the 50 PSC's reviewed.

Criteria: The contract shall not be executed until the state agency proposing to execute the contract has notified all organizations that represent state employees who perform the type of work to be contracted. (Gov. Code, § 19132, subd. (b)(1).)

Severity: Serious. Unions must be notified of impending personal services contracts in order to ensure they are aware contracts are being proposed for the type of work that their members could perform.

Cause: The DMV states that 12 contracts were executed prior to noticing all unions. Upon review, inconsistencies were found in proper procurement file documentation as the analysts transitioned from paper files to electronic files in adapting to their new virtual work environment. This issue has been corrected going forward.

Corrective Action: It is the contracting department's responsibility to identify and notify any unions whose members could potentially perform the type of work to be contracted prior to executing a PSC. Within 90 days of the date of this report, the DMV must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with the requirements of Government Code section 19132. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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

The CRU reviewed the DMV’s mandated training program that was in effect during the compliance review period, March 1, 2020, through February 28, 2022.

SEVERITY: VERY SERIOUS	FINDING NO. 8 ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS
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Summary: The CRU reviewed 200 of 1,627 DMV existing filers. The DMV provided ethics training to all 200 existing filers reviewed. In addition, the CRU reviewed 200 of 422 DMV new filers. The DMV did not provide ethics training, within six months of appointment, to 10 of the 200 new filers. This is the second consecutive time this has been a finding for the DMV.

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 DMV states that the recently installed Learning Management System (LMS) had a process issue with filers not being automatically enrolled into ethics training.

Corrective Action: Within 90 days of this report, the DMV must submit to the SPB a written correction action response which addresses the corrections the department will implement to demonstrate conformity with Government Code section 11146.3. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

SEVERITY: VERY SERIOUS	FINDING NO. 9 SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES
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Summary: The DMV did not provide sexual harassment prevention training to 88 of 185 new supervisors within 6 months of their appointment. In addition, the DMV did not provide sexual harassment prevention training to 1 of 1,396 existing supervisors every 2 years. Further, the DMV did not provide sexual harassment prevention training to 56 of 200 non-supervisors every 2 years. This is the second consecutive time this has been a finding for the DMV.

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 DMV states that the recently installed LMS had a process issue with supervisors and learners not being automatically enrolled into sexual harassment prevention training.

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

SEVERITY: VERY SERIOUS	FINDING NO. 10 SUPERVISORY TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS, MANAGERS, AND CEAS
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Summary: The DMV did not provide basic supervisory training to 136 of 213 new supervisors within 12 months of appointment; did not provide manager training to 7 of 21 new managers within 12 twelve months of appointment; did not provide CEA training to 1 of 2 new CEAs within 12 months of appointment; and did not provide biennial leadership training to 359 of 769 existing supervisors, managers, and/or CEAs. This is the second consecutive time this has been a finding for the DMV.

Criteria: Each department must provide its new supervisors a minimum of 80 hours of supervisory training within the probationary period. Upon completion of the initial training, supervisory employees shall receive

a minimum 20 hours of leadership training biennially. (Gov. Code, § 19995.4, subds. (b) and (c).)

Upon initial appointment of an employee to a managerial position, each employee must receive 40 hours of leadership training within 12 months of appointment. Thereafter, the employee shall receive a minimum of 20 hours of leadership training biennially. (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. Thereafter, the employee shall receive a minimum of 20 hours of leadership training biennially. (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 DMV states that the recently installed LMS had a process issue with supervisors, managers, and CEAs not being automatically enrolled into leadership training.

Corrective Action: Within 90 days of the date of this report, the DMV must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that new supervisors, managers, and CEAs are provided leadership and development training within twelve months of appointment, and that thereafter, they receive a minimum of 20 hours of leadership training biennially, as required by Government Code section 19995.4. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Compensation and Pay

Salary Determination

The pay plan for state civil service consists of salary ranges and steps established by CalHR. (Cal. Code Regs., tit. 2, § 599.666.) Several salary rules dictate how departments calculate and determine an employee's salary rate¹⁵ 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, February 1, 2021, through July 31, 2021, the DMV made 1,127 appointments. The CRU reviewed 25 of those appointments to determine if the DMV applied salary regulations accurately and correctly processed employees' compensation, which are listed below:

Classification	Appointment Type	Tenure	Time Base	Salary (Monthly Rate)
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$5,149
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	\$5,383
Control Cashier II (Motor Vehicle Services), Department of Motor Vehicles	Certification List	Permanent	Full Time	\$4,680
Driver Safety Manager II	Certification List	Permanent	Full Time	\$7,818
Driver Safety Manager II	Certification List	Permanent	Full Time	\$7,872
Information Technology Associate	Certification List	Permanent	Full Time	\$4,876
Information Technology Manager II	Certification List	Permanent	Full Time	\$11,279
Investigator	Certification List	Limited Term	Full Time	\$4,762

¹⁵ "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)
Manager II, Department of Motor Vehicles	Certification List	Permanent	Full Time	\$5,684
Manager III, Department of Motor Vehicles	Certification List	Limited Term	Full Time	\$5,705
Manager IV, Department of Motor Vehicles	Certification List	Permanent	Full Time	\$6,269
Motor Vehicle Assistant	Certification List	Limited Term	Full Time	\$2,902
Motor Vehicle Representative	Certification List	Permanent	Intermittent	\$3,075
Office Assistant (General)	Certification List	Limited Term	Full Time	\$2,718
Staff Services Analyst (General)	Certification List	Permanent	Full Time	\$4,281
Staff Services Manager I	Certification List	Permanent	Full Time	\$6,124
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	\$7,988
Supervising Investigator II, Department of Motor Vehicles	Certification List	Permanent	Full Time	\$9,730
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	\$5,677
Associate Personnel Analyst	Transfer	Permanent	Full Time	\$5,677
Driver Safety Hearing Office	Transfer	Permanent	Full Time	\$4,840
Licensing-Registration Examiner, Department of Motor Vehicles	Transfer	Permanent	Full Time	\$5,128
Office Assistant (Typing)	Transfer	Permanent	Full Time	\$3,148
Senior Motor Vehicle Technician	Transfer	Limited Term	Full Time	\$4,881
Staff Services Analyst (General)	Transfer	Permanent	Full Time	\$5,056

SEVERITY: VERY SERIOUS	FINDING NO. 11 INCORRECT APPLICATIONS OF SALARY DETERMINATION LAWS, RULES, AND CALHR POLICIES AND GUIDELINES FOR APPOINTMENT
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Summary: The CRU found 2 errors out of the 25 appointments reviewed in the DMV’s determination of employee compensation. This is the second consecutive time this has been a finding for the DMV.

Classification	Description of Finding(s)	Criteria
Driver Safety Manager II	Incorrect salary determination resulting in the employee being undercompensated.	Cal. Code Regs., tit. 2, § 599.674, subd. (b)
Office Assistant (General)	Employee was placed into Range A of the classification when they met the Range B criteria, resulting in the employee being undercompensated.	Alternate Range Criteria 282

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 two circumstances, the DMV 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 DMV states that the salary determination errors were the result of inexperienced transactions staff.

Corrective Action: Within 90 days of the date of this report, the DMV must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that employees are compensated correctly. The DMV must establish an audit system to correct current compensation transactions as well as future transactions. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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, February 1, 2021, through July 31, 2021, the DMV made 508 alternate range movements within a classification. The CRU reviewed 49 of those alternate range movements to determine if the DMV applied salary regulations accurately and correctly processed each employee's compensation, which are listed below:

Classification	Number of Positions	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Attorney	1	A	B	Full Time	\$6,628
Driver Safety Hearing Office	1	C	D	Full Time	\$5,296
Information Technology Associate	1	A	B	Full Time	\$4,646
Information Technology Specialist I	3	A	B	Full Time	\$6,439
Investigator	1	A	B	Full Time	\$5,427
Investigator	4	B	C	Full Time	\$6,282
Investigator	1	B	C	Full Time	\$7,326
Motor Vehicle Assistant	1	A	B	Full Time	\$3,710
Motor Vehicle Assistant	6	A	B	Full Time	\$3,199
Motor Vehicle Representative	1	A	B	Full Time	\$3,390
Motor Vehicle Representative	1	B	C	Full Time	\$3,739
Motor Vehicle Representative	4	A	B	Intermittent	\$3,390
Motor Vehicle Representative	1	A	B	Full Time	\$3,545
Motor Vehicle Representative	2	A	B	Full Time	\$3,390
Motor Vehicle Representative	4	B	C	Full Time	\$3,739
Office Assistant (Typing)	1	A	B	Intermittent	\$3,390
Personnel Specialist	4	A	B	Full Time	\$3,768
Personnel Specialist	1	B	C	Full Time	\$4,277
Personnel Specialist	1	C	D	Full Time	\$4,720
Personnel Specialist	1	C	D	Full Time	\$4,581
Space Planner	1	A	C	Full Time	\$4,496

Classification	Number of Positions	Prior Range	Current Range	Time Base	Salary (Monthly Rate)
Staff Services Analyst (General)	1	A	B	Full Time	\$3,639
Staff Services Analyst (General)	5	A	C	Full Time	\$4,281
Staff Services Analyst (General)	1	B	C	Full Time	\$4,476
Staff Services Analyst (General)	1	B	C	Full Time	\$4,541

SEVERITY: VERY SERIOUS	FINDING NO. 12 ALTERNATE RANGE MOVEMENTS DID NOT COMPLY WITH CIVIL SERVICE LAWS, RULES, AND CALHR POLICIES AND GUIDELINES
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Summary: The CRU found 2 errors, out of 49 Alternate Range Movements reviewed, in the DMV’s determination of employee compensation. This is the second consecutive time this has been a finding for the DMV.

Classification	Description of Finding(s)	Criteria
Staff Services Analyst (General)	Incorrect salary determination, resulting in the employee being overcompensated.	Cal. Code Regs., tit. 2, § 599.6783
Staff Services Analyst (General)	Employee was moved into Range B of the Staff Services Analyst (General) classification before they met the criteria for Range B. The employee was overcompensated.	Alternate Range Criteria 069

Criteria: Alternate ranges are designed to recognize increased competence in the performance of class duties based upon experience obtained while in the class. The employee gains status in the alternate range as though each range were a separate classification. (Classification and Pay Guide Section 220.)

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

Severity: Very Serious. In two circumstances, the DMV failed to comply with the requirements outlined in the state civil service pay plan. Incorrectly applying compensation laws and rules not in accordance with CalHR's policies and guidelines results in civil service employees receiving incorrect and/or inappropriate pay amounts.

Cause: The DMV states that the alternate range movement errors identified were due to not having adequate salary checks and balances in place.

Corrective Action: Within 90 days of the date of this report, the DMV must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure that employees are compensated correctly. The DMV must establish an audit system to correct current compensation transactions as well as future transactions. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Hiring Above Minimum Requests

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

Extraordinary qualifications may provide expertise in a particular area of a department's program. (*Ibid.*) This expertise should be well beyond the minimum qualifications of the class. (*Ibid.*) Unique talent, ability or skill as demonstrated by previous job experience may also constitute extraordinary qualifications. (*Ibid.*) The scope and depth of such experience should be more significant than its length. (*Ibid.*) The degree to which a candidate exceeds minimum qualifications should be a guiding factor, rather than a determining one. (*Ibid.*) The qualifications and hiring rates of state employees already in the same class should be carefully considered, since questions of salary equity may arise if new higher entry rates differ from previous ones. (*Ibid.*) Recruitment difficulty is a factor to the extent that a specific extraordinary skill should be difficult to recruit, even though some applicants are qualified in the general skills of the class. (*Ibid.*)

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Government Code section 3517.5, the memorandum of understanding shall be controlling without further legislative action.¹⁶ (Gov. Code, § 19836, subd. (b).)

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

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

During the period under review, February 1, 2021, through July 31, 2021, the DMV authorized 10 HAM requests. The CRU reviewed nine of those authorized HAM requests to determine if the DMV correctly applied Government Code section 19836 and appropriately verified, approved and documented candidates’ extraordinary qualifications, which are listed below:

Classification	Number of Positions	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Information Technology Specialist I	2	Certification List	New to State	\$5,562 - \$8,999	\$8,999
Information Technology Specialist II	1	Certification List	New to State	\$7,365 - \$9,869	\$9,869

¹⁶ Except that if the provisions of the memorandum of understanding requires the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

Classification	Number of Positions	Appointment Type	Status	Salary Range	Salary (Monthly Rate)
Investigator	1	Certification List	New to State	\$4,762 - \$8,649	\$6,799
Investigator	3	Certification List	New to State	\$4,762 - \$8,649	\$8,649
Investigator	1	Certification List	New to State	\$5,003 - \$9,087	\$6,977
Investigator	1	Certification List	New to State	\$5,003 - \$9,087	\$9,087

IN COMPLIANCE	FINDING NO. 13 HIRE ABOVE MINIMUM REQUESTS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRU found that the HAM requests the DMV made during the compliance review period, satisfied civil service laws, Board rules and CalHR policies and guidelines.

Red Circle Rates

A red circle rate is a rate of pay authorized for an individual above the maximum salary for his or her class. (Gov. Code, § 19837.) Departments may authorize a red circle rate in the following circumstances: management initiated change¹⁷, lessening of abilities¹⁸, downward reclassification,¹⁹ split-off,²⁰ allocation standard changes,²¹ or changes in salary setting methods.²² (*Ibid.*)

If a salary reduction is the result of split-off, changes in allocation standards, changes in salary setting methods, or a downward reclassification initiated by SPB or CalHR staff determination, the affected employee may receive a red circle rate regardless of the employee's state service total. The employee may retain it until the maximum salary of

¹⁷ Any major change in the type of classes, organizational structure, and/or staffing levels in a program.

¹⁸ Refers to an employee who, after many years of satisfactory service, no longer possess the ability to perform the duties and responsibilities of his/her position.

¹⁹ Downward reclassification is when, as a result of SPB action or a CalHR (or its predecessor, the Department of Personnel Administration) staff determination, an incumbent's position is moved to a lower class without the duties being changed.

²⁰ Split off is when one class is split into two or more classes, one of which is at a lower salary level than the original class.

²¹ Allocation standards for two or more classes may change to the degree that a position originally allocated to one class may be reallocated to a class with a lower salary without a change in duties.

²² Revised valuation standards applied in setting the salary for a class may result in reducing the salary of a class.

his or her class equals or exceeds the red circle rate. (Classification and Pay Guide Section 260.)

If an employee is moved to a position in a lower class because of management-initiated changes, he or she may receive a red circle rate provided he or she has a minimum of ten years' state service²³ and has performed the duties of the higher class satisfactorily²⁴. The length of the red circle rate resulting from a management-initiated change is based on the affected employee's length of state service. The red circle rate ends when the maximum salary of the class equals or exceeds the red circle rate or at the expiration of eligibility. (*Ibid.*)

An employee whose position is blanketed into the state civil service from another public jurisdiction may receive a red circle rate regardless of the length of service in the other jurisdiction. (Cal. Code Regs., tit. 2, § 275.) The employee may retain the red circle rate until the maximum salary of the class to which the employee's position is allocated equals or exceeds the red circle rate.

Additionally, a red circle rate may be authorized for a former CEA appointee who is reinstating to a civil service classification, a CEA with no prior civil service in a promotional exam and is being appointed from a list without a break in service, or a CEA appointee who is being reduced to a lower CEA salary rate (Classification and Pay Guide Section 440). An employee who has ten years of service, one year of which is under a career executive assignment, shall receive a red circle rate in unless the termination was voluntary or based on unsatisfactory performance. (Cal. Code of Regs., tit. 2, § 599.993.) If the termination was voluntary and performance was satisfactory, a red circle rate is permissive. (*Ibid.*) This rate is based on the CEA salary rate received at the time of the termination. Government Code section 13332.05 limits the funding of the red circle rate to no more than 90 calendar days following termination of a CEA appointment.

As of April 1, 2005, departments have delegated authority to approve red circle rates for general civil service employees and CEA positions for up to 90 days. Current Bargaining Unit agreements also provide guidelines and rules on red circle rates that may supersede applicable laws, codes, rules and/or CalHR policies and guidelines.

²³ As calculated by the State Service and Seniority Unit at CalHR. An employee with nine years' state service qualifies if the employee had been laid off or had been on a leave of absence for one or more years to reduce the effect of a layoff (CCR § 599.608).

²⁴ The latter requirement is normally satisfied by the successful completion of a probationary period, unless there is compelling evidence to suggest otherwise.

During the period under review, February 1, 2021, through July 31, 2021, the DMV authorized one red circle request. The CRU reviewed the red circle request, listed below, to determine if the DMV correctly verified, approved and documented the red circle authorization process:

Classification	Prior Classification	Red Circle Rate	Reason for Red Circle Rate
Assistant Division Chief/Program Manager, Department of Motor Vehicles	CEA	\$524	CEA Termination

IN COMPLIANCE	FINDING NO. 14	RED CIRCLE RATE AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRU found that the red circle rate request the DMV authorized 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, February 1, 2021, through July 31, 2021, the DMV issued bilingual pay to 1,607 employees. The CRU reviewed 50 of these bilingual pay authorizations to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Time Base	No. of Appts.
Associate Governmental Program Analyst	R01	Full Time	1

Classification	Bargaining Unit	Time Base	No. of Appts.
Driver Safety Hearing Office	R01	Full Time	1
Licensing-Registration Examiner, Department of Motor Vehicles	R07	Intermittent	2
Licensing-Registration Examiner, Department of Motor Vehicles	R07	Full Time	6
Management Services Technician	R01	Full Time	1
Manager I, Department of Motor Vehicles	S01	Full Time	6
Manager II, Department of Motor Vehicles	S01	Full Time	3
Manager III Department of Motor Vehicles	E48	Full Time	1
Motor Vehicle Representative	R04	Full Time	25
Office Technician (Typing)	R04	Full Time	1
Senior Motor Vehicle Technician	R04	Full Time	3

IN COMPLIANCE	FINDING NO. 15 BILINGUAL PAY AUTHORIZATIONS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND CALHR POLICIES AND GUIDELINES
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The CRU 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, February 1, 2021, through July 31, 2021, the DMV authorized 1,328 pay differentials.²⁵ The CRU reviewed 50 of these pay differentials to ensure compliance with applicable CalHR policies and guidelines. These are listed below:

Classification	Number of Positions	Pay Differential	Monthly Amount
Administrative Law Judge II, New Motor Vehicle Board	2	84	5%
Assistant Division Chief/Program Manager Department of Motor Vehicles	3	441	\$250
CEA	1	441	\$250
Deputy Chief, Investigations And Enforcement, Department of Consumer Affairs ²⁶	1	245	9%
Deputy Chief, Investigations And Enforcement, Department of Consumer Affairs	1	245	6%
Executive Assistant	1	52	1.5 Salary Steps
Investigator	1	244	\$100
Investigator	1	245	9%
Investigator	1	173	\$200
Licensing-Registration Examiner, Department of Motor Vehicles	1	437	\$85
Manager I, Department of Motor Vehicles	6	441	\$250
Manager II, Department of Motor Vehicles	1	441	\$250
Manager III, Department of Motor Vehicles	1	441	\$250
Manager IV, Department of Motor Vehicles	2	441	\$250
Motor Vehicle Representative	3	403	\$150
Motor Vehicle Representative	5	441	\$250
Senior Motor Vehicle Technician	4	403	\$150
Supervising Investigator I, Department of Motor Vehicles	7	244	\$125
Supervising Investigator I, Department of Motor Vehicles	2	244	\$100
Supervising Investigator I, Department of Motor Vehicles	2	245	9%
Supervising Investigator II, Department of Motor Vehicles	2	244	\$100

²⁵ For the purposes of CRU's review, only monthly pay differentials were selected for review at this time.

²⁶ While these classifications are specific to the Department of Consumer Affairs, the DMV obtained approval from CalHR to use these classifications pursuant to the CalHR-DMV Delegation Agreement.

Classification	Number of Positions	Pay Differential	Monthly Amount
Supervising Investigator II, Department of Motor Vehicles	1	245	9%
Supervising Investigator II, Department of Motor Vehicles	1	245	2%

SEVERITY: VERY SERIOUS	FINDING NO. 16 INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS
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Summary: The CRU found 5 errors in the 50 pay differentials reviewed. This is the second consecutive time this has been a finding for the DMV.

Classification	Area	Description of Finding(s)	Criteria
Administrative Law Judge II, New Motor Vehicle Board (2 positions)	National Judicial College Differential Pay	Department failed to provide supporting documentation demonstrating the employee was eligible for the pay differential.	Pay Differential 84
Supervising Investigator I, Department of Motor Vehicles	Education Differential	The employee did not receive the pay differential rate they were eligible for resulting in an underpayment.	Pay Differential 244
Supervising Investigator II, Department of Motor Vehicles (2 positions)	Education Differential	This classification is not eligible to receive the education differential pay. The two employees were overcompensated.	Pay Differential 244

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.)

Severity: Very Serious. The DMV failed to comply with the state civil service pay plan by incorrectly applying compensation laws and rules in

accordance with CalHR's policies and guidelines. This results in civil service employees receiving incorrect and/or inappropriate compensation.

Cause: The DMV states that the findings associated with Pay Differential 244 were the result of inexperienced transactions staff's work. Further, the DMV states that for Pay Differential 84, the employee's certificate was not retained in their official personnel file.

Corrective Action: Within 90 days of the date of this report, the DMV must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with Pay Differentials 84 and 244, and ensure that employees are compensated correctly and that transactions are keyed accurately. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Out-of-Class Assignments and Pay

For excluded²⁷ and most rank and file employees, out-of-class (OOC) work is defined as performing, more than 50 percent of the time, the full range of duties and responsibilities allocated to an existing class and not allocated to the class in which the person has a current, legal appointment. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(2).) A higher classification is one with a salary range maximum that is any amount higher than the salary range maximum of the classification to which the employee is appointed. (Cal. Code Regs., tit. 2, § 599.810, subd. (a)(3).)

According to the Classification and Pay Guide, OOC assignments should only be used as a last resort to accommodate temporary staffing needs. All civil service alternatives should be explored first before using OOC assignments. However, certain MOU provisions and the California Code of Regulations, title 2, section 599.810 allow for short-term OOC assignments to meet temporary staffing needs. Should OOC work become necessary, the assignment would be made pursuant to the applicable MOU provisions or salary regulations. Before assigning the OOC work, the department should have a plan

²⁷ "Excluded employee" means an employee as defined in Government Code section 3527, subdivision (b) (Ralph C. Dills Act) except those excluded employees who are designated managerial pursuant to Government Code section 18801.1.

to correct the situation before the time period outlined in applicable law, policy or MOU expires. (Classification and Pay Guide Section 375.)

During the period under review, February 1, 2021, through July 31, 2021, the DMV issued OOC pay to 33 employees. The CRU reviewed 21 of these OOC assignments to ensure compliance with applicable MOU provisions, salary regulations, and CalHR policies and guidelines. These are listed below:

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Assistant Division Chief/Program Manager Department of Motor Vehicles	M01	CEA, B	5/3/21 – 7/30/21
Associate Governmental Program Analyst	R01	Staff Services Manager I	2/1/21 – 3/31/21
Associate Governmental Program Analyst	R01	Staff Services Manager II, (Supervisory)	2/1/21 – 3/1/21
Associate Personnel Analyst	R01	Staff Services Manager I	7/1/21 – 7/31/21
Attorney III	R02	Attorney IV	2/1/21 – 3/31/21
Driver Safety Manager I	S01	Driver Safety Manager II	3/8/21 – 5/31/21 7/1/21 – 7/6/21
Information Technology Manager I	S01	Information Technology Manager II	2/15/21 – 5/31/21
Information Technology Specialist II	R01	Information Technology Manager I	4/15/21 – 7/31/21
Investigator	R07	Supervising Investigator I, Department of Motor Vehicles	2/1/21 – 2/28/21
Investigator	R07	Supervising Investigator I, Department of Motor Vehicles	7/19/21 – 7/31/21
Manager IV, Department of Motor Vehicles	E48	Assistant Division Chief/Program Manager Department of Motor Vehicles	2/1/21 – 2/28/21

Classification	Bargaining Unit	Out-of-Class Classification	Time Frame
Manager IV, Department of Motor Vehicles	S01	Manager V, Department of Motor Vehicles	5/5/21 – 7/30/21
Manager V, Department of Motor Vehicles	M01	Assistant Division Chief/Program Manager Department of Motor Vehicles	2/1/21 – 4/30/21
Manager V, Department of Motor Vehicles	M01	Assistant Division Chief/Program Manager Department of Motor Vehicles	2/16/21 – 3/1/21
Motor Vehicle Representative	R04	Senior Motor Vehicle Technician	2/1/21 – 4/11/21
Personnel Specialist	R01	Personnel Supervisor I	7/16/21 – 8/1/21
Staff Services Analyst (General)	R01	Training Officer II	7/1/21 – 7/31/21
Staff Services Manager I	S01	Staff Services Manager II, (Supervisory)	5/5/21 – 6/13/21
Staff Services Manager II, (Supervisory)	S01	Assistant Division Chief/Program Manager Department of Motor Vehicles	6/15/21 – 8/1/21
Supervising Investigator I, Department of Motor Vehicles	S07	Supervising Investigator II, Department of Motor Vehicles	2/1/21 – 2/28/21
Supervising Investigator II, Department of Motor Vehicles	S07	Deputy Chief, Investigations and Enforcement, Department of Consumer Affairs	2/1/21 – 2/28/21

SEVERITY: VERY SERIOUS	FINDING NO. 17	INCORRECT AUTHORIZATION OF OUT-OF-CLASS PAY
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Summary: The CRU found 9 errors out of 21 the authorizations reviewed of OOC pay. This is the second consecutive time this has been a finding for the DMV.

Classification	Out-of-Class Classification	Description of Finding(s)	Criteria
Assistant Division Chief/Program Manager Department of Motor Vehicles	CEA, B	OOO pay for managerial employee commenced before the 91 st day.	Pay Differential 101
Attorney III	Attorney IV	Employee's OOO pay was at a higher rate for February and March 2021 pay periods then they were entitled to.	Pay Differential 91
Driver Safety Manager I	Driver Safety Manager II	Employee was overcompensated for May 2021 pay period.	Pay Differential 101
Information Technology Manager I	Information Technology Manager II	OOO pay for managerial employee commenced before the 91 st day.	Pay Differential 101
Information Technology Specialist II	Information Technology Manager I	Employee was overcompensated for April, May and June 2021 pay periods.	Pay Differential 91
Manager IV, Department of Motor Vehicles	Manager V, Department of Motor Vehicles	Employee was overcompensated for May and June 2021 pay periods.	Pay Differential 101
Manager V, Department of Motor Vehicles	Assistant Division Chief/Program Manager Department of Motor Vehicles	OOO pay for managerial employee commenced before the 91 st day.	Pay Differential 101
Manager V, Department of Motor Vehicles	Assistant Division Chief/Program Manager Department of Motor Vehicles	OOO pay for managerial employee commenced before the 91 st day.	Pay Differential 101
Staff Services Manager I	Staff Services Manager II (Supervisory)	Employee was overcompensated June 2021 pay period.	Pay Differential 101

Criteria:

An employee may be temporarily required to perform out-of-class work by his/her department for up to one hundred twenty (120) calendar days in any twelve (12) consecutive calendar months when it determines that such an assignment is of unusual urgency, nature, volume, location, duration, or other special characteristics; and, cannot feasibly be met through use of other civil service or administrative alternatives. Departments may not use out-of-class assignments to avoid giving civil service examinations or to avoid using existing eligibility lists created as the result of a civil service examination.

Employees may be compensated for performing duties of a higher classification provided that: the assignment is made in advance in writing and the employee is given a copy of the assignment; and the duties performed by the employee are not described in a training and development assignment or by the specification for the class to which the excluded employee is appointed and, are fully consistent with the types of jobs described in the specification for the higher classification; and the employee does not perform such duties for more than 120 days in a fiscal year. (Cal. Code Regs., tit. 2, § 599.810, subd. (b)(1)(3)(4).)

Managerial out-of-class compensation will commence on the 91st day. Compensation shall not exceed nine months. (Pay Differential 101.)

When an employee is assigned out-of-class work for two (2) consecutive work weeks or more, he/she shall receive the rate of pay he/she would have received pursuant to Rule Sections 599.673, 599.674, or 599.676 (difference between the classes) if appointed to the higher classification. . (Pay Differential 91.)

For excluded employees, there shall be no compensation for assignments that last for 15 consecutive working days or less. (Cal. Code Regs., tit. 2, § 599.810, subd. (c).) An excluded employee performing in a higher class for more than 15 consecutive working days shall receive the rate of pay the excluded employee would receive if appointed to the higher class for the entire duration of the assignment, not to exceed one year. (Cal. Code Regs., tit. 2, § 599.810, subd. (d).) An excluded employee may be assigned out-of-

class work for more than 120 calendar days during any 12-month period only if the appointing power files a written statement with the CalHR certifying that the additional out-of-class work is required to meet a need that cannot be met through other administrative or civil service alternatives. (Cal. Code Regs., tit. 2, § 599.810, subd. (e).)

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

Cause: The DMV states that the OOC findings identified were due to not having adequate salary checks and balances in place.

Corrective Action: Within 90 days of the date of this report, the DMV must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure conformity with California Code of Regulations, title 2, section 599.810 and Pay Differentials 91 and 101. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

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 in order to continue the employment status for an employee until the completion of an examination, for seasonal type work, while attending school, or for consulting services.

An employee is appointed TAU-ATW when he/she is not expected to work all of the working days of a month. When counting 189 days, every day worked, including partial days²⁸ worked and paid absences²⁹, are counted. (Cal. Code Regs., tit. 2, § 265.1, subd.

²⁸ For example, two hours or ten hours count as one day.

²⁹ For example, vacation, sick leave, compensating time off, etc.

(b.) The hours worked in one day is not limited by this rule. (*Ibid.*) The 12-consecutive month timeframe begins by counting the first pay period worked as the first month of the 12-consecutive month timeframe. (*Ibid.*) The employee shall serve no longer than 189 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).)

Generally, permanent intermittent employees may work up to 1500 hours in any calendar year. (Applicable Bargaining Unit Agreements.) However, Bargaining Unit 6 employees may work up to 2000 hours in any calendar year.

Additionally, according to Government Code section 21224, retired annuitant appointments shall not exceed a maximum of 960 hours in any fiscal year (July-June), regardless of the number of state employers, without reinstatement, loss or interruption of benefits.³⁰

At the time of the review, the DMV had 995 positive paid employees whose hours were tracked. The CRU reviewed 36 of those positive paid appointments to ensure compliance with applicable laws, regulations, policies and guidelines, which are listed below:

Classification	Tenure	Time Frame	Time Worked
Licensing-Registration Examiner, Department of Motor Vehicles	Permanent	1/1/21 – 12/31/21	2,092.75 hours
Licensing-Registration Examiner, Department of Motor Vehicles	Permanent	1/1/21 – 12/31/21	1,066 hours

³⁰ Executive Order N-25-20, signed by Governor Newsom on March 12, 2020, suspended work hour limitations for retired annuitants, and permanent and intermittent personnel due to the Covid-19 pandemic.

Classification	Tenure	Time Frame	Time Worked
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,963.75 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,788.25 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	2,065.25 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	2,176.75 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	2,058.5 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	2,029.5 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,631.5 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	2,233.97 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,968.75 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,452.75 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,002.75 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,941.25 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,947.5 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	2,027.25 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,945.25 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,963 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,357.25 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	1,487.75 hours
Motor Vehicle Representative	Permanent	1/1/21 – 12/31/21	2,087.25 hours
Administrative Law Judge II. New Motor Vehicle Board	Retired Annuitant (RA)	7/1/20 – 6/30/21	419.05 hours
Administrative Law Judge II. New Motor Vehicle Board	RA	7/1/20 – 6/30/21	26.8 hours

Classification	Tenure	Time Frame	Time Worked
Administrative Law Judge II. New Motor Vehicle Board	RA	7/1/20 – 6/30/21	582.6 hours
Associate Governmental Program Analyst	RA	7/1/20 – 6/30/21	796.25 hours
Associate Governmental Program Analyst	RA	7/1/20 – 6/30/21	236 hours
Associate Governmental Program Analyst	RA	7/1/20 – 6/30/21	897 hours
Information Technology Specialist I	RA	7/1/20 – 6/30/21	955 hours
Information Technology Specialist II	RA	7/1/20 – 6/30/21	890 hours
Information Technology Specialist II	RA	7/1/20 – 6/30/21	960 hours
Information Technology Specialist III	RA	7/1/20 – 6/30/21	229 hours
Information Technology Specialist III	RA	7/1/20 – 6/30/21	640. hours
Labor Relations Manager II	RA	7/1/20 – 6/30/21	182.25 hours
Motor Vehicle Representative	RA	7/1/20 – 6/30/21	300.25 hours
Motor Vehicle Representative	RA	7/1/20 – 6/30/21	90.25 hours
Senior Motor Vehicle Technician	RA	7/1/20 – 6/30/21	954 hours

IN COMPLIANCE	FINDING NO. 18 POSITIVE PAID EMPLOYEES' TRACKED HOURS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRU found no deficiencies in the positive paid employees reviewed during the compliance review period. The DMV 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, December 1, 2020, through November 30, 2021, the DMV authorized 5,773 ATO transactions. The CRU reviewed 45 of these 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 Management Auditor	6/10/21 – 6/17/21	39 Hours
Control Cashier I (Motor Vehicle Services), Department of Motor Vehicles	7/2/21	4 Hours
Custodian	1/5/21	4.5 Hours
Driver Safety Officer	2/1/21 – 3/1/21	160 Hours
Inspector, Department of Motor Vehicles	4/16/21 4/19/21	8 Hours 5.5 Hours
Licensing-Registration Examiner, Department of Motor Vehicles	4/20/21	0.75 Hours
Licensing-Registration Examiner, Department of Motor Vehicles	8/1/21 – 8/30/21	80 Hours
Licensing-Registration Examiner, Department of Motor Vehicles	7/6/21 – 7/8/21	24 Hours
Management Services Technician	8/17/21 8/23/21 8/27/21	2.5 Hours 8 Hours 1.5 Hours
Manager I, Department of Motor Vehicles	4/9/21	3.5 Hours
Manager I, Department of Motor Vehicles	4/12/21 4/13/21	2 Hours 8.5 Hours
Manager I, Department of Motor Vehicles	4/12/21 – 4/19/21	45.75 Hours
Manager I, Department of Motor Vehicles	4/12/21 – 4/23/21	80 Hours
Manager I, Department of Motor Vehicles	4/19/21 – 4/29/21	72 Hours
Manager I, Department of Motor Vehicles	12/22/20	2.5 Hours
Manager I, Department of Motor Vehicles	12/22/20	3 Hours
Manager I, Department of Motor Vehicles	1/5/21 1/22/21	2.25 Hours 1.25 Hours

Classification	Time Frame	Amount of Time on ATO
Manager I, Department of Motor Vehicles	1/22/21	2.75 Hours
Manager I, Department of Motor Vehicles	7/21 ³¹	80 Hours
Manager I, Department of Motor Vehicles	7/7/21 – 7/16/21	64 Hours
Manager I, Department of Motor Vehicles	10/1/21 – 10/8/21	48 Hours
Manager II, Department of Motor Vehicles	4/19/21 – 4/26/21	19.75 Hours
Manager II, Department of Motor Vehicles	4/23/21 – 4/30/21	42 Hours
Manager III, Department of Motor Vehicles	4/19/21	3 Hours
Manager III, Department of Motor Vehicles	6/14/21 6/15/21 6/16/21	2 Hours 9 Hours 5.5 Hours
Manager III, Department of Motor Vehicles	7/1/21 – 7/9/21	48 Hours
Manager III, Department of Motor Vehicles	7/8/21 – 7/16/21	56 Hours
Manager V, Department of Motor Vehicles	4/15/21 – 4/16/21	16 Hours
Motor Vehicle Assistant	7/6/21 – 7/20/21	80 Hours
Motor Vehicle Representative	8/17/21	3 Hours
Motor Vehicle Representative	2/24/21	4.25 Hours
Motor Vehicle Representative	1/7/21 – 1/21/21 1/22/21	80 Hours 0.5 Hours
Motor Vehicle Representative	7/2/2021	1.25 Hours
Motor Vehicle Representative	8/30/21 – 8/31/21	16 Hours
Motor Vehicle Representative	7/1/21 – 7/21/21	32 Hours
Motor Vehicle Representative	7/6/21 7/30/21	2 Hours 8 Hours
Motor Vehicle Representative	7/7/21 – 7/8/21	16 Hours
Motor Vehicle Representative	7/12/21 – 7/21/21	59.5 Hours
Motor Vehicle Representative	7/12/21 – 7/16/21	40 Hours
Office Assistant (General)	8/31/21	8 Hours
Personnel Specialist	2/23/21	2 Hours

³¹ Exact dates of ATO use unknown as DMV did not provide a timesheet.

Classification	Time Frame	Amount of Time on ATO
Personnel Specialist	8/30/21	1.5 Hours
	8/31/21	8 Hours
Printing Trades Supervisor I (General)	4/9/21	2 Hours
Senior Motor Vehicle Technician	7/9/21 – 7/23/21	80 Hours
Staff Services Manager I	7/14/21 – 7/16/21	24 Hours

SEVERITY: SERIOUS	FINDING NO. 19 ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED
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Summary: The DMV did not grant ATO in conformity with the established policies and procedures. Of the 45 ATO authorizations reviewed by the CRU, 1 was found to be out of compliance for failing to document justification for the ATO. In addition, two were found to be out of compliance for not documenting the request and approval of the ATO. Further, the timesheet for one of these employees was not provided.

Criteria: Appointing authorities are authorized to approve ATO for up to five (5) working days. (Gov. Code, § 19991.10.) Furthermore, they “have delegated authority to approve up to 30 calendar days.” (Human Resources Manual Section 2121.) Any ATO in excess of 30 calendar days must be approved in advance by the CalHR. (*Ibid.*) In most cases, if approved, the extension will be for an additional 30 calendar days. (*Ibid.*) The appointing authority is responsible for submitting ATO extension requests to CalHR at least 5 working days prior to the expiration date of the approved leave. (*Ibid.*)

When requesting an ATO extension, the appointing authority must provide a justification establishing good cause for maintaining the employee on ATO for the additional period of time. (*Ibid.*) ATO may not be used and will not be granted for an indefinite period. (*Ibid.*) If CalHR denies a request to extend ATO, or the appointing authority fails to request approval from CalHR to extend the ATO, the employee must be returned to work in some capacity. (*Ibid.*)

Regardless of the length of ATO, appointing authorities must maintain thorough documentation demonstrating the justification for the ATO, the length of the ATO, and the approval of the ATO. (*Ibid.*)

Severity: Serious. Because an employee on ATO is being paid while not working, a failure to closely monitor ATO usage could result in costly abuse. The use of ATO is subject to audit and review by CalHR and other control agencies to ensure policy compliance. Findings of non-compliance may result in the revocation of delegated privileges.

Cause: The DMV states that due to the large number of ATO requests submitted during the COVID-19 pandemic, they had to allow front-line and second-line managers to approve the ATO. This contributed to the missing substantiation.

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

Leave Auditing and Timekeeping

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

Departments are directed to create a monthly internal audit process to verify all leave input into any leave accounting system is keyed accurately and timely. (Human Resources Manual Section 2101.) 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, September 1, 2021, through December 1, 2021, the DMV reported 384 units comprised of 9,832 active employees for the September pay period, 9,824 active employees for the October pay period, and 9,793 active employees for the

November pay period. The pay periods and timesheets reviewed by the CRU are summarized below:

Timesheet Leave Period	Unit Reviewed	Number of Employees	Number of Timesheets Reviewed	Number of Missing Timesheets
September 2021	008	10	10	0
September 2021	010	9	9	0
September 2021	015	23	23	0
September 2021	042	19	19	0
October 2021	276	11	11	0
October 2021	277	13	13	0
October 2021	286	20	19	1 ³²
October 2021	288	8	8	0
November 2021	353	16	13	3
November 2021	461	21	20	1
November 2021	514	36	32	4 ³³
November 2021	647	11	9	2

SEVERITY: SERIOUS	FINDING NO. 20 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 DMV 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. In addition, the DMV did not correctly enter one timesheet into the Leave Accounting System (LAS) during the October 2021 pay period and did not correctly enter two timesheets into LAS during the November 2021 pay period. As a result, three employees retained their prior leave balance despite having used leave credits. This is the second consecutive time this has been a finding for the DMV.

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

³² Employee on a leave of absence.
³³ Employees on a leave of absence.

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 DMV states that the lack of a monthly internal audit process was the result of high turnover of staff assigned to complete this task.

Corrective Action: Within 90 days of the date of this report, the DMV 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.

SEVERITY: SERIOUS	FINDING NO. 21 DEPARTMENT DID NOT RETAIN EMPLOYEE TIME AND ATTENDANCE RECORDS
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Summary: The DMV did not retain six timesheets from the November 2021 pay period. This is the second consecutive time this has been a finding for the DMV.

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.) Such records shall be kept in the form and manner prescribed by the Department of Finance in connection with its

powers to devise, install and supervise a modern and complete accounting system for state agencies. (*Ibid.*)

Severity: Serious. The DMV failed to retain employee time and attendance records for each employee. Therefore, the department was unable to reconcile timesheets against their leave accounting system at the conclusion of the pay period, which could have affected employee leave accruals and compensation.

Cause: The DMV states that the timesheets were not filed due to the sudden change from paper files to electronic files as a result of the COVID-19 pandemic.

Corrective Action: Within 90 days of the date of this report, the DMV must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure all timesheets are accounted for and processed in conformity with California Code of Regulations, title 2, section 599.665. 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 considered to be 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.³⁴ (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

³⁴ 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.

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 employees³⁵ 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, August 1, 2021, through January 31, 2022, the DMV had 365 employees with qualifying and non-qualifying pay period transactions. The CRU reviewed 50 transactions to ensure compliance with applicable laws, regulations and CalHR policy and guidelines, which are listed below:

Type of Transaction	Time Base	Number Reviewed
Non-Qualifying Pay Period	Full Time	47
Qualifying Pay Period	Full Time	3

SEVERITY: VERY SERIOUS	FINDING NO. 22 INCORRECT APPLICATION OF STATE SERVICE AND LEAVE TRANSACTIONS
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Summary: The CRU found the following errors in the DMV's state service transactions:

Type of Transaction	Time Base	State Service Incorrectly Posted	Leave Accruals Incorrectly Posted
Non- Qualifying Pay Period	Full Time	1	2
Qualifying Pay Period	Full Time	2	2

³⁵ 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.

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 DMV states the errors identified in the application of leave and state service transactions was due to not having adequate checks and balances in place.

Corrective Action: Within 90 days of the date of this report, the DMV must submit to the SPB a written corrective action response which addresses the corrections the department will implement to ensure state service transactions are keyed accurately. Copies of relevant documentation demonstrating that the corrective action has been implemented must be included with the corrective action response.

Policy and Processes

Nepotism

It is the policy of the State of California to recruit, hire and assign all employees on the basis of merit and fitness in accordance with civil service statutes, rules and regulations. (Human Resources Manual Section 1204.) Nepotism is expressly prohibited in the state workplace because it is antithetical to California's merit based civil service. (*Ibid.*) Nepotism is defined as the practice of an employee using his or her influence or power to aid or hinder another in the employment setting because of a personal relationship. (*Ibid.*) Personal relationships for this purpose include association by blood, adoption, marriage and/or cohabitation. (*Ibid.*) All department nepotism policies should emphasize that nepotism is antithetical to a merit-based personnel system and that the department is committed to the state policy of recruiting, hiring and assigning employees on the basis of merit. (*Ibid.*)

IN COMPLIANCE	FINDING NO. 23 NEPOTISM POLICY COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRU verified that the policy was disseminated to all staff and emphasized the DMV's commitment to the state policy of recruiting, hiring and assigning employees on the basis of merit. Additionally, the DMV's nepotism policy was comprised of specific and sufficient components intended to prevent favoritism, or bias, based on a personal relationship from unduly influencing employment decisions.

Workers' Compensation

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

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

IN COMPLIANCE	FINDING NO. 24	WORKERS' COMPENSATION PROCESS COMPLIED WITH CIVIL SERVICE LAWS, BOARD RULES, AND/OR CALHR POLICIES AND GUIDELINES
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The CRU verified that the DMV provides notice to their employees to inform them of their rights and responsibilities under California's Workers' Compensation Law. Furthermore, the CRU verified that when the DMV 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 CRU selected 160 permanent DMV 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. 25	PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES
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Summary: The DMV did not provide annual performance appraisals to 141 of 160 employees reviewed after the completion of the employee's probationary period. This is the second consecutive time this has been a finding for the DMV.

Criteria: Appointing powers shall prepare performance reports and keep them on file as prescribed by department rule. (Gov. Code, § 19992.2, subd. (a).) Each supervisor, as designated by the appointing power,

shall make an appraisal in writing and shall discuss with the employee overall work performance at least once in each twelve calendar months following the end of the employee's probationary period. (Cal. Code Regs., tit. 2, § 599.798.)

Severity: Serious. The department does not ensure that all of its employees are apprised of work performance issues and/or goals in a systematic manner.

Cause: The DMV states that despite their HRB's training and communication methods to inform supervisors of the requirements to complete performance appraisals, not all supervisors provided timely performance appraisals.

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

DEPARTMENTAL RESPONSE

The DMV's response is attached as Attachment 1.

SPB REPLY

Based upon the DMV's written response, the DMV 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 CRU.

DEPARTMENT OF MOTOR VEHICLES

HUMAN RESOURCES BRANCH

P.O. BOX 932315

SACRAMENTO, CA 94232-3150

Attachment 1



July 22, 2022

Suzanne M. Ambrose
Executive Officer
State Personnel Board
801 Capitol Mall Sacramento, CA 95818

Re: SPB Compliance Review

Dear Ms. Ambrose:

The Department of Motor Vehicles (DMV), Human Resources Bureau (HRB), has reviewed the draft Compliance Review Report received June 30, 2022. We appreciate the State Personnel Board's (SPB) review and the opportunity to respond to the findings. We take our responsibilities seriously and have already begun addressing and improving our processes to ensure compliance. The DMV is currently undergoing a modernization effort to automate and streamline processes, which will improve our compliance in the future.

Please note that responses were not required for Findings No. 1, 2, 6, 13, 14, 15, 18, 23, and 24 since the DMV was determined to be in compliance.

Below are our responses to the items that require attention:

FINDING NO. 3: PROBATIONARY EVALUATIONS WERE NOT PROVIDED FOR ALL APPOINTMENTS REVIEWED AND SOME THAT WERE PROVIDED WERE UNTIMELY.

Response

The DMV acknowledges that of the 53 appointments reviewed, 15 probationary reports were missing and six were not completed timely. The DMV has a comprehensive personnel manual, which instructs managers and supervisors on the requirements of probationary reports. The DMV recognizes that managers and supervisors are responsible for providing timely probationary reports to their employees as the final stage of the selection process. The DMV is actively working to put stronger processes in place to ensure compliance in this area going forward.

FINDING NO. 4: DEPARTMENT DID NOT PROVIDE BENEFIT INFORMATION IN ACCORDANCE WITH CIVIL SERVICE LAW.

Response

The DMV agrees that of the 53 appointments reviewed, the DMV did not provide an explanation of benefits prior to acceptance of the appointment for 43 applicants. In addition, the DMV did not memorialize that the applicant received an explanation of benefits prior to appointment in a formal offer of employment for 48 applicants. Information regarding Assembly Bill (AB) 1033 was not known to the Department of Motor Vehicles (DMV) until April 6, 2021, due to a lack of awareness. The DMV contacted CalHR regarding auto-populated template language on job postings and implemented it on May 2021. Thereafter, the DMV issued HRB Information Memorandum 21-08 on September 9, 2021, rolling out benefits language on job postings, and tentative and final job offer letters to fully comply with AB 1033.

FINDING NO. 5: APPOINTMENT DOCUMENTATION WAS NOT KEPT FOR THE APPROPRIATE AMOUNT OF TIME.

Response

The DMV acknowledges that of the 53 appointments reviewed, 21 Notice of Personnel Action (NOPA) documents were not retained. The DMV recognizes that retaining signed NOPA's is part of the appointment process. The DMV was unable to obtain the requested signatures on the NOPA's due to the impacts and challenges associated with the COVID-19 pandemic. Moving to a virtual environment hindered the process in obtaining and retaining wet signatures for these specific documents. As noted above, the DMV is currently undergoing a modernization effort to automate and streamline processes, which will improve our compliance in the future.

FINDING NO. 7: UNIONS WERE NOT NOTIFIED OF PERSONAL SERVICES CONTRACTS.

Response

The DMV agrees that of the 50 Personal Services Contracts (PSC) reviewed, 12 were executed prior to noticing all unions. Noticing all unions prior to contract and amendment execution is mandatory to ensure all PSC requirements have been met. Inconsistencies were found in proper procurement file documentation as analysts transitioned from paper files to electronic files to adapt to the virtual work environment due to the COVID-19 pandemic. This issue has been corrected going forward.

FINDING NO. 8: ETHICS TRAINING WAS NOT PROVIDED FOR ALL FILERS.

Response

The DMV acknowledges that while all existing ethics filers reviewed were in compliance, 10 of the 200 new filers reviewed did not complete ethics training within six months of their appointment. With a recently installed Learning Management System, there was a process issue with supervisors and learners not being automatically enrolled into training that was due. The DMV is exploring the feasibility of implementing a Human Capital Management (HCM) system in the future which will allow real time data sharing with the LMS.

FINDING NO. 9: SEXUAL HARASSMENT PREVENTION TRAINING WAS NOT PROVIDED FOR ALL EMPLOYEES.

Response

The DMV agrees that sexual harassment prevention training was not completed by 88 of 185 new supervisors, 1 of 1,396 existing supervisors and to 56 of 200 non-supervisors. With a recently installed Learning Management System, there was a process issue with supervisors and learners not being automatically enrolled into training that was due. As noted above, the DMV is exploring the feasibility of implementing an HCM system in the future which will allow real time data sharing with the LMS.

FINDING NO. 10: SUPERVISORY TRAINING WAS NOT PROVIDED FOR ALL SUPERVISORS, MANAGERS, AND CEAs.

Response

The DMV understands that basic supervisory training was not delivered to 136 of 213 new supervisors, manager training was not completed by 7 of 21 new managers, CEA training was not completed by 1 of 2 new CEAs and biennial leadership training was not completed by 359 of 769 existing supervisors, managers, and/or CEAs. With a recently installed Learning Management System, there was a process issue with supervisors and learners not being automatically enrolled into training that was due. As noted above, the DMV is exploring the feasibility of implementing an HCM system in the future which will allow real time data sharing with the LMS.

FINDING NO. 11: INCORRECT APPLICATIONS OF SALARY DETERMINATION LAWS, RULES, AND CALHR POLICIES AND GUIDELINES FOR APPOINTMENT.

Response

Of the 25 appointments reviewed, the DMV agrees with the two salary determination errors that were found. As mentioned previously, the lack of experience of some of the transactions staff directly correlated with the errors found in this area. The DMV has taken corrective action, including updating the employment PIMS history to reflect the correct salary rates and employment history transactions, as well of retraining of staff. In addition, this task has been reassigned to analytical staff given the complexity of the work.

FINDING NO. 12: ALTERNATE RANGE MOVEMENTS DID NOT COMPLY WITH CIVIL SERVICE LAWS, RULES, AND CALHR POLICIES AND GUIDELINES.

Response

The DMV acknowledges that of the 49 Alternate Range Movements reviewed, two inaccuracies were found. Errors were made and were not found prior to keying into the SCO system. In addition to retraining the staff, the DMV has begun the establishment of Accounts Receivable for any overpayments to the impacted employees.

FINDING NO. 16: INCORRECT AUTHORIZATION OF PAY DIFFERENTIALS.

Response

The DMV agrees that of the 50 pay differentials reviewed, five errors were found. For the incorrect keying of the pay differential transactions, this was due to the inexperience of some of the transactions staff, who have since been retrained. For pay differential 84, the DMV did not have a copy of the certification required. The employees involved with this specific pay differential have been with the DMV for nearly three decades each and the certificates have not been retained in their OPF. The DMV has begun the establishment of Accounts Receivable for any overpayments to the impacted employees.

FINDING NO 17: INCORRECT AUTHORIZATION OF OUT-OF-CLASS PAY.

Response

The DMV recognizes that of the 21 Out-Of-Class (OOC) assignments reviewed, nine errors were found. These errors were not found prior to keying into the SCO system and staff have received additional training. The DMV has begun the establishment of Accounts Receivable for any overpayments to the impacted employees.

FINDING NO. 19: ADMINISTRATIVE TIME OFF WAS NOT PROPERLY DOCUMENTED.

Response

The DMV understands that of the 45 Administrative Time-Off (ATO) authorizations reviewed, one authorization did not document a justification for the ATO usage, two authorizations did not document the request or approval of the ATO usage, and one authorization did not include the accompanying timesheet. As an essential state employer with approximately 10,000 employees in over 200 offices across California, the DMV had to allow front-line and second-line managers to approve the COVID-19 pandemic ATO which contributed to the missing substantiation. HRB also received unprecedented levels of ATO authorizations (approximately 8,000) due to the federal and state FFCRA benefits allowed at the time. The DMV is currently implementing an electronic timekeeping system which will automate the request, approval, and documentation of ATO requests in the future.

FINDING NO. 20: DEPARTMENT HAS NOT IMPLEMENTED A MONTHLY INTERNAL AUDIT PROCESS TO VERIFY ALL LEAVE INPUT IS KEYED ACCURATELY AND TIMELY.

Response

The DMV acknowledges that during the review period there was no clear monthly audit process to verify all timesheets have been reviewed and corrected if necessary. The lack of this audit process led to three employees retaining prior leave balances despite having used leave credits. The DMV has had a high turnover with the staff assigned to complete this task which unfortunately led to the non-compliance found in this area. The DMV is currently implementing an electronic timekeeping system which will automate the request, approval, and review of leave requests in the future.

FINDING NO. 21: DEPARTMENT DID NOT RETAIN EMPLOYEE TIME AND ATTENDANCE RECORDS.

Response

The DMV agrees that of the 84 employees reviewed during the November 2021 pay period, six timesheets were not retained. Due to the sudden change from paper files to electronic files because of the COVID-19 pandemic and the consequent virtual work environment for employees, unfortunately some documents were not filed correctly. The DMV is currently implementing an electronic timekeeping system which will automate the request, approval, and retention of time and attendance records in the future.

FINDING NO. 22: INCORRECT APPLICATION OF STATE SERVICE AND LEAVE TRANSACTIONS.

Response

The DMV understands that of the 50 state service and leave transactions reviewed, seven errors were found. The DMV comprehends the importance of ensuring the correct state service and leave balances are up to date for all employees. The DMV is currently implementing an electronic timekeeping system which will automate the request and application of leave requests in the future.

FINDING NO. 25: PERFORMANCE APPRAISALS WERE NOT PROVIDED TO ALL EMPLOYEES

Response

The DMV agrees that annual performance appraisals were not provided to 141 of the 160 employees reviewed. The DMV recognizes that managers and supervisors are responsible for providing timely performance appraisals to their employees to ensure conformity with the applicable regulations. The DMV is actively working to put stronger processes in place to ensure compliance in this area going forward. Additionally, the department is exploring the use of automation to assist with this effort.

Conclusion

The DMV would like to thank SPB for undertaking the 2022 DMV Compliance Review. The DMV regards the audit process with a high degree of respect and views these reports as a productive, collaborative learning experience with the SPB to adjust as necessary to ensure compliance. The DMV strives to be in full compliance with established requirements, training, tracking systems, best practices, and reminders.

Should you have any questions or need additional information, please contact me via email at kathleen.chaussee@dmv.ca.gov or Shawn Ramirez, HRB Operations Section Manager at shawn.ramirez@dmv.ca.gov.

Sincerely,

Kathleen E. Chaussee

Kathleen E. Chaussee, Chief, HRB
Administrative Services Division
DMV

cc: Robbie Crockett, Deputy Director, Administrative Services Division
Gini Corbitt, Chief of Audits, Executive Division